

Meeting

NORTH WALES ECONOMIC AMBITION BOARD

Date and Time

10.00 am, FRIDAY, 21ST JULY, 2023

Location

Virtual Meeting - Zoom

(For public access to the meeting, please contact us)

Contact Point

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(DISTRIBUTED 14/07/23)

NORTH WALES ECONOMIC AMBITION BOARD

MEMBERSHIP OF THE JOINT COMMITTEE

Voting Members

Councillors

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

Advisers - Non-voting

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

Chief Officers - Non-voting

Dylan Williams Rhun ap Gareth Neal Cockerton Dafydd Gibbard Ian Bancroft Graham Boase Isle of Anglesey County Council Conwy County Borough Council Flintshire County Council Cyngor Gwynedd Wrexham County Borough Council Denbighshire County Council

Officers in Attendance

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

AGENDA

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 - 7

The Chair shall propose that the minutes of the meeting held on 16th June, 2023 be signed as a true record.

5. NORTH WALES GROWTH DEAL - QUARTER 1 PERFORMANCE 8 - 34 AND RISK REPORT

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

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

35 - 75

Dewi A.Morgan, Host Authority Head of Finance (Statutory Finance Officer) and Sian Pugh, Host Authority Assistant Head of Finance, to present the report.

7. EXCLUSION OF PRESS AND PUBLIC

The Chair shall propose that the press and public 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 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 report deals specifically with financial and business matter and related discussions. Publication of such commercially sensitive information could adversely affect the interests of the applicants and undermine the confidence of others in sharing sensitive information for consideration. This would be contrary to the wider public interest of securing the best overall outcome. For those reasons, the matter should be exempt in the public interest.

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

Alwen Williams, Portfolio Director and Hedd Vaughan Evans, Head of Operations to present the report (which has been circulated to Board Members only).

NORTH WALES ECONOMIC AMBITION BOARD 16/06/23

Present:

<u>Voting Members</u> - Councillors:- Jason McLellan (Denbighshire Council), Llinos Medi Huws (Isle of Anglesey County Council), Mark Pritchard (Wrexham County Borough Council), Ian Roberts (Flintshire Council), Charlie McCoubrey (Conwy County Borough Council) and Dyfrig Siencyn (Cyngor Gwynedd) (Chair).

<u>Advisors</u> – Dr Maria Hinfelaar (Wrexham University), Askar Sheibani (Business Delivery Board) and Edmund Burke (Bangor University).

<u>Chief Officers</u> - Dylan Williams (Isle of Anglesey County Council), Sarah Ecob (Conwy County Borough Council), Neal Cockerton (Flintshire Council), Dafydd Gibbard (Cyngor Gwynedd) and Richard Weigh (Wrexham County Borough Council).

<u>Officers in attendance</u> - Dewi Morgan (Statutory Finance Officer - Host Authority), Iwan Evans (Monitoring Officer - Host Authority), Alwen Williams (Portfolio Director), Hedd Vaughan-EVans (Head of Operations), Nia Medi Williams (Senior Operations Officer), David Matthews (Land and Property Programme Manager), Robyn Lovelock (Growth Deal Programme Manager) and Eirian Roberts (Democracy Services Officer - Host Authority)

Observers - Dewi Williams (Welsh Government) and Gareth Ashman (UK Government)

1. CHAIR

RESOLVED to elect Councillor Dyfrig Siencyn as Chair for 2023/24.

2. VICE-CHAIR

RESOLVED to elect Councillor Mark Pritchard as Vice-chair for 2023/2024.

3. APOLOGIES

Apologies were received from Dafydd Evans (Grŵp Llandrillo Menai), Rhun ap Gareth (Conwy County Borough Council), with Sarah Ecob delegating for him, Ian Bancroft (Wrexham County Borough Council) with Richard Weigh delegating for him, and Graham Boase (Denbighshire Council).

The Chairman welcomed the deputies to the meeting.

4. DECLARATION OF PERSONAL INTEREST

No declarations of personal interest were received.

5. URGENT ITEMS

No urgent matters were raised.

6. MINUTES OF THE PREVIOUS MEETING

The Chair signed the minutes of the previous meeting, held on 24 March 2023, as a true record, subject to correcting two references to '*Common Prosperity Fund*' in the English version of item 8 (Portfolio Management Office Resourcing) to read '*Shared Prosperity Fund*'.

7. ANNUAL REPORT 2022/23

Alwen Williams, Portfolio Director, set out the context, noting:-

- That the purpose of the Annual Review was to inform stakeholders and the wider public regarding the current position of the North Wales Growth Deal, and the progress made during the past year, in a more accessible way at the end of the financial year, compared to the more scheduled way of providing quarterly updates.
- That it had been a fairly challenging year, with many changes to some of the projects and the Portfolio in its entirety, but that this had led us to further opportunities over the course of the current year, and for coming years.

Hedd Vaughan-Evans (Head of Operations) the presented a series of slides outlining the highlights of the year.

RESOLVED

- 1. To note the Annual Report for 2022-23.
- 2. To approve the submission of the Annual Report for 2022-23 to Welsh Government and UK Government as well as the local authority scrutiny committees.

REASONS FOR THE DECISION

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

DISCUSSION

The Portfolio Director and the team were thanked for their hard work behind the scenes. It was noted that it had not been an easy year, but satisfaction with the pace of the work was expressed, as well as a hope that the projects would start to come to fruition very shortly.

The report was praised, and it was noted that it was impossible to express in words the challenges faced over the course of the past year in terms of maturing the projects. Nevertheless, it was suggested that this had been one of the best years in terms of progress, although maybe not everyone saw that, and it was emphasised that the report needed to be presented in a positive light, with the real challenges explained. The Ambition North Wales team and the external organisations and everyone who had contributed to the success of this year were thanked.

It was noted that one of the biggest challenges faced was bureaucracy, which held projects back, and it was suggested that if there was more autonomy within the Portfolio Management Office, that some decisions could be made sooner, in close collaboration with the Business Delivery Board. It was further noted that there were excellent projects that were much broader than the Growth Deal happening in North Wales, which had the potential of transforming the region if the bureaucracy from Welsh Government partly, and UK Government and also possibly local authorities, could be removed.

The Chair noted that this was an important message for the private sector to send to the Governments and local government, and he thanked Askar Sheibani and members of the Business Delivery Board for their perseverance as they faced the bureaucracy that this Board also faced, and for their work supporting the work of the Ambition Board.

The meeting commenced at 10.00 am and concluded at 10.25 am

CHAIR





REPORT TO THE NORTH WALES ECONOMIC AMBITION BOARD 21st July 2023

TITLE: North Wales Growth Deal – Quarter 1 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 1 (April to June) 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 1 Performance Report and updated Portfolio Risk Register.
- 2.2. That the Board approves the submission of the Quarter 1 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 1 Performance Report
 - Portfolio Risk Register June 2023
- 4.4. North Wales Growth Deal Quarter 1 Performance Report
- 4.4.1. The Quarter 1 performance report provides an overview of progress on the Growth Deal programmes and projects.

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- 4.4.2. This quarter saw 26 project proposals submitted as part of the process to select new projects to join the Growth Deal. From the initial 26 applications, a final shortlist of projects were identified following a rigorous assessment. The shortlisted projects were invited to provide further information and to present their proposals. The final recommendation will be presented to the Board for final selection in July.
- 4.4.3. June saw the launch of the Hydrogen Hub Challenge, this process will identify an industry partner to work with Ambition North Wales to deliver a Hydrogen Hub in the region. £11.2million of capital is available to enable industry demand for hydrogen. The application window closes on the 11th of September.
- 4.4.4. The Holyhead Gateway project's Outline Business Case underwent a Gateway 2 Review, receiving an amber delivery confidence rating. This rating indicates that while successful delivery of the project seems feasible, there are significant issues that require immediate attention. The most pressing issue is the Harbour Revision Order, which is currently pending approval from Welsh Ministers. Addressing this matter promptly is essential to maintaining progress on the project.
- 4.4.5. Grŵp Llandrillo Menai signed a memorandum of Understanding with the Advanced Manufacturing Research Centre (AMRC) and will look to establish a base at the Glynllifon Rural Economy Hub to support SMEs with automation efficiency and productivity.
- 4.4.6. Ambition North Wales launched the process to procure a fund manager for the Smart Local Energy project on Sell2Wales.
- 4.4.7. The Quarter 1 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:
 - Western Gateway, Wrexham a review of the project is required to assess its delivery considering the recommendations from the Road Review Panel and Welsh Governments four tests for highways investment.
 - Glynllifon Rural Economy Hub planning permission is yet to be secured. The preplanning advised that further bat surveys are needed on land outside of the Glynllifon boundary. Further survey work is underway as requested by Natural Resources Wales and CADW.
 - Centre for Environmental Biotechnology project development paused due to match funding issue and change of location for the project.

4.5. <u>Portfolio Risk Register – June 2023</u>

- 4.5.1. The Portfolio Risk Register is updated on a regular basis by the Portfolio Management Office and reviewed by the Portfolio Board 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, the risk profile does remain high with a number of red residual risks including capacity, delay, affordability, public and private sector investment, consenting and spending objectives. The risk on affordability has reduced due to the establishment of the portfolio delivery fund to support projects at post-OBC stage with cost increases, but remains high.

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 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 1 Performance Report
Appendix 2	Portfolio Risk Register – June 2023

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):

"I am satisfied that the report is a true and fair reflection of the financial situation of Ambition North Wales."



North Wales Growth Deal

2023-24 Quarter 1 (April – June 2023) Performance Report





UK Government Llywodraeth y DU Ofloo fe Sectery of State for Wales Swyddh Ngrhenydd Gwadd Cymru

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1. Portfolio Director Summary

During the last quarter, we received an impressive total of twenty-six project proposals as part of the Growth Deal's call for new projects. Over past months, the proposals have been rigorously assessing these applications to identify those that demonstrate how they can support our economy to thrive, create new jobs and deliver investment into North Wales.

A shortlist of the six top contenders has been derived from which our board will select the ultimate winners. Each chosen project will be given an opportunity to become part of the Growth Deal, receiving a portion of the £30 million capital funding available.

In June we launched our search for an industry partner to work with us to deliver a Green Hydrogen Hub for North Wales, with up to £11.2million of capital available to erable industry demand for hydrogen. The launch of this Hydrogen Sponsor Challenge followed a pre-launch event, in April, to inform industry and government about the proposed competition and a further consultation period during May. This is a great step forward for the Low-Carbon Energy Programme and we look forward to announcing further detail in due course. The application window closes on the 11th September.

The Holyhead Gateway project's Outline Business Case underwent its Gateway Two Review in June, receiving an amber delivery confidence rating. This rating indicates that while successful delivery of the project seems feasible, there are significant issues that require immediate attention.

The review report highlighted ten critical recommendations to ensure the project's successful progress. Among these, an urgent call to action was made regarding the Harbour Revision Order, which is currently pending approval from Welsh Ministers. Addressing this matter promptly is essential to maintaining the progress and integrity of the project.

Grwp Llandrillo Menai has signed a memorandum of Understanding with the Advanced Manufacturing Research Centre (AMRC) and will look to establish a base at the Glynllifon Rural Economy Hub to support SMEs with automation efficiency and productivity.



Finally, we have launched the process to procure a fund manager for the Smart Local Energy project, details of which can be found on Sell2Wales

Alwen Williams, Portfolio Director

2. Portfolio Performance

RAG Status	Commentary
	The Portfolio Business Case 2022 update was approved by the Board in October and has been submitted to Welsh Government and UK
	Government as part of the annual award of funding process. Work to update the 2023 Portfolio Business Case will commence in July following the decision on replacement projects by the Economic Ambition Board.
Delivery Pipeline Projects are currently assessed against the 2022 Portfolio Business Case. As noted in the report there are a number of a	
	these delays is ongoing and a Portfolio Delivery Fund has been established for 2023-24 to help mature projects into delivery this year. A revised profile will be produced as part of the Portfolio Business Case update for 2023.
	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.
	The third annual Growth Deal assurance review (Programme Assurance Review) was completed in September 2022 with the report delivering an
	'Amber' confidence rating for the portfolio. The next review will take place in autumn 2023.
	The Portfolio Management Office has been reduced in size by 2.5 FTE over the past quarter. Fixed term contracts in the team have been extended
	to March 2025 reducing the risk of staff leaving in the short term.
	A total of £2,28m Growth Deal funding has been spent to date, £1.8m of that on the Digital Signal Processing Centre. During Quarter 1£73k of the
	Growth Deal grant has been spent.
	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.
	Portfolio-level risks regarding consents and delay remain high due to project-level issues. Affordability remains a high risk due to ongoing inflation,
	supply chain issues and construction cost increases. The risk around capacity has reduced slightly due to the extension of fixed term contracts
	related to Growth Deal delivery but remains high
	The benefits realisation, monitoring and evaluation framework has been completed and uploaded into a new reporting system with final testing
	underway before full launch. Indicator definitions have been finalised, subject to review by government. The first phase of user training for the
	reporting system has been completed.
	We launched the Hydrogen Sponsor Challenge with up to £11.2 million of capital to deliver a hydrogen hub in the region, which included an April event
	with keynote speeches from Minister Vaughan Gething and James Davies MP. This quarter also saw the launch of our new newsletter, and we
	achieved a reach of 630k, almost 1000 social media interactions and digital mentions and over 10k visits to the website.
	RAG Status Image: Constraint of the second state of the secon

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

3. Digital Programme Performance

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	380	£158m	£41.7m
sites and underpin a flourishing innovation ecosystem.			

RAG Status	Programme Manager Commentar	/						
	Most items of the second phase of t	he DSP project's procurement have now been delivered. The quarter	has seen new roles advertised, including a graduate role. A					
	commercialisation strategy to increase industry collaboration has also been developed, with a major Bangor led broadband project due to start in Q2.							
	• The Last Few % project's procurem	ent preparation has progressed with support from UK government's [Department for Science, Innovation and Technology. Risk remain					
	on affordability and potential impac	ts need to be understood following the recently announced delay to	UK government's gigabit broadband investment in the region.					
	Business cases have been submitte	d to the project board and PMO for the Connected Key Sites and Cor	ridors and Connected Campuses projects					
Page	• A bid to the regional Shared Prospe	ity Fund has been submitted, including funding for workstreams whic	h support the Programme's spending objectives.					
15								
	Mark Pritchard Lead Member	Rebeccah Lowry Senior Responsible Owner	Stuart Whitfield Programme Manager					





3. Digital Programme Performance

Project	Project Stage	Key Milestones	Key Milestones	RAG	RAG Rationale
(Project Sponsor)		(this quarter)	(next quarter)	Status	
Digital Signal Processing Centre Bangor University	Delivery	 All year 2 items now delivered bar one item. Two new positions have been advertised and an 18-month graduate engineering role has been created. 	 Final item from second year procurement to be delivered A DSP Centre led broadband project is due to start 		 Procurement of second phase of equipment has been successful Commercialisation strategy has been further developed to increase industry collaborations Project on track against delivery profile
Connecting the Last Few % Economic Ambition Board	Developing the Full Business Case	 Procurement documents and contract completed Final scope of premises defined with UK DSIT support 	 Subsidy control arrangements finalised Procurement starts 		 Procurement documentation completed. Project scope has been significantly refined to reduce affordability risk which remains until procurement concluded Recently confirmed delay to UK investment programme in the region presents potential risk to supplier interest Funding request for supporting activity submitted to regional SPF programme Risk of 1-4 month delay to target FBC approval and start on site date
Connected Key Sites and Corridors Economic Ambition Board	Developing the Outline Business Case	 Strategic Outline Cases approved by project board Work started on Outline Business Case 	 Outline Business Case submitted for approval Market engagement activity 		 Preferred option identified in SOC shortlist Market interest remains low risk subject to testing in Q2 Inflation risk to affordability being monitored On track for OBC approval by November 2024
Connected Campuses Economic Ambition Board	Developing the Strategic Outline Business Case	 Business Justification Case approved by board for LPWAN workstream Strategic Outline Case for Advanced Wireless workstream close to completion 	 Outline Business Case submitted Market engagement activity 		 One workstream in the project has a completed business justification case Remaining workstream due to produce SOC early in Q2 and on track for OBC approval by March 2024 Market interest remains low risk subject to testing in Q2 Inflation risk to affordability being monitored Funding request for supporting activities submitted to regional SPF programme

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

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	980	£530m	£668.5m
chain investment.			

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Cllr Llinos Medi Lead Member



Dylan Williams Senior Responsible Owner



Henry Aron Programme Manager

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

4. Low Carbon Energy Programme Performance

Project	Project Stage	Key Milestones	Key Milestones	RAG	RAG Rationale
(Project Sponsor)		(this quarter)	(next quarter)	Status	
Cydnerth (Morlais) Menter Môn	Developing the Outline Business Case	 WEFO-funded capital works on the Morlais infrastructure project continuing to budget and to schedule. Continued development of the revised Outline Business Case and discussions with potential investors Tidal developers submitted bids for Contracts for Difference Auction Round 5 	 Secure investor to fund the additional costs of the Cydnerth project Submission and review of the Outline Business Case Gateway 2 Review 		 Rating revised from green to amber due to increased project costs and delay to target Outline Business Case approval from July to October and 3-6 month delay to start on site date.
Hydrogen Hub Economic Ambition Board	Developing the Strategic Outline Business Case	 Pre-launch briefing event for Hydrogen Sponsor Challenge and consultation with industry and government on the proposed competition Launch of the Hydrogen Sponsor Challenge 	Delivery of the Hydrogen Sponsor Challenge competitive process		 Amber rating reflects the risk that the timeline for project delivery after the Hydrogen Sponsor Challenge is unclear at this stage
Egni Bangor University Page 18	Developing the Outline Business Case	 New governance arrangements in place for the project The outline business case that was endorsed by the Programme Board in February 2023 has been updated by Bangor University with changes to the scope, cost and timeline. Given the proposed delay, the Portfolio Board supported the PMO's recommendation that the outline business case approval be postponed to Q3 23/24. 	 Procurement of professional team to develop the project Progression through RIBA stages ahead of main contractor procurement during Q4 23/24. Outline Business Case approval scheduled for Q3 23/24 		• Amber status reflects the improved governance and project management arrangements and the 13-16 delay to start on site dateAmber status due to the delay of up to 13 months to the project delivery timeline
Smart Local Energy Economic Ambition Board	Developing the Full Business Case	 Welsh Government approval of assurance process Early market engagement with potential fund advisors 31 Ten have been procured to support FBC development and provide input to the evaluation of fund advisor tenders With support from consultants 31Ten, the PMO have prepared a draft scope of works for procuring a fund advisor and launched the procurement process 	 Conclude procurement of a fund adviser Develop Fund Strategy Prepare of the Full Business Case for approval during Q3 23/24 		 On schedule for FBC approval by December 2023 and no significant issues to report. Amber rating reflects the fact that the project received an amber Gateway Review rating
Trawsfynydd Cwmni Egino	Developing the Strategic Outline Business Case	 Business Proposition finalised and distributed to government and key stakeholders. The estimated cost of reaching final investment decision is now £250m which has been revised down from earlier estimates Company brochure produced and distributed to stakeholders 2023-24 remit letter and funding letter remains with Welsh Government Minister for consideration 	 Outline Business Case. UK Government and Great British Nuclear progressing site and technology selection for new nuclear projects 		 Amber rating reflects uncertainty regarding project delivery timeline and the potential for further delays

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	2280	£1.29bn	£355.4m
ensuring the right land and property infrastructure is available.			

RAG Status	Programme Manager Commentary
	Warren Hall, Broughton - Welsh Government, Flintshire County Council and Ambition North Wales met in June and agreed that the four tests included within the
	Governments response to the Road Review Panel recommendations had been met and the project development could now proceed. Welsh Government are appointing
	a consultant to review the impact of the Airfield Safety Case on the site.
	• Western Gateway, Wrexham - recommendations of the Welsh Government Road Review Panel in relation to the site are being considered by the Council and the ability
P	to deliver the project is being assessed in light of the decision not to proceed with the junction upgrades on the A483
Page	• Former North Wales Hospital, Denbigh - Ambition North Wales, Denbighshire County Council and Jones Bros and their consultants Avison Young are now in the process of
<u>حـ</u>	moving the project to delivery following the decision to provide additional funding from the Growth Deal with dialogue on costs, consenting and the revised business case.
9	• Holyhead Gateway - Holyhead Port expansion project had a Gateway 2 Review in June and was assessed as amber ** with one blocker and a number of critical and
	essential recommendations. The Review report has been accepted by Stena and Ambition North Wales have escalated the Harbour Revision Order blocker to Welsh
	Government Ministers as a 'black' risk with serious implications for the project. The Review report has been accepted by Stena and Ambition North Wales have escalated
	the Harbour Revision Order blocker to Welsh Government Ministers as a 'black' risk with serious implications for the project. [{In
	• Parc Bryn Cegin, Bangor - The tender brief for the appointment of the professional team of consultants has been returned and the responses are currently being
	reviewed.



Cllr Jason McLellan Lead Member



Andrew Farrow Senior Responsible Owner



David Mathews 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)

5. Land and Property Programme Performance

Project	Project Stage	Key Milestones	Key Milestones	RAG	RAG Rationale
(Project Sponsor)		(this quarter)	(next quarter)	Status	
Western Gateway, Wrexham Wrexham County Borough Council	Developing the Strategic Outline Business Case	 The Council is to review the project to assess its delivery considering the recommendations from the Road Review and Welsh Governments four tests for highways investment. Dwr Cymru are proceeding with their review of discharge flows for phosphates from their treatment plants. 	 An agreed approach with the Council and Ambition North Wales as to the project delivery considering master planning and delivery timelines due to road review decision. Dwr Cymru, to confirm licensed discharge levels at Treatment Plants for Phosphates and which plants requirement investment and which have adequate capacity for current discharge levels. 		 The project risk rating has moved to red whilst the review of the projects ability to meet the Governments tests for highway investment is undertaken.
Warren Hall, Broughton Weigh Government / Economic Ambition Bard C	Developing the Strategic Outline Business Case	 Welsh Government, Flintshire and Ambition North Wales agreed that the project is able to proceed in accordance with Welsh Governments four tests for new highway works. Welsh Government to appoint a consultant to assess and mitigate the impact of the airfield safety case on the project site. 	 Welsh Governments consultants to provide their draft report on the impact and mitigation of the airfield safety case on the project site. 		 Project risk rating remains at amber as meeting the airfield safety case is still to be fully assessed.
Former North Wales Hospital, Denbighshire Jones Bros (Ruthin) Limited / Denbighshire County Council	Developing the Outline Business Case		 Complete the revision of the outline business case incorporating the Phased Development Scenario and procurement route Obtain subsidy support advice from external consultants. Bat house construction will not commence until after the Full Business Case is approved 		 Project risk rating moved to amber due to change in spend profile linked to bat house construction not now commencing until after the full business case has been approved.

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

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 Outline Business Case	 Welsh Government's tender brief to appoint the professional team closed and the tenders are being scored. 	 Welsh Government to appoint consultancy team to design and develop the project. 		Change in spend profile due to procurement process taking longer than originally scoped. Not material in delivery of the project and p cost increase risk due to delay mitigated. Green risk rating retained for the project.
Holyhead Gateway Stena Line Ports Limited Page 21	Developing the Outline Business Case	 Gateway 2 Review for the Outline Business Case reported an amber confidence assessment but with 10 critical recommendations. These are being addressed by Stena and Ambition North Wales. The Board has written to Welsh Ministers expressing their concern about the delay in the approval of the Harbour Revision Order. 	 Completing the draft Outline Business Case for the delivery of the port capacity enhancement works Harbour Revision Order decision is expected this quarter Subsidy support advice from Pinsent Masons 		 Risk rating retained at amber but Gateway 2 review report detailed critical and essential issues which need addressing by Stena / Welsh Government / Ambition North Wales.

Delivering to Pla	with no issues to address	Delivery sligł	tly behind schedule and/or minor/moderate	Delivery significantly behind schedule and/or significant issues to
(no action requir	ed)	issues to ad	lress (management action in place)	address (urgent action required)



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	380	£281m	£41.3m
opportunities for employment and prosperity through our environment and landscape.	300	LEOITT	L41.5111

RAG Status	Programme Manager Commentary							
	• Tourism Talent Network - Grŵp Llandrillo Menai are finalising the draft of their Outline Business Case (OBC) incorporating feedback from the Portfolio Management Office							
	(PMO) and Gateway Reviews. Working through complex spoke procurement details has led to a slight delay (1-2 months) with the project now working towards consideration							
	of the final Outline Business Case by the Economic Ambition Board in September 2023.							
	Glynllifon Rural Economy Hub - Project focus has been on management of the additional surveys requested by Natural Resource Wales and CADW, working towards							
_	approval of the Full Business Case in early 2024. Grŵp Llandrillo Menai have signed a Memorandum of Understanding with Advanced Manufacturing Research Centre							
Pag	(AMRC) Cymru confirming an agreement for AMRC to have a base at the Hub to support regional SME's with automation, efficiency and productivity							
e e								
22								



Cllr Charlie McCoubrey Lead Member



Sioned Williams Senior Responsible Owne



Robyn Lovelock Programme Manager

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



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	 Further survey work underway as requested by Natural Resource Wales and CADW Work with the PMO to confirm a revised timeline for drafting and reviewing the Full Business Case working towards approval in early 2024 Memorandum of Understanding signed with Advanced Manufacturing Research Centre (AMRC) to have a base at GREH to support the SME's with automation, efficiency and productivity. 	 Continue further survey work Draft the Full Business Case Collaborate with Ambition North Wales to develop and begin implementation of a stakeholder communication plan 		 Rating remains red due to repeated project delays and as planning permission has yet to be secured
Tourism Talent Network Groe Llandrillo Menai	Developing the Outline Business Case	 Working to incorporate feedback on the draft Outline Business Case (OBC) incorporating feedback from the Portfolio Management Office (PMO) and Gateway Reviews Participation in the supported learning in carbon emissions training to consider how the project will reduce carbon emissions against Ambition North Wales targets 	 Finalise Outline Business Case (OBC) and relevant supporting documentation anticipating presentation to the Economic Ambition Board in September 2023 Work with PMO to develop project-specific funding agreement 		 Working through the detail of spoke procurement has led to a delay of 1-2 months shifting Time risk to Amber.

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

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	180	£114m	£39.5m
diverse economic base that supports the transition to a low carbon economy.			

RAG Status	Programme Manager Commentary		
	Enterprise Engineering and Optics Centr	${f e}$ - Wrexham University are preparing the Full Business Case for the pro	ject for consideration by the Economic Ambition Board in
	November 2023.		
	Centre for Environmental Biotechnology	- Bangor University have submitted their Business Justification Case to	the Portfolio Management Office for review, anticipating
σ	presentation to the Economic Ambition E	Board in December 2023.	
age			
le 24	Cllr Dyfrig Siencyn Lead Member	Paul Bevan Senior Responsible Owner	Robyn Lovelock Programme Manager
	elivering 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)





7. Innovation in High Value Manufacturing Programme Performance

Project	Project Stage	Key Milestones	Key Milestones	RAG	RAG Rationale
(Project Sponsor) Enterprise Engineering and Optics Centre Wrexham Glyndŵr University	Developing the Full Business Case	 (this quarter) Wynne Construction (North Wales based) have been appointed for phase one for the EEOC Design and Build phase of the project. They are mobilising their team and work has commenced on deliverables. A specialist M&E consultant has been appointed to do an updated scoping of the works required at OpTIC with a tender for the work due to be issued in late summer. Work on the full business case is continuing with the Portfolio Management Office reviewing the draft strategic case. 	 (next quarter) Commence workshops with Wynne construction. Draft the economic, commercial, financial and management cases for the full business case. Business engagement session in June. Project on track for Full Business Case consideration by the Economic Ambition Board in November 2023 and start-on-site in February 2024 	Status	 Main issues around cost and time have been resolved Expected start on site date delayed by up to 6 months
Centre for Environmental Biotechnology Boggor University	Developing the Business Justification Case	 Business Justification Case draft submitted for review by the Portfolio Management Office New internal governance now in place and new Project Senior Responsible Officer appointed - Michael Flanagan, Bangor University Chief Transformational Officer. Project Assurance Review planned for September 2023. 	 Submit application for planning permission for the Henfaes site Incorporate feedback from Portfolio Management Office Review ahead of Welsh Government Project Assurance Review in September. 		 Rating remains red due to repeated project delays and impact of change requests for matched funding and change of location upon Programme Spending Objectives

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

		Conser	nting Stage	9	Stage 1	Stage 2	Stage 3	Stage 4	Stage 5	Stage 6	Stage 7	Stage 8
Project	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 implementatio n and monitoring	Project Evaluation
Digital Signal Processing Centre		No plann	ing requir	ed	\bigotimes	\otimes	\odot	\otimes	\odot	\odot	Q	
Connected Key Sites and Corridors	Con	senting re	equiremer	nts TBC	\otimes	\odot						
Connected Campuses	Con	senting re	equiremer	nts TBC	\otimes	9						
Last Few %	Con	senting re	equiremer	nts TBC	\otimes	\otimes	\otimes	\otimes	Q			
Cydnerth (Morlais)	\odot	\odot	\odot	\odot	\otimes	\otimes	\odot					
Trawsfynydd Power Station	Con	senting re	equiremer	nts TBC	\otimes	\odot						
Egni	0				\otimes	\otimes	\odot					
Sm@ Local Energy	Con	senting re	equiremer	nts TBC	\otimes	\otimes	\odot	\otimes	\odot			
Hyd Ngen Hub & Transport Decarbonisation	Con	senting re	equiremer	nts TBC	\otimes	\otimes	Q					
Holyhead Gateway			o Order Sul ense gran	bmitted & ited	\otimes	\otimes	0					
Former North Wales Hospital	\odot	\odot	\odot	\odot	\bigotimes	\otimes	9					
Western Gateway, Wrexham	LD)P adopti	on outstar	nding	\bigotimes	\odot						
Warren Hall, Broughton	9				\bigotimes	\odot						
Parc Bryn Cegin, Bangor	0				\bigotimes	\otimes	9					
Glynllifon Rural Economy Hub	\bigcirc				\otimes	\otimes	\otimes	\otimes	Q			
Tourism Talent Network	Con	senting re	equiremer	nts TBC	\otimes	\otimes	\otimes	\odot				
Centre for Environmental Biotechnology	\bigcirc				\odot	\otimes	\odot					
Enterprise Engineering and Optics	\otimes	\odot	\odot	\odot	\otimes	\otimes	\otimes	\otimes	Q			

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

		2021	2022	2023	2024	2025	2026	2027	OBC	Start on Site	Project Completion
	Digital Signal Processing Centre								Complete	lon-22	Rhag-25
Digital Programme	Connected Key Sites and Corridors								Tach-23	Awst-24	Maw-26
Digital Programme	Connected Campuses								Maw-24	Rhag-24	Maw-26
	TheLastfew%								Complete	Rhag-23	Rhag-24
	Cydnerth (Morlais)								Gorff-23	Meh-24	Meh-26
	Egni								Maw-23	lon-24	Rhag-25
Low Carbon Energy	Trawsfynydd								Hyd-23	lon-25	Ebr-31
	Hydrogen Hub and Transport Decarbonisation								Ebr-24	Mai-25	Mai-30
	SmartLocalEnergy								Complete	lon-24	lon-29
	Holyhead Gateway, Anglesey								Gorff-23	lon-24	Medi-25
	Warren Hall, Flintshire								Maw-24	Maw-25	Maw-26
Land and Property	Former North Wales Hospital, Denbighshire								Gorff-23	lon-24	Rhag-24
σ	Parc Bryn Cegin, Gwynedd								Gorff-23	Mai-24	Chwef-25
ac	Western Gateway, Wrexham								Medi-24	Awst-25	Medi-26
Rhovation in High Value	Centre for Environmental Biotechnology								Gorff-23	lon-24	lon-25
Nonufac turing	Enterprise Engineering and Optics Centre								Complete	Chwef-24	Ebr-25
	Glynllifon Rural Economy Hub								Complete	Hyd-23	Rhag-24
Agrifood and Tourism	Tourism Talent Network								Medi-23	Ebr-24	lon-26

Business Case Development and Approval Phase (Approval of OBC pre procurement) Procurement and Project Delivery Phase (Includes approval of FBC post procurement) Start on Site Operational and Benefits Realisation Phase

The RAG status for each project is assessed against this profile from the 2022 Portfolio Business Case unless a new timeline has been approved by the NWEAB through a project business case or change request

10. Objective Tracker - Overview of delivery (December 2022)

		Portfolio	Business Case 2	020 Targets***	Арр	roved Project	Business Case	Targets		Differe	ence
		GVA (£M)	Jobs Created (net)	(£M) Total Investment*	080/ FBC**	GVA (EM)	Jobs Created (net)	(£M) Total Investment*	GVA (EM)	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
	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	OBC	122	174	106	+2	-6	0
	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
Page	Former North Wales Hospital, Denbigh	20	50	74	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Dе	Parc Bryn Cegin, Bangor	30	50	6	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Φ	Holyhead Gateway	545	930	80	n/a	n/a	n/a	n/a	n/a	n/a	n/a
A ood and Tourism	Glynllifon Rural Economy Hub	25	40	13	OBC	45	96	13	+20	+56	0
	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	Enterprise Engineering and Optics Centre	45	70	29.9	OBC	33	61	14.7	-12	-9	-15.2
Manufacturing	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 Toto	1	2,185	3,830	1,146	40BC + 1FBC	227	494	140.7	-48	-26	-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.

11. Growth Deal Grant Expenditure Profile - Capital Budget 2023/24

Programme	Project	Project Sponsor	2021/22 £m*	2022/23 £m*	3 2023/24 £m	2024/25 £m	2025/26 £m	2026/27 £m	2027/28 £m	2028/29 £m	2029/30 £m	2030/31 £m	2031/3 2	2032/33 £m	Total £m
	Digital Signal Processing Centre	Bangor University	0.12	1.66	0.39	0.79	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	2.96
Divited	Connecting the Last Few %	Economic Ambition Board	0.00	0.00	1.21	1.72	1.24	0.00	0.00	0.00	0.00	0.00	0.00	0.00	4.17
Digital	Connected Key Sites and Corridors	Economic Ambition Board	0.00	0.00	0.00	0.50	4.00	2.00	2.37	0.00	0.00	0.00	0.00	0.00	8.87
	Connected Campuses	Economic Ambition Board	0.00	0.00	0.00	3.94	10.10	4.93	1.71	0.00	0.00	0.00	0.00	0.00	20.68
	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 Decarbonisation	Economic Ambition Board	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	Egni	Bangor University	0.00	0.00	0.00	3.94	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	3.94
	Smart Local Energy	Economic Ambition Board	0.00	0.00	0.00	1.50	3.00	9.25	9.25	1.63	0.00	0.00	0.00	0.00	24.63
	Trawsfynydd Power Station	Cwmni Egino	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
	Western Gateway, Wrexham	Economic Ambition Board	0.00	0.00	0.00	0.00	7.19	1.77	0.00	0.00	0.00	0.00	0.00	0.00	8.96
	Warren Hall, Broughton	Economic Ambition Board	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
Land an d D roperty	Former North Wales Hospital, Denbigh	Economic Ambition Board	0.00	0.00	1.74	5.21	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	6.94
age	Parc Bryn Cegin, Bangor	Economic Ambition Board	0.00	0.00	0.00	5.91	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	5.91
	Holyhead Gateway	Stena line	0.00	0.00	4.17	15.51	14.79	0.00	0.00	0.00	0.00	0.00	0.00	0.00	34.47
N Agrifood (G)d	Glynllifon Rural Economy Hub	Grŵp Llandrillo Menai	0.00	0.00	0.00	7.20	4.62	0.00	0.00	0.00	0.00	0.00	0.00	0.00	11.82
Tourism	Tourism Talent Network	Grŵp Llandrillo Menai	0.00	0.00	0.00	0.00	4.43	0.00	0.00	0.00	0.00	0.00	0.00	0.00	4.43
Innovation in High	Enterprise Engineering and Optics Centre	Glyndwr University	0.00	0.00	1.62	6.93	3.00	O.17	0.00	0.00	0.00	0.00	0.00	0.00	11.55
Value Manufacturing	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
To be confirmed	Replacement project(s)	To be confirmed	0.00	0.00	0.00	4.70	4.70	4.70	4.75	4.75	4.74	0.00	0.00	0.00	28.34
										Portfoli	o Manage	ement Off	ice Cos	ts (2%)	4.80
														Total	240.00

* 2021/22 and 2022/23 profile is actual expenditure. Remaining profile is as forecast in the 2023/24 Capital Budget.

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

12. Growth Deal Projects: Capital Funding Allocation Profile

Programme	Project	Project Sponsor	Profile 23/24 (£m)	Actual YTD (£m)	Variance (£m)*	Rationale
	Digital Signal Processing Centre	Bangor University	0.39	0.00	-0.39	One claim is due for the DSP project
District	Connecting the Last Few %	North Wales Economic Ambition Board	1.21	0.00	-1.21	during the year.
Digital	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	
	Cydnerth (Morlais)	Menter Môn	0.00	0.00	0.00	No Full Business Cases have been
	Hydrogen Hub & Transport Decarbonisation	North Wales Economic Ambition Board	0.00	0.00	0.00	approved. Expenditure profile now aligned to 2022 Portfolio Business
ow Carbon Energy	Egni	Bangor University	0.00	0.00	0.00	Case update.
	Smart Local Energy	North Wales Economic Ambition Board	0.00	0.00	0.00	
	Trawsfynydd Power Station	Cwmni Egino	0.00	0.00	0.00	
	Western Gateway, Wrexham	North Wales Economic Ambition Board	0.00	0.00	0.00	No Full Business Cases have been
Pa	Warren Hall, Broughton	North Wales Economic Ambition Board	0.00	0.00	0.00	approved. Expenditure profile now aligned to 2022 Portfolio Business
and Property	Former North Wales Hospital, Denbigh	North Wales Economic Ambition Board	1.74	0.00	-1.74	Case update.
Φ	Parc Bryn Cegin, Bangor	North Wales Economic Ambition Board	0.00	0.00	0.00	
30	Holyhead Gateway	Stena line	4.17	0.00	-4.17	
	Glynllifon Rural Economy Hub	Grŵp Llandrillo Menai	0.00	0.00	0.00	No Full Business Cases have been
Agri-food and Tourism	Tourism Talent Network	Grŵp Llandrillo Menai	0.00	0.00	0.00	approved. Expenditure profile now aligned to 2022 Portfolio Business
	Enterprise Engineering and Optics Centre	Glyndwr University	1.62	0.00	-1.62	No Full Business Cases have been
nnovation in High Value Manufacturing	Centre for Environmental Biotechnology	Bangor University	1.25	0.00	-1.25	approved. Expenditure profile now aligned to 2022 Portfolio Business Case update.
		Portfolio Management Office Costs (2%)	0.87	0.076	-0.794	
		Total	11.25	0.076	-11.174	See above

* Variance is the difference between the planned profile (Portfolio Business Case 2022) and the Actual Year to Date (YTD) expenditure.

APPENDIX A - Growth Deal Projects Summary

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.
	Egni (Low Carbon Energy Centre of Excellence)	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.
Pa	Trawsfynydd	Cwmni Egino	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.
Langend Property 31	Western Gateway, Wrexham	Economic Ambition Board	Delivery of primary services to enable the site to be brought to the market for sale and development.
31	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.
	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.
	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	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.
Manufacturing	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.



Bwrdd Uchelgais Economaidd Gogledd Cymru North Wales Economic Ambition Board

NORTH WALES GROWTH DEAL PORTFOLIO RISK REGISTER

Risk ID	Economic Ambition Boar	Risk Name	Risk Owner	Description of the Risk	Current Risk R		Trend	Mitigating Actions	Action Due	Action owner	Residua Ratir		Trend	Status (Open /	Commentary	Date of last
R001	21/10/2020 Programme and	Capacity	Portfolio Director	If sufficient resources are not in place at	P I			NWEAB approval for fixed term contract extensions to March 2025.	Dates	PMO	P I	-		Closed)	Risk reviewed. No changes to gross	update
RUUT	Project Delivery	Сарасну		portfolio, programme and project level, there is a risk that this could impact on the successful delivery of the deal				Majority of PMO Team in place	Ongoing	РМО					or residual risk scores. PMO fixed term contracts extended to March 2025 following agreement with Government to increase top-slice to	
								PMO to utilise external technical support when necessary	Reviewed monthly	РМО					2%. Two PMO members of staff leaving their roles has resulted in no change to overall score	
								PMO supporting partners to ensure capacity for delivery and support recruitment activity	Reviewed monthly	PMO, Project Sponsors						
					4 5	20	\leftrightarrow	Backfill arrangements in place to manage the impact of part-time secondment of Portfolio Director to the Corporate Joint Committee	In place	РМО	4 4	16	\leftrightarrow	Open		27/06/2023
								SPF bid includes contribution towards some existing PMO costs	March 2023	PMO						
								Approval from both Governments to increase the top slice from to 2% and enabling PMO to draw down additional funding through Growth Deal budget and extend contracts to 2025	In place	РМО						
								Recruitment of Replacement Energy Programme Manager	June and July 2023	РМО						
R002	21/10/2020 Programme and Project Delivery	Delay	Portfolio Management Office	If there are delays to project delivery, there is a e risk this could have an impact on the realisation of benefits or could result in				Monthly highlight reports to Programme Board with escalation routes to NWEAB	Monthly	PMO					Risk reviewed. No changes to overall scores following confirmation that a series of projects are experiencing	
				projects not progressing.				Programme and project RAID logs in place to record risks and manage issues	Monthly	PMO, Project Sponsor					delays to the delivery profile as part of the Portfolio Business Case PMO working with sponsors at project and	
								Project business cases and implementation plans to clearly set out risks to project delivery and mitigations. PMO working with sponsors to identify opportunities to minimise delay and where delay is unavoidable minimise impact		Project Sponsor					programme to identify opportunities to minimise delay and where delay is unavoidable minimise impact	
					5 5	25	\leftrightarrow	Quarterly reports to the NWEAB and Portfolio Board	Quarterly	Project Sponsor	54	20	\leftrightarrow	Open		27/06/2023
								Project timetables reviewed as part of the 2022 Portfolio Business Case	In place	РМО						
								Project Delivery Fund approved by the NWEAB with change requests approved in Feb 2023	Feb 2023	PMO, Project sponsor						
σ								PMO working with sponsors at project-level to identify opportunities to minimise delay and where delay is unavoidable minimise impact	In place	PMO, Project Sponsors						
Page	21/10/2020 Financial	Affordability	Portfolio Management Office	Ib 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					Risk reviewed and mitigating actions updated. Slight reduction in residual risk due to the portfolio delivery fund	
ζ. V								Robust performance, risk and financial reporting arrangements will be established for all projects	Monthly	РМО					has supported projects at post-OBC stage with cost increases. Risk remains high given inflationary	
U U								Once Project Business Cases are approved, any additional costs incurred will be the responsibility of the Project Sponsor and alternative funding options will be considered.	N/A	РМО					pressures	
					5 5	25	\leftrightarrow	Ongoing discussions with UK/WG on mitigation strategy for managing the risk of increasing costs	Monthly	РМО	4 4	16	•	Open		27/06/2023
								Portfolio Delivery Fund approved by the NWEAB and requests for funding approved in Feb 2023	In place	РМО						
								PMO engaging with sponsors at project level to identify mitigation for cost increases	r Monthly	PMO						
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				Position statement on Climate Change and Biodiversity adopted by the NWEAB.	N/A	NWEAB					Risk reviewed. No changes to gross or residual risk scores. Roll out of	
		blouversity		level assessments, there is a risk the portfolio could contribute towards the issues of climate change and biodiversity loss	4 3	12	\leftrightarrow	Project business cases to demonstrate delivery against the adopted NWEAB position.	N/A	PMO, Project SROs	3 3	9	↔	Open	methodology and associated training continues	27/06/2023
								Methodology on how to take account of carbon emissions and biodiversity loss within project business cases now published and shared with all projects	In place	РМО						
R007	21/10/2020 Financial	Private Sector Investme		If the private sector investment is not secured, there is a risk that projects will not be delivered				Continued engagement with Project Sponsors and private sector partners	N/A	PMO, Project SROs					Risk reviewed. No changes to gross or residual risk scores. Launch of	
				or delivered at reduced scale impacting on the benefits to the region.				Development of robust project business cases and contractual agreements for Growth Deal funding	N/A	PMO, Project SROs					process to identify replacement Growth Deal projects. Awaiting further detail from Cwmni Egino regarding the role of PSI in	
					4 5	20	\leftrightarrow	Delivery of project process for identifying replacement Growth Deal projects	July 2023	NWEAB, PMO	4 4	16	\leftrightarrow	Open	developing the Transfynydd Project which forms a significant portion of PSI target. Hydrogen Sponsor	27/06/2023
								Following PAR recommendation, an investment strategy has been developed with further work to be commissioned in early 2023	March 2023	РМО					Challenge launched with potential for good private investment levels.	
R008	21/10/2020 Financial	Public Sector Investmen		If the public sector investment is not secured, e there is a risk that projects will not be delivered or delivered at reduced caple impaction or the				All NWEAB partners have signed up to the Growth Deal and Governance Agreement 2.	Complete	NWEAB					Risk reviewed. No changes to gross or residual risk scores.	
				or delivered at reduced scale impacting on the benefits to the region.	4 4	16	\leftrightarrow	Development of robust project business cases and contractual agreements for Growth Deal funding	N/A	PMO, Project SROs	4 4	16	\leftrightarrow	Open		27/06/2023

1

Risk ID	Date Raised	Risk Category	Risk Name	Risk Owner	Description of the Risk	Current C Risk Rat	ting	Trend	Mitigating Actions	Action Due Dates	Action owner		sidua Ratii	-	Trend	Status (Open / Closed)	Commentary	Date of last update
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.				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 at project level Local authority phosphates strategies in place as part of Local Plan elements.	N/A	PMO, Project SROs PMO Local Authorities						Risk reviewed. No change. Risk remains high due to project-level consenting risks such as Holyhead Harbour Revision Order delays. Chair has written to Welsh Government regarding the Holyhead Harbour Revision Order. PMO continue to engage with sponsors to meaner explaint are efficiented as to	
						4 5	20	⇔	adoption. PMO delivered review of project consenting progress for each project and will incorporate into reports going forward Lessons learnt review to be delivered following project-level consenting delays	Summer 2023 In place	PMO PMO, Project sponsors Portfolio Director	4	5	20	↔	Open	manage project-specific risks at project and programme Board level	27/06/2023
									Chair and/or Portfolio Director to write to consenting authorities highlighting the impact of delayed decisions when individual project risks are escalated.	As required								
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.				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		PMO, Project SROs						Risk reviewed. No changes to gross or residual risk scores. PMO to report to Governments during regular Growth Deal meetings. To be	
						5 4	20	\leftrightarrow	Project review and change control process in place. Launch of process to identify replacement Growth Deal Projects	N/A July 2023	NWEAB, PMO	4	4	16	\leftrightarrow	Open	reviewed following conclusion of Growth Deal Replacement Project Process in July.	27/06/2023
									Following 2021 PAR recommendation, investment strategy has been developed	-	PMO						Process in July.	
R013	21/10/2020	Reputational and	Political Change	Portfolio Director	If stakeholders are not managed effectively,				Frequent engagement with UK, Welsh Government and local	N/A	NWEAB, PMO						Risk reviewed. No change to scores.	
		Social Impact			there is a risk that political change could impact support for the portfolio, programme and projects.				government politicians and officials. GA2 and Final Deal agreement to confirm commitments of all	Complete	NWEAB							
						4 4	16	\leftrightarrow	parties. New members to be briefed on the Growth Deal Portfolio following the change in leadership	Complete	РМО	2	4	8	\leftrightarrow	Open		13/04/2023
									Engagement with new UK Government Ministers	Ongoing	PMO							
R014	22/10/2020	Financial	Fraud	Portfolio Director	If appropriate processes are not put in place				Projects to have robust financial monitoring processes in place	N/A	РМО						Risk reviewed. No changes to gross	
P					and managed, there is a risk that the portfolio could be subject to fraudulent claims resulting in misuse of public funds				PMO to review claims submitted before passing them onto accountable body for payment	N/A	РМО						or residual risk scores.	
ao						4 4	16	\leftrightarrow	Code of conduct and conflicts of interest policy incorporated as part of Governance Agreement 2	Complete	Monitoring Officer	2	4	8	\leftrightarrow	Open		27/06/2023
lge 3;									Conflict of Interest Register maintained for all programmes, projects and advisory groups.	N/A	РМО							
6 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				Each programme and project will be responsible for benefits management through a Benefits Realisation Plan.	N/A	PMO, Programme and Project SROs						Risk reviewed. No changes to gross or residual risk scores.	
					case.				Monthly highlight reports to Programme Board to monitor benefits realisation	Monthly	PMO							
						4 4	16	\leftrightarrow	Procurement Principles adopted with focus on community benefits and social value	Complete	РМО	3	3	9	\leftrightarrow	Open		27/06/2023
									Benefits Realisation guidance developed and being disseminated to project sponsors for use in project business cases	N/A	РМО							
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 impacted and could result in				Integrated Assurance and Approval Plan (IAAP) agreed with Welsh and UK Government as part of Final Deal.		PMO						Risk reviewed. No changes to gross or residual risk scores.	
					suspension/postponement of government grant payments.	3 5	15	↔	Continued engagement with Welsh Government Assurance Hub to refine and update the Integrated Assurance and Approval Plan (IAAP)	Quarterly	РМО	2	4	8	\leftrightarrow	Open		27/06/2023
									PMO assurance lead to coordinate delivery of assurance in accordance with the IAAP	N/A	РМО							
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				NWEAB will utilise existing financial processes of Gwynedd Council as Host Authority	N/A	РМО						Risk reviewed. No changes to gross or residual risk scores.	
					delivery of the deal, draw-down of the funding grant and allocation of funds.					N/A	PMO, Project SRO							
						34	12	\leftrightarrow	Robust monthly performance, risk and financial reporting arrangements will be established for all projects	Monthly	PMO, Project SRO	2	3	6	\leftrightarrow	Open		27/06/2023
									Robust financial claims process established for the drawdown of funding	N/A	РМО							

Risk ID	Date Raised	Risk Category	Risk Name	Risk Owner	Description of the Risk	Risl	ent Gross Rating I Score	Trend	Mitigating Actions	Action Due Dates	Action owner	Residu Rat	ting	Trend	Status (Open / Closed)	Commentary	Date of last update
R018	01/10/2020	Financial	Revenue Funding	and Project	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		5 20	↔	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. Growth Deal top slice increased to 2%, allowing extension of FTAs to March 2025 SPF bid progressed to second stage	N/A	PMO PMO, Project SRO PMO, Project SRO PMO PMO, Portfolio Board PMO PMO	4 4		↔	Open	Risk reviewed. No changes to risk score. Risk remains high due to the SPF bid process being ongoing. However, the increase in top slice to 2% has allowed temporary contracts to be extended to March 2025	27/06/2023
R019		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		PMO PMO PMO Project Sponsors	3 4	12	↔	Open	Risk reviewed. No changes to gross or residual risk scores.	27/06/2023
R020		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	\leftrightarrow	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	Risk reviewed. No changes to gross or residual risk scores.	27/06/2023

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REPORT TO THE NORTH WALES ECONOMIC AMBITION BOARD 21/07/2023

Title: NWEAB's Statement of Accounts for 2022/23.

Author: Dewi A Morgan, Host Authority Head of Finance (Statutory Finance Officer) Sian Pugh, Host Authority Assistant Head of Finance

1. Purpose of the Report

- 1.1 This report introduces the statutory Statement of Accounts for the 2022/23 financial year, which provides details of the Joint Committee's financial activities during the year which ended on 31 March 2023.
- 2. Decision Sought
- 2.1 The Board is asked to accept and note the NWEAB's Draft Statement of Accounts (subject to audit) for 2022/23.

3. Reasons for the Decision

- 3.1 There is no statutory requirement for the Board to approve the draft Statement of Accounts of the Joint Committee, but we consider that the submission of the draft statement for information is good practice to follow.
- 3.2 The Board will need to approve the final version following receipt of the Audit Wales report, and the submission of the draft now is an opportunity for Board members to consider the content and ask financial officers about the content. This is an

opportunity for members to equip themselves with relevant information to consider relevant risks, and other issues that will be subject to audit, in their context.

4. Background and Relevant Considerations

- 4.1 A report on the Revenue and Capital out-turn position for 2022/23 was presented to the Board on 5 May 2023. That report was more useful for internal / management purposes, while the Statement of Accounts is more suited for external / governance purposes.
- 4.2 The draft accounts presented here are currently subject to audit by Audit Wales, and a final version following audit will be submitted for approval in a later meeting of the NWEAB.

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

Appendix 1 – NWEAB's Statement of Accounts for 2022/23.

STATUTORY OFFICERS' RESPONSE:

- Monitoring Officer Accountable Body:
 No observations to add in relation to propriety.
- ii. Statutory Finance Officer Accountable Body:

Author of this report.





Statement of Accounts 2022/23 – 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 I 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 Gwynedd, Anglesey, Conwy, Denbighshire, Wrexham and Flintshire councils. 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 £240 million into the North Wales economy as part of the Deal. A Portfolio Management Office has been established to deliver the Growth Deal and the full business case of the first project was approved in December 2021 and is now in its second year of delivery.

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

The NWEAB's accounts for the year 2022/23 are presented here on pages 7 to 36. The Statements of Accounts are prepared in accordance with CIPFA's Code of Practice on Local Authority Accounting in the United Kingdom 2022/23.

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 2023.
- **The Cash Flow Statement** This statement summarises the flow of cash to and from the Joint Committee during 2022/23 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 $\pounds I$ billion of investment to north Wales in order to generate over 4,000 new jobs and an increase in Gross Value Added (GVA) of $\pounds 2.4$ billion. The UK and Welsh governments have committed to jointly investing $\pounds 240$ 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 the future

North Wales Economic Ambition Board

The five programmes are:-

- Low Carbon Energy
- Agri-food and Tourism
- Innovation in High-Value Manufacturing
- Digital Connectivity
- Land and Property.

2022/23 Budget

The Joint Committee adopted its budget for 2022/23 at its meeting on 25 March 2022 and is available at: Agenda for North Wales Economic Ambition Board on Friday, 25th March, 2022, 1.30 pm (llyw.cymru)

A number of factors have contributed to the slippage of the North Wales Growth Deal's capital portfolio including the impact of Covid-19 on some sectors, cost inflation and planning and consent issues. The Joint Committee works closely with the Welsh Government and the UK Government on these issues.

2022/23 Performance

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

Agenda for North Wales Economic Ambition Board on Friday, 16th June, 2023, 10.00 am (Ilyw.cymru)

2022/23 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 £3,651k during 2022/23, with a net position of (£694k).
- The financial out-turn position for 2022/23 was reported to the Joint Committee at its meeting on 5 May 2023 and is available at:
 - Agenda for North Wales Economic Ambition Board on Friday, 5th May, 2023, 1.30 pm (Ilyw.cymru)
- 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	2,957	3,578	621
Financed by-			
Partners' Contributions	(921)	(873)	48
Grants, contributions and other income	(1,951)	(2,725)	(774)
Contribution from the General Fund	(85)	(128)	(43)
Net (Underspend)/Overspend	0	(148)	(148)

TABLE 2 -Transposition movement between <u>'Budget and Actual Comparison Summary</u>(Net)' (Table 1)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	3,578	(969)	2,609	1,042	3,65 I
Income	(3,726)	1,037	(2,689)	(1,656)	(4,345)
Net Cost of Services	(148)	68	(80)	(614)	(694)

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 :-

- £353k 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).
- £4,345k 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.
- Cost inflation is a risk for the North Wales Growth Deal's capital projects and the Joint Committee has allocated additional funding for the most mature projects to reduce this risk.

Capital Expenditure in 2022/23

Capital expenditure for 2022/23 amounted to $\pm 1.7m$. The following table gives an analysis of this expenditure and the way it was financed.

TABLE 3 - SUMMARY OF CAPITAL EXPENDITURE AND FINANCING

2021/22		2022/23
£'000		£'000
124	Projects	1,656
	TOJECIS	
124		1,656
	FINANCED BY -	
124	Grants and Contributions	١,656
124		1,656

The $\pounds 1,656k$ 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 $\pounds 2,372k$. These are detailed in the Balance Sheet, Movement in Reserves Statement and in Note 9.

Pension Fund

An assessment has been carried out by Gwynedd Pension Fund's Actuary, Hymans Robertson, of the Joint Committee's actuarial position. In order to comply with International Accounting Standard 19, the Joint Committee has shown a nil net liability as at 31 March 2023 on its Balance Sheet. 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 2022, with the next to be held 31 March 2025.

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 2022/23 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:

Sian Pugh or Assistant Head of Finance -Sustainability and Developments 01286 679134 Ffion Madog Evans Assistant Head of Finance -Accounting and Pensions 01286 679133

Finance Department Cyngor Gwynedd Council Offices Caernarfon Gwynedd LL55 ISH

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.

THE HEAD OF FINANCE'S RESPONSIBILITIES

Cyngor Gwynedd's 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 2023 and the Joint Committee's income and expenditure for the year then ended.

Dewi Aeron Morgan CPFA Head of Finance, Cyngor Gwynedd

7 July 2023

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.

1,384 289 1,673 Programme Management Office 1,504 (614) 890 141 0 141 Accountable Body Support Services 143 0 143 13 0 13 Joint Committee 20 0 20 226 124 350 Projects 493 1,656 2,149 651 0 651 Grant Schemes 449 0 449 (3,191) (124) (3,315) Income (2,689) (1,656) (4,345) (776) 289 (487) Cost of Services Financing and Investment Income and (761) 18 (743) (16) 3 (13) Expenditure (80) (614) (694) (779) Opening Balance (1,531) (761) 18 (743) (739) Opening Balance (1,531) (1,437) (792) (Surplus)/ Deficit in Year (841) (2,372)	بہ Net Expenditure O Chargeable to the General Fund	Adjustments between the 50 Funding and Accounting 70 Basis (Note 7)	به Net Expenditure in the G Comprehensive Income and Expenditure Statement		ہ Net Expenditure O Chargeable to the General Fund	Adjustments between the 50 Funding and Accounting 57 Basis (Note 7)	ہ Net Expenditure in the G Comprehensive Income and Expenditure Statement
141 0 141 Accountable Body Support Services 143 0 143 13 0 13 Joint Committee 20 0 20 226 124 350 Projects 493 1,656 2,149 651 0 651 Grant Schemes 449 0 449 (3,191) (124) (3,315) Income (2,689) (1,656) (4,345) (776) 289 (487) Cost of Services Financing and Investment Income and (80) (614) (694) (16) 3 (13) Expenditure (761) 18 (743) (779) 292 (500) Services (1,531) (1,437) (739) Opening Balance (1,531) (1,531) (841) (596) (1,437)				Programme Management Office			
13 0 13 Joint Committee 20 0 20 226 124 350 Projects 493 1,656 2,149 651 0 651 Grant Schemes 449 0 449 (3,191) (124) (3,315) Income (2,689) (1,656) (4,345) (776) 289 (487) Cost of Services (80) (614) (694) Financing and Investment Income and Expenditure (761) 18 (743) (16) 3 (13) Expenditure (841) (596) (1,437) (792) 292 (500) Opening Balance (1,531) (1,531) (841)						· · /	
226 124 350 Projects 493 1,656 2,149 651 0 651 Grant Schemes 449 0 449 (3,191) (124) (3,315) Income (2,689) (1,656) (4,345) (776) 289 (487) Cost of Services (80) (614) (694) (16) 3 (13) Expenditure (761) 18 (743) (792) 292 (500) Services (1,531) (1,437) (739) Opening Balance (1,531) (1,531) (841) (596) (1,437)	13	0	13	,	20	0	20
(3,191) (124) (3,315) Income (2,689) (1,656) (4,345) (776) 289 (487) Cost of Services Financing and Investment Income and (80) (614) (694) (16) 3 (13) Expenditure (Surplus)/ Deficit on Provision of (761) 18 (743) (792) 292 (500) Services (841) (596) (1,437) (739) Opening Balance (Surplus)/ Deficit in Year (1,531) (841) (841)	226	124	350	•	493	1,656	2,149
(776) 289 (487) Cost of Services Financing and Investment Income and (80) (614) (694) (16) 3 (13) Expenditure (761) 18 (743) (16) 3 (13) Expenditure (761) 18 (743) (792) 292 (500) Services (841) (596) (1,437) (739) Opening Balance (1,531) (1,531) (841) (841)	651	0	65 I	Grant Schemes	449	0	449
(16) 3 (13) Financing and Investment Income and Expenditure (16) 3 (13) (Surplus)/ Deficit on Provision of (761) 18 (792) 292 (500) (739) Opening Balance (1,531) (792) (Surplus)/ Deficit in Year (841)	(3,191)	(124)	(3,315)	Income	(2,689)	(1,656)	(4,345)
(16) 3 (13) Expenditure (761) 18 (743) (792) 292 (500) Services (841) (596) (1,437) (739) Opening Balance (1,531) (1,531) (841) (841)	(776)	289	(487)		(80)	(614)	(694)
(792) 292 (500) (Surplus)/ Deficit on Provision of Services (841) (596) (1,437) (739) Opening Balance (1,531) (1,531) (841) (841) (841)	(16)	3	(13)		(761)	18	(743)
(739) Opening Balance (1,531) (792) (Surplus)/ Deficit in Year (841)				(Surplus)/ Deficit on Provision of			, /_
(792) (Surplus)/ Deficit in Year (841)	(792)	292	(500)	Services	(841)	(596)	(1,437)
	(739)			Opening Balance	(1,531)		
(1,531) Closing Balance (2,372)	(792)			(Surplus)/ Deficit in Year	(841)		
	(1,531)			Closing Balance	(2,372)		

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.

Gross Expenditure	2021/22 Bross B	Net Expenditure		Note	Gross Expenditure	2022/23 ecosy u Source	Net Expenditure
£'000	£'000	£'000			£'000	£'000	£'000
١,673	0	1,673	Programme Management Office		890	0	890
141	0	141	Accountable Body Support Services		143	0	143
13	0	13	Joint Committee		20	0	20
350	0	350	Projects		2,149	0	2,149
651	0	651	Grant Schemes		449	0	449
0	(3,315)	(3,315)	Income		0	(4,345)	(4,345)
2,828	(3,315) (16)	(487) (13)	Cost of Services Financing and Investment Income and Expenditure	10	3,651 18	(4,345) (761)	(694) (743)
2,831	(3,331)	(500)	(Surplus) / Deficit on Provision of Services		3,669	(5,106)	(1,437)
		(200)	Remeasurement of the net pension defined benefit liability/(asset)	14.2			(353)
	-	(200)	Other Comprehensive Income and Expenditure				(353)
	-	(700)	Total Comprehensive Income and Expenditure			-	(1,790)

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.

	Movemen	t in Reserves S	Statement	
	Note	Total Usable Reserves	Unusable Reserves	Total Joint Committee's Reserves
		£'000	£'000	£'000
Balance 31 March 2021 carried forward	9	(739)	0	(739)
IAS 19 Opening Balance		0	891	891
Opening Balance April 2021		(739)	891	152
Movement in reserves during 2021/22				
(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		(792)	92	(700)
(Increase)/Decrease in 2021/22	9	(792)	92	(700)
Balance 31 March 2022 carried forward		(1,531)	983	(548)
Movement in reserves during 2022/23				
(Surplus)/Deficit on provision of services		(1,437)	0	(1,437)
Other Comprehensive Income and Expenditure		0	(353)	(353)
Total Comprehensive Income and Expenditure		(1,437)	(353)	(1,790)
Adjustments between accounting basis and funding basis under regulations	8	596	(596)	0
Net (Increase)/Decrease before Transfers to Earmarked Reserves		(841)	(949)	(1,790)
(Increase)/Decrease in 2022/23	9	(841)	(949)	(1,790)
Balance 31 March 2023 carried forward		(2,372)	34	(2,338)

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 2022 £'000		Note	31 March 2023 £'000
0	Long-term Debtors		Ι
0	Long-term Assets		I
21,253	Short-term Debtors	11	480
16,768	Cash and Cash Equivalents	12	56,980
38,021	Current Assets		57,460
(428)	Short-term Creditors	13	(517)
(29,000)	Capital and Revenue Grants Receipts in Advance	20	(11,400)
(29,428)	Current Liabilities		(11,917)
(942)	Pension Liability	24	0
(7,103)	Capital and revenue Grants Receipts in Advance	20	(43,206)
(8,045)	Long-term Liabilities		(43,206)
548	Net Assets		2,338
(1,531)	Usable Reserves	9	(2,372)
983	Unusable Reserves	14	34
(548)	Total Reserves		(2,338)

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.

2021/22 £'000		Note	2022/23 £'000
(500)	Net (Surplus) / Deficit on the Provision of Services		(1,437)
(137)	Adjustments to net surplus or deficit on the provision of services for non- cash movements	15a	(40,431)
(637)	Net cash flows from Operating Activities	-	(41,868)
124	Investing Activities	16	١,656
0	Financing Actitivies		0
(513)	Net (Increase)/Decrease in cash and cash equivalents	-	(40,212)
(16,255)	Cash and cash equivalents at the beginning of the reporting period	12	(16,768)
(16,768)	Cash and cash equivalents at the end of the reporting period	12	(56,980)

NOTES TO THE ACCOUNTS

NOTE I – ACCOUNTING POLICIES

I.I General Principles

The Statement of Accounts summarises the Joint Committee's transactions for the 2022/23 financial year and its position at the year-end of 31 March 2023. 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 2022/23*, supported by International Financial Reporting Standards (IFRS).

The accounting convention adopted in the Statement of Accounts is historical cost. 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

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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.

I.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.

I.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 4.75% 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.

I.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.

I.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 not material or 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.

I.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.

I.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.

I.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.

I.II 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.

I.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.

I.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.

I.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.

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NOTE 2 - CHANGE IN ACCOUNTING POLICY

The Joint Committee's existing accounting policies are amended only insofar as to reflect the guidance in the 2022/23 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 2023/24 Code:

- IFRS 16 Leases (but only for those local authorities that have decided to voluntarily implement IFRS 16 in the 2023/24 year).
- Where an authority adopted IFRS 16 Leases in 2022/23 but chose to defer implementation of IFRS 16 to PFI/PPP arrangements until 2023/24 information on that more specific accounting change will be required in its 2022/23 statements of accounts.
- Definition of Accounting Estimates (Amendments to IAS 8) issued in February 2021.
- Disclosure of Accounting Policies (Amendments to IAS I and IFRS Practice Statement 2) issued in February 2021.
- Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12) issued in May 2021.
- Updating a Reference to the Conceptual Framework (Amendments to IFRS 3) issued in May 2020.

The Code requires implementation from 1 April 2023 and therefore there is no impact on the 2022/23 Statement of Accounts, and none of the new or amended standards within the 2023/24 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 I, 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 2023 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:

ltem	Uncertainties	Effect if actual results differ from assumptions
Pensions liability	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. Brexit and Covid had negative effects on the UK economy and pension asset values, and currently there are high inflation and interest rates, but the market seems to be improving and stabilizing. However, a pandemic or other global crisis could have a detrimental effect on asset returns, as well as an increase in interest rates to curb the rise of inflation as a result of the recovery.	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:-

- £353k 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).
- £4,345k in grants and contributions and equivalent expenditure (Note 20).

NOTE 7 - NOTE TO THE EXPENDITURE AND FUNDING ANALYSIS

2022/23	ADJUSTMENT ACCOUNTING		FUNDING /	AND
Adjustments from General Fund to arrive at the Comprehensive Income and Expenditure Statement amounts	Adjustments for Capital Purposes (i)	ی Net change for 6 the Pensions 6 Adjustments (ii)	ຕິ oother o Differences (iii)	₹ Total 0Adiustments
Programme Management Office	0	(607)	(7)	(614)
Accountable Body Support Services	0	0	0	0
Joint Committee	0	0	0	0
Projects	1,656	0	0	١,656
Grant Schemes	0	0	0	0
Income	(1,656)	0	0	(1,656)
Cost of Services	0	(607)	(7)	(614)
Financing and Investment Income and Expenditure	0	18	0	18
(Surplus) / Deficit on Provision of Services	0	(589)	(7)	(596)

2021/22	ADJUSTMENTS BETWEEN FUNDING AND ACCOUNTING BASIS					
Adjustments from General Fund to arrive at the Comprehensive Income and Expenditure Statement amounts	Adjustments for Capital Purposes (i)	بر Net change for 6 the Pensions 6 Adjustments (ii)	A 00 Other 0 Differences (iii)	rotal Adjustments		
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		

NOTE 7 - NOTE TO THE EXPENDITURE AND FUNDING ANALYSIS (continued)

(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.

1

2022/23 ADJUSTMENTS BETWEEN ACCOUNTING BASIS AND FUNDING BASIS UNDER REGULATIONS	Usable Reserve General Fund Balance	Movement in Unusable Reserves
	£'000	£'000
Adjustments involving the Capital Adjustment Account		
Capital grants and contributions applied	1,656	(1,656)
Revenue expenditure funded from capital under statute	(1,656)	1,656
Adjustments primarily involving the Pensions Reserve		
Reversal of items relating to retirement benefits debited/credited to the Comprehensive Income and Expenditure Statement (Note 24)	402	(402)
Employer's pensions contributions and direct payments to pensioners payable in the year	187	(187)
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	7	(7)
Total Adjustments	596	(596)

2021/22 ADJUSTMENTS BETWEEN ACCOUNTING BASIS AND FUNDING BASIS UNDER REGULATIONS	Usable Reserve General Fund Balance	Movement in Unusable Reserves
	£'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

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 £841k.

Usable Reserves

	2022/23	Balance	Transfers		Balance	
		31 March 2022	between reserves	in	out	31 March 2023
Note						
		£'000	£'000	£'000	£'000	£'000
9.1	Earmarked Reserve	637	0	0	(85)	552
9.2	Projects Reserve	195	0	0	(43)	152
9.3	Interest Reserve	699	0	1,017	(48)	1,668
	Total	1,531	0	1,017	(176)	2,372

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

2021/22		2022/23
£'000 3	Net interest on the net pension defined benefit liability/(asset)	£'000 18
(16)	Interest receivable and similar income	(761)
(13)	Total	(743)

NOTE II - SHORT-TERM DEBTORS

	31 March	31 March
	2022	2023
	£'000	£'000
Prepayments	6	5
Other Receivable Amounts	21,247	475
Total	21,253	480

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	31 March
	2022	2023
	£'000	£'000
Cash in Bank held by Host Authority	16,768	56,980
Cash and Cash Equivalents	16,768	56,980

NOTE 13 – SHORT-TERM CREDITORS

	31 March	31 March
	2022	2023
	£'000	£'000
Trade Payables	259	472
Other Payables	169	45
Total	428	517

NOTE 14 – UNUSABLE RESERVES

31 March 2022		31 March 2023
£'000		£'000
0	Capital Adjustment Account	0
(942)	Pensions Reserve	0
(41)	Accumulated Absences Account	(34)
(983)	Total Unusable Reserves	(34)

NOTE 14 – UNUSABLE RESERVES (continued)

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.

2021/22		2022/23
£'000		£'000
0	Balance I April	0
	<u>Reversal of items relating to capital expenditure debited or</u> <u>credited to the Comprehensive Income and Expenditure</u> <u>Statement:</u>	<i></i>
(124)	Revenue Expenditure funded from Capital under Statute	(1,656)
	Capital financing applied in the year:	
124	Grants and contributions credited to Comprehensive Income and Expenditure Statement that have been applied to capital financing	1,656
0	Balance 31 March	0

14.2 Pensions Reserve

The Pensions Reserve absorbs the timing differences arising from the different arrangements for accounting for postemployment 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 need to be paid.

2021/22		2022/23
£000		£000
0	Balance I April	(942)
(891)	Transfer from Cyngor Gwynedd*	0
200	Re-measurements of the net pension defined benefit (liabilities) / assets	353
(413)	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	402
162	Employer's pensions contributions and direct payments to pensioners payable in the year	187
(942)	Balance 31 March	0

*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. Page 60

NOTE 14 – UNUSABLE RESERVES (continued)

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.

2021/22 £000		2022/23 £000
0 (41)	Balance I April 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) 7
(41)	Balance 31 March	(34)

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

2021/22 £'000		2022/23 £'000
(20,465)	(Increase)/Decrease in Creditors	(18,599)
20,744	Increase/(Decrease) in Debtors	(20,772)
(251)	Pension Liability	589
(165)	Other non-cash items charged to net surplus/deficit on the provision of services	(1,649)
(137)		(40,431)

NOTE 15b - CASH FLOW STATEMENT - OPERATING ACTIVITIES

2021/22		2022/23
£'000		£'000
(16)	Interest received	(761)

NOTE 16 - CASH FLOW STATEMENT - INVESTING ACTIVITIES

2021/22		2022/23
£'000		£'000
124	Other payments for investing activities	1,656
124	Net cash flows from investing activities	I,656

NOTE 17 - EXPENDITURE AND INCOME ANALYSED BY NATURE

2021/22		2022/23
£'000	<u>Expenditure / Income</u>	£'000
	Expenditure	
1,435	Employee benefits expenses	756
17	Premises	32
0	Transport	2
1,117	Supplies and Services	995
135	Third Party	210
3	Interest Payments	18
124	Depreciation, amortisation and impairment	1,656
2,831	Total Expenditure	3,669
	Income	
(1,318)	Partner Contributions	(873)
(16)	Interest and investment income	(761)
(1,997)	Grants and other contributions	(3,472)
(3,331)	Total Income	(5,106)
(500)	(Surplus) / Deficit on the Provision of Services	(1,437)

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

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 \pounds 60,000 and \pounds 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 the North Wales Economic Ambition Board is as follows:

Salary £	2021/22 Employer's Pension Contribution £	Total £	Chief Officers	Salary £	2022/23 Employer's Pension Contribution £	Total £
107,899	22,011	129,910	Portfolio Director*	109,824	22,404	132,228
61,710	12,845	74,555	Head of Operations	72,532	14,796	87,328

* Since 10 October 2022, the Portfolio Director has been seconded to the North Wales Corporate Joint Committee (CJC) for two days a week to fulfill the role of the CJC's Chief Executive. The CJC recompenses the NWEAB for all employment and associated costs.

18b. No other employee received more than £60,000 remuneration for the year (excluding employer's pension and national insurance contributions) in 2022/23 and 2021/22.

NOTE 19 - EXTERNAL AUDIT COSTS

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

2021/22 £'000		2022/23 £'000
11	Fees payable to the auditor appointed by the Auditor General for Wales with regard to external audit services	16
11	Net Fees	16

NOTE 20 – GRANT INCOME

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

	202	1/22	2022	2/23
	£'000	£'000	£'000	£'000
Grants and Contributions Credited to Services				
Welsh Government				
European Social Fund Priority 5	808		987	
Decarbonistation Grant	500		0	
North Wales Regional Economic Framework Grant	195		0	
North Wales Growth Deal Grant*	124		1,656	
Local Energy Grant	0		202	
Mobile Phone Coverage Survey Grant	15		15	
		1,642		2,860
Grants and Other Contributions from the Government		1,012		2,000
Department of Work and Pensions	0		I.	
		0	·	I
Other Grants and Contributions				
Partners' Contributions				
Conwy County Borough Council	168		124	
Denbighshire County Council	154		118	
Flintshire County Council	194		134	
Cyngor Gwynedd	174		126	
Isle of Anglesey County Council	137			
Wrexham County Borough Council	181		128	
Bangor University	118		63	
•				
Wrexham Glyndŵr University	59		40	
Coleg Cambria**	60		(9)	
Grŵp Llandrillo Menai	75		38	
		1,318		873
Community Renewal Fund	24		(0	
Denbighshire County Council	34		60	
Cyngor Gwynedd	34		60	
Isle of Anglesey County Council	34		60	
Wrexham County Borough Council	34		60	
		136		240
Cyngor Gwynedd				
North Wales Growth Deal Grant	219		286	
UK Shared Prosperity Fund	0		15	
North Wales Corporate Joint Committee Implementation Grant	0		9	
		219		310
North Wales Corporate Joint Committee		0		61
Fotal Grants and Contributions Credited to Services		3,315		4,345

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

** Adjustment in 2022/23 relating to 2021/22 contributions.

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:

Grants and Contributions Received in Advance	31 March 2022 £'000	31 March 2023 £'000
Capital Grants		
Short Term North Wales Growth Deal	29,000	11,400
Long Term North Wales Growth Deal	7,103	43,206
Total	36,103	54,606

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 Gwynedd, Anglesey, Conwy, Denbighshire, Wrexham and Flintshire councils. 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 full business case of the first project was approved in December 2021 and is now in its second year of 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, Further and Higher Education Establishments and the North Wales Corporate Joint Committee for the 2022/23 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	25	(124)	(2)	0
Denbighshire County Council	0	(178)	Ó	0
Flintshire County Council	0	(134)	0	13
Cyngor Gwynedd	251	(486)	(10)	0
Isle of Anglesey County Council	0	(171)	Ó	0
Wrexham County Borough Council	0	(188)	0	0
Bangor University	1,639	(63)	0	17
Wrexham Glyndwr University	I	(26)	(14)	0
Coleg Cambria	0	9	0	0
Grŵp Llandrillo Menai	0	(38)	0	0
North Wales Corporate Joint Committee	0	Ó	(61)	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 Joint Committee, the expenditure results in an increase in the Capital Financing Requirement (CFR), a measure of the capital expenditure incurred historically by the Joint Committee that has yet to be financed. The CFR is analysed in the second part of this note.

31 March 2022 £'000		31 March 2023 £'000
0	Capital Adjustment Account (Note 14.1)	0
0	Capital Financing Requirement	0

The movement in the year is explained as follows:

2021/22 £'000 0	Capital Financing Requirement I April	2022/23 £'000 0
124	Funded from capital under statute	1,656
(124)	Government Grants and other contributions	(1,656)
0	Capital Financing Requirement 31 March	0

NOTE 23 – EXIT PACKAGES

There were no exit packages during 2022/23 or 2021/22.

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.

The 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.

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 is based on the cash payable in the year, so the real cost of post-employment/retirement benefits is reversed out of the 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			Period ended 31 March 2023		
	Assets	Liabilities	Net (liability) /asset	Assets	Liabilities	Net (liability) /asset
	£'000	£'000	£'000	£'000	£'000	£'000
Fair Value of Plan Assets	883	0	883	1,192	0	1,192
Present Value of Funded Liabilities	0	(1,774)	(1,774)	0	(2,134)	(2,134)
Opening Position at I April	883	(1,774)	(891)	1,192	(2,134)	(942)
Service Cost				·		× 7
Current Service Cost*	0	(410)	(410)	0	420	420
Total Service Cost	0	(410)	(410)	0	420	420
Net interest		~ /				
Interest Income on Plan Assets	20	0	20	36	0	36
Interest Cost on Defined Benefit						
Obligation	0	(23)	(23)	0	(54)	(54)
Total Net Interest	20	(23)	(3)	36	(54)	(18)
Total Defined Benefit Cost Recognised in Profit/(Loss)	20	(433)	(413)	36	366	402
Cash flows						
Participants' contributions	60	(60)	0	69	(69)	0
Employer contributions	159	Ó	159	184	Ó	184
Benefits paid	0	0	0	(1)	I	0
Expected Closing Position	1,122	(2,267)	(1,145)	I,480	(1,836)	(356)
Remeasurements						. ,
Change in demographic assumptions	0	15	15	0	85	85
Change in financial assumptions	0	202	202	0	956	956
Other experience**	0	(84)	(84)	116	(181)	(65)
Return on Assets excluding	70	Ó	70	(48)	Ó	(48)
amounts included in net interest						
Total remeasurements						
recognised in Other	70	133	203	68	860	928
Comprehensive Income (OCI)						
Fair Value of Plan Assets	1,192	0	1,192	I,548	0	1,548
Present Value of Funded Liabilities	0	(2,134)	(2,134)	0	(976)	(976)
Closing Position at 31 March	1,192	(2,134)	(942)	I,548	(976)	572

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

** The other experience on obligations includes an allowance for the pension increase order applied to the funded obligations at April 2023 being different to the pension increase assumption adopted in the Employer's Schedule of results at the start of the period. Within this other experience item, the funded obligations have increased by £67,000 as a result of the pension increase order being different to the previous assumption.

The zero balance on the Balance Sheet reflects a surplus in the benefits earned by employees and the resources the Joint Committee has set aside to meet them, which has been limited by IAS 19 and IFRIC 14.

	31 March 2022 £'000	31 March 2023 £'000
Fair Value of Plan Assets	1,192	I,548
Present Value of Funded Obligations	(2,134)	(976)
Effect of IAS 19/ IFRIC 14	Ó	(572)
Net Asset/ (Liability) Arising From Defined Benefit Obligation	(942)	0

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 the NWEAB is assumed to be in the same proportion to the Fund's asset allocation as at 31 December 2022. The split is shown in the table below. The actuary estimates the bid value of the Fund's assets as at 31 March 2023 to be £2.771bn 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.

	At 31 March 2022				At 31 March 2023			
Asset Category	Quoted Prices in Active Markets	Prices not quoted in Active Markets	Total		Quoted Prices in Active Markets	Prices not quoted in Active Markets	Total	
	£'000	£'000	£'000	%	£'000	£'000	£'000	%
Equity Securities								
Consumer	0	0	0	0	0	0	0	0
Manufacturing	0	0	0	0	0	0	0	0
Energy and Utilities	0	0	0	0	0	0	0	0
Financial Institutions	0	0	0	0	0	0	0	0
Health and Care	0	0	0	0	0	0	0	0
Information Technology	0	0	0	0	0	0	0	0
Other	0	0	0	0	0	0	0	0
Debt Securities								
Other	0	0	0	0	0	0	0	0
Private Equity								
All	0	67	67	6	0	97	97	6
Real Estate								
UK Property	0	102	102	9	0	128	128	8
Overseas Property	0	0	0	0	0	0	0	0
Investment Funds and Unit								
Trusts								
Equities	0	758	758	63	0	964	964	62
Infrastructure	0	23	23	2	0	44	44	3
Other	0	238	238	20	0	310	310	20
Cash and Cash Equivalents								
All	4	0	4	0	5	0	5	I
Total	4 [2ag8 7	01,192	100	5	1,543	1,548	100

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 the Fund's VitaCurves with improvements in line with the CMI 2021 model, with a 10% weighting of 2021 (and 2020) data, standard smoothing (Sk7), initial adjustment of 0.25% and a long term rate of improvement of 1.5% p.a. for both males and females.

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 2022. 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	31 March 2023
Financial Assumptions	% p.a.	% p.a.
Pensions Increase Rate	3.15	2.95
Salary Increase Rate	3.45	3.45
Inflation Rate	3.15	2.95
Discount Rate	2.75	4.75
Long-term expected rate of return on all categories of assets	2.75	4.75
Take-up option to convert annual pension into retirement lump sum		
for pre-April 2008 service	50	65
for post-April 2008 service	75	65
Mortality assumptions	Years	Years
Longevity at 65 for current pensioners		
Men	21.3	20.9
Women	23.7	23.9
Longevity at 65 for future pensioners		
Men	22.4	22.7
Women	25.7	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 2023 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).

The figures in the table below have been derived based on the membership profile of the Joint Committee as at 31 March 2022, 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 2023	31 March 2023			
	%	£'000			
0.1% decrease in real discount rate	3	31			
I year increase in member life expectancy	4	39			
0.1% increase in the salary increase rate	I	8			
0.1% increase in the pension increase rate	2	23			

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, or at any other time as instructed to do so by the Administering Authority. The contributions payable over the period to 31 March 2023 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 2023		
	£'000	%	
Active Members	969	99.3	
Deferred Members	7	0.7	
Pensioner Members	0	0.0	
Total	976	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 2022. The weighted average duration of the defined benefit obligation for the scheme members in 2022/23 is 31 years.

Impact in Future Years

The total contributions expected to be made to the Local Government Pensions Scheme by the Joint Committee in the year to 31 March 2024 is ± 178 k.

As the Actuary's report is based on estimates and due to timing issues, an adjustment of £3,092 has been made in 2022/23 (£2,666 in 2021/22), to bring the position in the Scheme based on the Actuarial figures in line with the closing position as at 31 March 2023. This variance has been treated as Actuarial Gains and Losses on Pension Assets and Liabilities.

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NOTE 25 – EVENTS AFTER THE REPORTING PERIOD

The Statement of Accounts was authorised by the Head of Finance on 7 July 2023. 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 2023, the figures in the financial statements and notes have been adjusted in all material respects to reflect its impact.

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 organisa to the future.

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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.