
**NORTH WALES ECONOMIC AMBITION BOARD
27/10/23**

Present:

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

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

Chief Officers - Dylan Williams (Isle of Anglesey County Council), Rhun ap Gareth (Conwy County Borough Council), Andrew Farrow (Flintshire Council), Sioned Williams (Cyngor Gwynedd), Ian Bancroft (Wrexham County Borough Council) and Graham Boase (Denbighshire Council).

Officers in attendance -

Host Authority - Dewi A. Morgan (Statutory Finance Officer), Iwan Evans (Monitoring Officer), Sian Pugh (Assistant Head of Finance) and Eirian Roberts (Democracy Services Officer).

Ambition North Wales - Alwen Williams (Portfolio Director), Hedd Vaughan-Evans (Head of Operations), Nia Medi Williams (Senior Operations Officer), Robyn Lovelock (Agri-food and Tourism Programme Manager), Stuart Whitfield (Digital Programme Manager), David Mathews (Land and Property Programme Manager) and Elgan Roberts (Energy Programme Manager).

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

Also present - Sioned Owen (Wales Audit)

1. APOLOGIES

Apologies were received from:-

- Councillor Mark Pritchard (Wrexham County Borough Council);
- Councillor Llinos Medi Huws (Isle of Anglesey County Council) with Councillor Gary Pritchard deputising;
- Yana Williams (Coleg Cambria);
- Professor Edmund Burke (Bangor University) with Professor Paul Spencer deputising;
- Neal Cockerton (Flintshire County Council) with Andrew Farrow deputising;
- Dafydd Gibbard (Cyngor Gwynedd) with Sioned Williams deputising.

The Chairman welcomed the deputies to the meeting.

2. DECLARATION OF PERSONAL INTEREST

Alwen Williams, Portfolio Director, declared a personal interest in item 7 as the report involved her secondment as Interim Corporate Joint-Committee Chief Executive. She was of the opinion that it was a prejudicial interest, and withdrew from the meeting during the discussion.

Dafydd Evans declared a personal interest in item 9 as Grŵp Llandrillo Menai was the project sponsor for the Tourism Talent Network. He was of the opinion that it was a prejudicial interest, and withdrew from the meeting during the discussion.

3. URGENT ITEMS

No urgent matters were raised.

4. MINUTES OF THE PREVIOUS MEETING

The Chair signed the minutes of the previous meeting, held on 22 September 2023, as a true record.

5. NORTH WALES ECONOMIC AMBITION BOARD - DETAILED AUDIT PLAN 2023

The report was submitted by Sioned Owen (Audit Wales).

It was noted that:-

- Changes to the ISA 315 was effective for the audit of accounts from 2022/23 onwards. This meant that the Audit Office was required to undertake far more work to consider risks and then weigh up those risks in terms of the audit, before reporting to the Joint-committee.
- The Detailed Plan highlighted the risks identified, the fee, the audit team and the timetable of the audit.
- A materiality level of £73,000 had been set this year, with a lower level for fields considered more important to the reader, such as Senior Officer remuneration and Related Party disclosures.
- Exhibit 1 on page 10 of the Accounts set out the risks as a result of the auditors' risk assessment of the Accounts. One significant risk had been noted (Management override), namely the risk that managers could disregard controls. However, this risk was relevant in all entities and in all audit plans in Wales, but the auditors were required to respond to that risk as part of the audit procedures.
- The two risks in Exhibit 2 on page 11 of the Accounts were generic in nature also and included in the majority of audit plans again this year.
- No risks specific to the North Wales Economic Ambition Board Joint-committee alone had been noted this year.
- Exhibit 3 on page 12 of the Accounts set out the timetable for the audit work. The auditors estimated completing the work of auditing the accounts by the beginning of November and to present the report to the Board by the middle of the month, but were keeping that timetable under review with officers.
- The proposed fee for 2023 had increased approximately 15%, namely approximately 5% as a result of inflation and 10.2% for the impact of the revised auditing standard ISA 315 on the financial audit approach. Should the actual fee be lower than that, the NWEAB would be reimbursed.

The Chair thanked the representative of Audit Wales for the presentation.

RESOLVED to accept the Audit Wales report which highlighted the NWEAB's Audit Plan for 2023.

REASONS FOR THE DECISION

In order to fulfil their responsibilities as external auditor and to fulfil their obligations under the Code of Audit Practice, Audit Wales complete work each year to meet the following duties:-

- Audit the North Wales Economic Ambition Board Joint Committee's financial statements to make sure that public money is being properly accounted for;
- The Joint Committee has to put in place arrangements to get value for money for the resources it uses, and the Auditor General has to be satisfied that it has done this.

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

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

RESOLVED

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

REASONS FOR THE DECISION

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

DISCUSSION

Concern was expressed regarding the delay to the timetable of the Connecting the Last Few % project as a result of the fact that procurement activity on the project had been suspended until UK Government confirmed the launch date of their new intervention. It was noted that the Government's £5bn Gigabit Project had been announced in 2019, but that Wales had not received any benefits from it. It was suggested that UK Government had a poor record in terms of delivering digital connectivity in Wales and it was believed that we were jeopardising our own project while waiting for them to respond. It was suggested that the Board should set a deadline for this, and consider proceeding ourselves if the Government did not respond.

In response, it was noted that:

- There was full agreement regarding the concerns and that the officers were in regular contact with colleagues in UK Government in order to highlight the significance of the risk.
- From the officers' understanding, UK Government intended to launch the procurement activity for this intervention in January 2024.
- In terms of the suggestion that we should proceed ourselves if the Government did not respond, there was a need to bear in mind that the ultimate aim was to ensure the best connectivity for our communities. Should we proceed to implement the project which had been developed and designed by us, we would need assurance that this would not jeopardise future Gigabit connectivity for those places that our intervention could reach.
- Although we were ready to move ahead to procure on our own project, we would have to be accountable for ensuring that we choose the best path to have the best connectivity for our communities. The best connectivity would be Gigabit connectivity which our project would not necessarily be able to provide.

- The discussion was a sensitive one, obviously, but we were concerned that the value of our investment would reduce as we waited for further clarity.

It was agreed to write a letter to UK Government, on behalf of the Board, to highlight the aforementioned concerns.

A request was made for further details about the viability gap on the Former North Wales Hospital project.

In response, it was noted that:

- It had been agreed to give a notional additional £3m to this project earlier this year with the original viability gap.
- The gap had increased, probably due to the fact that costs were increasing and the housing market slowing down.
- It was believed that this was more specific to this type of project than the usual Growth Deal projects. Every project was facing cost inflation challenges, of course, but this was a little more specific to the housing market.
- As the Board's decision at the time of allocating the last portion of the £3m made it clear that the project would not receive any additional funds from the Growth Deal, this was a matter for the project sponsor to resolve. Ambition North Wales and Jones Bros were working with the sponsor on options in terms of the delivery steps which could mean that the matter of viability would not be as much of a concern to the sponsor.
- Ultimately, it was believed that this would come down to the project sponsor's desire to make the final decision to invest. Recent discussions had been positive and it was hoped that the outline business case could be presented to the first meeting of the Board in 2024.

The comment that the discussions had been positive was echoed and it was noted that Denbighshire Council would be discussing the planning application in December.

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

The report was submitted by Dylan Williams, North Wales Councils' Lead Chief Executive for the NWEAB.

RESOLVED

- 1. That the Board supports the extension of the arrangement to release the Portfolio Director's time for two days per week until 31 March, 2024 on a part time secondment basis to undertake the Interim Chief Executive role.**
- 2. That all employment and associated costs are covered by the North Wales CJC.**

REASONS FOR THE DECISION

Taking into consideration the Councils' decision, in principle, to the transfer of the North Wales Economic Ambition Board's functions in assisting the region to establish a Corporate Joint Committee and to ensure that the Ambition Board's interests are safeguarded as the CJC moves forward.

8. EXCLUSION OF PRESS AND PUBLIC

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

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

9. TOURISM TALENT NETWORK - OUTLINE BUSINESS CASE

The report was submitted by Robyn Lovelock, Agri-food and Tourism Programme Manager.

RESOLVED

- 1. That the Board approve the Outline Business Case for the Tourism Talent Network project subject to Grŵp Llandrillo Menai (GLLM) addressing the matters set out in the report, as described in Section 7, and recommend to the Economic Ambition Board that a Full Business Case is prepared for the Board to consider following the completion of the procurement process and the consenting processes.**
- 2. That the Board delegate final approval of the procurement specifications and social value criteria to be included by Grŵp Llandrillo Menai in their procurement to the Portfolio Director in consultation with the Chair and Vice Chair.**
- 3. That the Board authorise the Portfolio Director in consultation with the Host Authority Section 151 Officer and Monitoring Officer to agree draft terms in accordance with this report for approval by the Economic Ambition Board as a basis for the final funding arrangements for the project which will form the basis of the Grant Offer Letter which will be agreed by the Board at the Full Business Case stage.**

REASONS FOR THE DECISION

To seek the Portfolio Board's approval of the Outline Business Case for the Tourism Talent Network project.

10. PORTFOLIO BUSINESS CASE UPDATE 2023

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

RESOLVED

- 1. That the Board approve the 2023 update of the Portfolio Business Case including the associated change request and its submission to Welsh Government and UK Government as part of the annual award of funding process.**
- 2. That the Board request that the Portfolio Director submit all required documentation and change request form to Welsh and UK Government as part of the annual award of funding process and delegate to the Portfolio Director, in consultation with the Chair and the Vice Chair of the North Wales Economic Ambition Board, the Monitoring Officer and the S151 Officer, authority to negotiate with Welsh Government and UK Government on the timing of the**

- award of funding and to make any minor amendments as requested by either government.
3. That the Board note that the draft Gateway Review report must be submitted to Welsh Government and UK Government as part of the Portfolio Business Case and request that the Portfolio Director develop an action plan for the Board's consideration to address the recommendations once the final report has been received.

REASONS FOR THE DECISION

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

The meeting commenced at 2.00pm and concluded at 2.55pm.

Chair