



Complete Agenda

**Bwrdd Uchelgais Economaidd  
Gogledd Cymru**

**North Wales  
Economic Ambition Board**

Meeting

**NORTH WALES ECONOMIC AMBITION BOARD**

Date and Time

**1.00 pm, FRIDAY, 2ND FEBRUARY, 2024**

Location

**Virtual Meeting**

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

Contact Point

**Rhodri Jones**

**01286 679325**

**Rhodrijones1@gwynedd.llyw.cymru**

# **NORTH WALES ECONOMIC AMBITION BOARD**

## **MEMBERSHIP OF THE JOINT COMMITTEE**

### **Voting Members**

#### **Councillors**

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

### **Advisers - Non-voting**

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

### **Chief Officers - Non-voting**

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

### **Officers in Attendance**

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

# **A G E N D A**

## **1. APOLOGIES**

To receive any apologies for absence.

## **2. DECLARATION OF PERSONAL INTEREST**

To receive any declarations of Personal Interest.

## **3. URGENT BUSINESS**

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

## **4. MINUTES OF THE PREVIOUS MEETING**

5 - 9

The Chair shall propose that the minutes of the meeting held on 15<sup>th</sup> December 2023 be signed as a true record.

## **5. FINAL ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2023 AND RELEVANT AUDIT**

10 - 84

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

## **6. 2023/24 REVENUE AND CAPITAL BUDGET - END OF DECEMBER 2023 REVIEW**

85 - 93

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

## **7. NORTH WALES GROWTH DEAL - QUARTER 3 PERFORMANCE AND RISK REPORT**

94 - 122

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

## **8. EXCLUSION OF PRESS AND PUBLIC**

The Chair shall propose that the press and public be excluded from the meeting during the discussions on the following items due to the likely disclosure of exempt information as defined in Paragraph 14 of Schedule 12A of the Local Government Act 1972 Information relating to the financial or business affairs of any particular person (including the authority holding that information).

There is an acknowledged public interest in openness in relation to the use of public resources and related financial issues. It is also acknowledged that there are occasions, in order to protect the financial and commercial interests that matters related to such information need to be discussed

without being publicised. The reports deal 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. FORMER NORTH WALES HOSPITAL, DENBIGH - OUTLINE BUSINESS CASE**

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

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## NORTH WALES ECONOMIC AMBITION BOARD 15/12/23

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### Present:

Voting Members – Councillors:- Jason McLellan (Denbighshire County Council), Gary Pritchard (Isle of Anglesey County Council), Mark Pritchard (Wrexham County Borough Council) (Chairing), David Healey (Flintshire County Council), Charlie McCoubrey (Conwy County Borough Council) and Nia Jeffreys (Cyngor Gwynedd).

Advisors – Dr Maria Hinfelaar (Wrexham University), Askar Sheibani (Business Delivery Board) and Bryn Jones (Bangor University).

Chief Officers – Dylan Williams (Isle of Anglesey County Council), Rhun ap Gareth (Conwy County Borough Council), Neal Cockerton (Flintshire Council), Sioned Williams (Cyngor Gwynedd), David Fitzsimon (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), Elgan Roberts (Energy Programme Manager) and Graham Williams (Temporary Project Officer – Energy and Transport Decarbonisation).

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

## 1. APOLOGIES

Apologies were received from:-

- Councillor Dyfrig Siencyn (Cyngor Gwynedd), with Councillor Nia Jeffreys deputising;
- Councillor Llinos Medi Huws (Isle of Anglesey County Council) with Councillor Gary Pritchard deputising;
- Councillor Ian Roberts (Flintshire Council) with Councillor David Healey deputising;
- Dafydd Evans (Grŵp Llandrillo Menai);
- Yana Williams (Coleg Cambria);
- Professor Edmund Burke (Bangor University) with Professor Bryn Jones deputising;
- Dafydd Gibbard (Cyngor Gwynedd) with Sioned Williams deputising;
- Ian Bancroft (Wrexham County Borough Council) with David Fitzsimon deputising.

The Chairman welcomed the deputies to the meeting.

## **2. DECLARATION OF PERSONAL INTEREST**

Bryn Jones declared a personal interest in item 7, as Bangor University was a sponsor of the Egri Project. He believed it was a prejudicial interest and withdrew from the meeting for the entire item.

## **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 17 November, 2023 as a true record.

## **5. 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 recognised, however, that there are occasions in order to protect public financial and commercial interests, where such information must be discussed without being publicised. The reports relate specifically to 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.

## **6. DEESIDE ANAEROBIC DIGESTION PLANT – OUTLINE BUSINESS CASE**

The report was presented by Elgan Roberts (Energy Programme Manager) and Hedd Vaughan-Evans (Head of Operations).

### **RESOLVED**

- 1. That the Board approves the Outline Business Case for the Deeside Anaerobic Digestion Plant project subject to The Circular Economy Development Ltd addressing the matters set out in the report, as described in Section 7, and recommends 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 process.**
- 2. That the Board notes that the primary procurement for the project has already been completed, and on approval of the Outline Business Case it is intended that a Full Business Case will be presented to the Board in February 2024 for approval.**
- 3. That the Board, noting that the proposed funding model for the project is 50% grant and 50% loan subject to confirmation of the subsidy control position on approval of the Full Business Case, approves the principle that the interest from the loan once the cost of borrowing charges for the loan element have been covered is allocated to a reserve to be used to fund the Portfolio Management Office in future years.**

4. That the Board authorises the Portfolio Director in consultation with the Host Authority's Section 151 Officer and Monitoring Officer to agree draft funding terms in accordance with this report as a basis for the final funding arrangements for the project, to be agreed by the Board at the Full Business Case stage.
5. That the Board designates the decision as an urgent matter which can be implemented immediately in accordance with paragraph 2.9 of the Scrutiny Protocol in Governance Agreement 2.

#### **REASONS FOR THE DECISION**

To seek the Portfolio Board's approval of the Outline Business Case for the Deeside Anaerobic Digestion Plant project.

#### **DISCUSSION**

The item was discussed.

### **7. Egni – Outline Business Case**

The report was presented by Elgan Roberts (Energy Programme Manager) and Hedd Vaughan-Evans (Head of Operations).

#### **RESOLVED**

1. That the Board approves the Outline Business Case for the Egni project subject to Bangor University addressing the matters set out in the report, as described in Section 7, and recommends to the Economic Ambition Board that a Full Business Case is prepared for the Board to consider following completion of the procurement and consenting processes.
2. That the Board delegates final approval of the procurement strategy and the procurement specification and social value criteria to be included by Bangor University in their procurement process, to the Portfolio Director in consultation with the Chair and Vice Chair.
3. That the Board authorises the Portfolio Director in consultation with the Host Authority's Section 151 Officer and Monitoring Officer to agree draft terms in accordance with this report as a basis for the final funding arrangements for the project, which will determine the funding to 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 Egni project.

#### **DISCUSSION**

The item was discussed.

### **8. RE-ADMISSION OF THE PRESS AND PUBLIC**

**RESOLVED** to re-open the meeting to the press and public.

### **9. GATEWAY REVIEW (PAR) ACTION PLAN**

The report was presented by Alwen Williams (Portfolio Director) and Hedd Vaughan-Evans (Head of Operations).

## **RESOLVED**

- 1. That the Board supports the action plan developed by the Portfolio Director and timescales for implementation in response to the 2023 Gateway Review (PAR) recommendations.**
- 2. That the Board notes that there may be a requirement to amend the action plan in light of the follow-up Assurance of Action Plan (AAP) review in December and that in such an instance the Portfolio Director would consult the Chair and Vice-Chair on those amendments.**

## **REASONS FOR THE DECISION**

The North Wales Growth Deal was required to respond to the recommendations set out in the Gateway Review report.

## **DISCUSSION**

A member expressed fierce objection to the comment in the Gateway Review that the Business Delivery Board did not challenge the projects, and emphasised that the recommendations should not be blindly accepted as the way forward.

It was questioned who would pay for the Non-Executive Director for the Ambition Board, and what kind of person would be sought for the role, bearing in mind that the expertise already existed within the partnership.

It was suggested that all this bureaucracy held things back, and that we should have greater autonomy so that we could proceed more quickly.

Members welcomed the fact that additional extraordinary meetings of the Board could be convened if urgent decisions were required.

It was noted that although the action of implementing the recommendation to appoint a Non-Executive Director to the Board had been designated to the Chair of the Board, it would be beneficial if the six Leaders were involved in the discussion regarding this, as it was not clear from the report what the options would be etc.

In terms of the recommendation regarding training around social procurement in the public sector, a member noted that it was not clear what was lacking here since everyone around the table was very well versed in those matters, and they questioned whether there was anything we could have done differently or better. It was noted further that the bar had been set high in terms of social value requirements, and there were also requirements in terms of net zero. It would not be an easy matter to find tenderers that reached all those thresholds, and it was enquired whether this had been considered as part of the discussions.

In response to some of the observations and questions, the following was noted:-

- Although the action of implementing the recommendation to appoint a Non-Executive Director to the Board had been designated to the Chair of the Board, the document highlighted that the appointment was a matter for the whole Board.
- That the Board and Portfolio Management Office had access to procurement expertise as required and that our processes were scrutinised at a professional level before reaching the Board to ensure that those processes were followed properly.



- That we were not just accepting the recommendations and were taking our time to consider how best we as a Board, and as a Team, wished to address the concerns behind some of those recommendations.
- It must be remembered that any external review such as this was a snapshot in time. At the time of conducting this review in early October, the Board had approved only one outline business case in 9 months, but by today the Board had approved three outline business cases and one full business case in 3 months.
- A follow-up review would be held the following week, which was an opportunity for the officers to challenge some of the recommendations.
- In terms of the observation regarding procurement, they believed the Review Team were referring specifically to our method of engaging with our private sector sponsors and improving their understanding of some of our needs, rather than our partners in the public sector who were very knowledgeable in this field.
- That guidance and advice had been sought from the Civil Engineering Contractors Association in Wales regarding what more we could do to assist companies and organisations that tendered for work.
- Some of these requirements should make it easier for local companies and local contractors to tender successfully, as they were in the best position to offer social value and community benefits, and they also had the advantage of having a low carbon footprint if they employed local staff and used local materials.

The Chair noted that the Board had a very robust process in place.

## **10. INVESTMENT PRINCIPLES**

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

### **RESOLVED**

- 1. That the Board supports the founding principles which will underpin the strategy to achieve the investment objectives for the North Wales Growth Deal.**
- 2. That the Board notes that the detailed investment strategy, comprising the founding principles and the delivery plan, will be presented to the Board in February 2024.**

### **REASONS FOR THE DECISION**

To underpin the development of the detailed strategy that will build on assurance that our collective ambition to deliver the £1bn Growth Deal for North Wales can be achieved.

### **DISCUSSION**

The Monitoring Officer noted, having heard the presentation and on the understanding that a detailed report would be submitted to the Board in February, that he did not have comments to add.

The Head of Finance reiterated the comment, noting that any financial information would be considered later on, therefore he had nothing to add at present.

The meeting commenced at 2.00pm and concluded at 3.00pm.

Chair



## REPORT TO THE NORTH WALES ECONOMIC AMBITION BOARD

2/2/2024

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**Title:** Final Accounts for the year ended 31 March 2023 and relevant audit.

**Author:** Dewi A Morgan, Host Authority Head of Finance (Statutory Finance Officer)

Sian Pugh, Host Authority Assistant Head of Finance

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### 1. Purpose of the Report

1.1 This report presents the final statutory Statement of Accounts for the 2022/23 financial year, as well as the 'ISA 260' report by Audit Wales, detailing their main findings.

### 2. Decision Sought

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

- 'ISA 260' report by Audit Wales for the NWEAB
- NWEAB's final Statement of Accounts for 2022-23 (post-audit)

### 3. Reasons for the Decision

3.1 The final version (post-audit) of the Statement of Accounts for 2022/23 is presented here. The main amendments since the pre-audit version have been outlined in Appendix 3 of the Audit Wales 'ISA260'.

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

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

#### **4. Background and Relevant Considerations**

4.1 The 2022/23 draft Statement of Accounts (subject to audit) was presented to the NWEAB on 21 July 2023, where they were scrutinised accordingly.

4.2 The final accounts presented here to the NWEAB on 2 February 2024 has been audited by Audit Wales.

4.3 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.

#### **5. Legal Implications**

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

5.2 The Accounts and Audit (Wales) Regulations 2014 (as amended) require all Joint Committees to prepare year-end accounts. Where the annual income or expenditure are over £2.5m, the joint committee is deemed to be a "larger relevant body" and an annual Statement of Accounts in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom must be prepared.

**6. Appendices**

NWEAB's Statement of Accounts for 2022/23.

Audit Wales report

**STATUTORY OFFICERS' RESPONSE:**

**i. Monitoring Officer – Accountable Body:**

No observations to add in relation to propriety.

**ii. Statutory Finance Officer – Accountable Body:**

Author of this report.



**Uchelgais Gogledd Cymru**  
**Ambition North Wales**

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Statement of Accounts 2022/23 –  
North Wales Economic Ambition Board Joint  
Committee

## **INDEX**

	<b>Page</b>
Narrative Report	2 – 5
Statement of Responsibilities	6
Expenditure and Funding Analysis	7
Comprehensive Income and Expenditure Statement	8
Movement in Reserves Statement	9
Balance Sheet	10
Cash Flow Statement	11
Notes to the Accounts	12 – 37
Annual Governance Statement	38 – 49
Auditor’s Report	50 – 53
Glossary	54 – 55

# NARRATIVE REPORT

## INTRODUCTION

The North Wales Economic Ambition Board's (NWEAB) Joint Committee was established on 1 February 2019 to develop a regional approach to economic growth and to address the challenges and barriers facing the North Wales economy. It covers the six local authority administrative areas of North Wales comprising 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 37. 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 £1 billion of investment to north Wales in order to generate over 4,000 new jobs and an increase in Gross Value Added (GVA) of £2.4 billion. The UK and Welsh governments have committed to jointly investing £240 million capital over a 15-year period, with the remainder leveraged from private and public sources. The desired outcomes of this investment are to be delivered through the delivery of a portfolio of five separate programmes which:

- Build on our regional strengths in manufacturing and low carbon energy
- Target digital innovation and infrastructure to better connect the region
- Invest in key sites and premises for the developer market
- Enable innovation to boost productivity
- Support our key industries in tourism and agriculture to develop for the future

The five programmes are:-

- Low Carbon Energy
- Agri-food and Tourism
- Innovation in High-Value Manufacturing
- Digital Connectivity
- 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 \(llyw.cymru\)](#)

## 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 \(llyw.cymru\)](#)
- 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.

	<b>Budget</b>	<b>Actual</b>	<b>Variance</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
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)
<b>Net (Underspend)/Overspend</b>	<b>0</b>	<b>(148)</b>	<b>(148)</b>



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

	Performance Report (Out-turn) £'000	Transposition Adjustment £'000	Net Position to be funded by / (transferred to) the General Fund £'000	Adjustments between Funding and Accounting Basis £'000	Income & Expenditure Statement £'000
Expenditure	3,578	(969)	2,609	1,882	4,491
Income	(3,726)	1,037	(2,689)	(1,656)	(4,345)
<b>Net Cost of Services</b>	<b>(148)</b>	<b>68</b>	<b>(80)</b>	<b>226</b>	<b>146</b>

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 :-

- £1,204k 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 15.2).
- £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 £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 £'000	2022/23 £'000
124 Projects	1,656
<b>124</b>	<b>1,656</b>
<b>FINANCED BY -</b>	
124 Grants and Contributions	1,656
<b>124</b>	<b>1,656</b>

The £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 £2,372k. These are detailed in the Balance Sheet, Movement in Reserves Statement and in Note 10.

## 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](http://www.gwynedd.llyw.cymru).

Further information relating to the accounts is available from:

Sian Pugh  
Assistant Head of Finance -  
Sustainability and Developments  
01286 679134

or

Ffion Madog Evans  
Assistant Head of Finance -  
Accounting and Pensions  
01286 679133

Finance Department  
Cyngor Gwynedd  
Council Offices  
Caernarfon  
Gwynedd  
LL55 1SH

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

# **NORTH WALES ECONOMIC AMBITION BOARD**

## **STATEMENT OF ACCOUNTS**

### **STATEMENT OF RESPONSIBILITIES FOR THE STATEMENT OF ACCOUNTS**

#### **THE JOINT COMMITTEE'S RESPONSIBILITIES**

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

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

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**Councillor Dyfrifg Siencyn**  
**NWEAB Joint Committee Chairman**

**2 February 2024**

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#### **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.

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#### **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.



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**Dewi Aeron Morgan CPFA**  
**Head of Finance, Cyngor Gwynedd**

**7 December 2023**

**Page 19**

## 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.

2021/22				2022/23		
Net Expenditure Chargeable to the General Fund £'000	Adjustments between the Funding and Accounting Basis (Note 8) £'000	Net Expenditure in the Comprehensive Income and Expenditure Statement £'000		Net Expenditure Chargeable to the General Fund £'000	Adjustments between the Funding and Accounting Basis (Note 8) £'000	Net Expenditure in the Comprehensive Income and Expenditure Statement £'000
1,384	289	1,673	Programme Management Office	1,504	226	1,730
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)
<b>(776)</b>	<b>289</b>	<b>(487)</b>	<b>Cost of Services</b>	<b>(80)</b>	<b>226</b>	<b>146</b>
(16)	3	(13)	Financing and Investment Income and Expenditure	(761)	29	(732)
<b>(792)</b>	<b>292</b>	<b>(500)</b>	<b>(Surplus)/ Deficit on Provision of Services</b>	<b>(841)</b>	<b>255</b>	<b>(586)</b>
(739)			Opening Balance	(1,531)		
(792)			(Surplus)/ Deficit in Year	(841)		
<b>(1,531)</b>			Closing Balance	<b>(2,372)</b>		

## 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.

2021/22			Note	2022/23		
Gross Expenditure	Gross Income	Net Expenditure		Gross Expenditure	Gross Income	Net Expenditure
£'000	£'000	£'000		£'000	£'000	£'000
1,673	0	1,673	Programme Management Office	1,730	0	1,730
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)
<b>2,828</b>	<b>(3,315)</b>	<b>(487)</b>	<b>Cost of Services</b>	<b>4,491</b>	<b>(4,345)</b>	<b>146</b>
3	(16)	(13)	Financing and Investment Income and Expenditure	29	(761)	(732)
<b>2,831</b>	<b>(3,331)</b>	<b>(500)</b>	<b>(Surplus) / Deficit on Provision of Services</b>	<b>4,520</b>	<b>(5,106)</b>	<b>(586)</b>
		(200)	Remeasurement of the net pension defined benefit liability/(asset)			(1,204)
		<b>(200)</b>	<b>Other Comprehensive Income and Expenditure</b>			<b>(1,204)</b>
		<b>(700)</b>	<b>Total Comprehensive Income and Expenditure</b>			<b>(1,790)</b>

## 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.

		<b>Movement in Reserves Statement</b>		
	<b>Note</b>	<b>Total Usable Reserves</b>	<b>Unusable Reserves</b>	<b>Total Joint Committee's Reserves</b>
		<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
<b>Balance 31 March 2021 carried forward</b>	<i>10</i>	<b>(739)</b>	<b>0</b>	<b>(739)</b>
IAS 19 Opening Balance		<b>0</b>	<b>891</b>	<b>891</b>
Opening Balance 1 April 2021		<b>(739)</b>	<b>891</b>	<b>152</b>
<u>Movement in reserves during 2021/22</u>				
(Surplus)/Deficit on provision of services		<b>(500)</b>	<b>0</b>	<b>(500)</b>
Other Comprehensive Income and Expenditure		<b>0</b>	<b>(200)</b>	<b>(200)</b>
<b>Total Comprehensive Income and Expenditure</b>		<b>(500)</b>	<b>(200)</b>	<b>(700)</b>
Adjustments between accounting basis and funding basis under regulations	<i>9</i>	<b>(292)</b>	<b>292</b>	<b>0</b>
<b>Net (Increase)/Decrease before Transfers to Earmarked Reserves</b>		<b>(792)</b>	<b>92</b>	<b>(700)</b>
<b>(Increase)/Decrease in 2021/22</b>	<i>10</i>	<b>(792)</b>	<b>92</b>	<b>(700)</b>
<b>Balance 31 March 2022 carried forward</b>		<b>(1,531)</b>	<b>983</b>	<b>(548)</b>
<u>Movement in reserves during 2022/23</u>				
(Surplus)/Deficit on provision of services		<b>(586)</b>	<b>0</b>	<b>(586)</b>
Other Comprehensive Income and Expenditure		<b>0</b>	<b>(1,204)</b>	<b>(1,204)</b>
<b>Total Comprehensive Income and Expenditure</b>		<b>(586)</b>	<b>(1,204)</b>	<b>(1,790)</b>
Adjustments between accounting basis and funding basis under regulations	<i>9</i>	<b>(255)</b>	<b>255</b>	<b>0</b>
<b>Net (Increase)/Decrease before Transfers to Earmarked Reserves</b>		<b>(841)</b>	<b>(949)</b>	<b>(1,790)</b>
<b>(Increase)/Decrease in 2022/23</b>	<i>10</i>	<b>(841)</b>	<b>(949)</b>	<b>(1,790)</b>
<b>Balance 31 March 2023 carried forward</b>		<b>(2,372)</b>	<b>34</b>	<b>(2,338)</b>

## 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		1
<b>0</b>	<b>Long-term Assets</b>		<b>1</b>
21,253	Short-term Debtors	12	480
16,768	Cash and Cash Equivalents	13	56,980
<b>38,021</b>	<b>Current Assets</b>		<b>57,460</b>
(428)	Short-term Creditors	14	(517)
(29,000)	Capital and Revenue Grants Receipts in Advance	20	(11,400)
<b>(29,428)</b>	<b>Current Liabilities</b>		<b>(11,917)</b>
(942)	Pension Liability	24	0
(7,103)	Capital and revenue Grants Receipts in Advance	20	(43,206)
<b>(8,045)</b>	<b>Long-term Liabilities</b>		<b>(43,206)</b>
<b>548</b>	<b>Net Assets</b>		<b>2,338</b>
(1,531)	Usable Reserves	10	(2,372)
983	Unusable Reserves	15	34
<b>(548)</b>	<b>Total Reserves</b>		<b>(2,338)</b>

## 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	Note	2022/23
£'000		£'000
(500) Net (Surplus) / Deficit on the Provision of Services		(586)
(13) Adjustments to net surplus or deficit on the provision of services for non-cash movements *	16a	(39,626)
(513) Net cash flows from Operating Activities		(40,212)
0 Investing Activities *		0
0 Financing Activities		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	13	(16,768)
<b>(16,768) Cash and cash equivalents at the end of the reporting period</b>	13	<b>(56,980)</b>

\* Revenue Expenditure Funded from Capital Under Statute (REFCUS) has been removed in 2022/23 and 2021/22 figures have been restated to ensure comparison.



# **NOTES TO THE ACCOUNTS**

## **NOTE I – ACCOUNTING POLICIES**

### **1.1 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.

### **1.2 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.

### **1.3 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.

### **1.4 Employee Benefits**

#### **1.4.1 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.

#### **1.4.2 Termination Benefits**

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

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

## **NOTE I – ACCOUNTING POLICIES (continued)**

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

### **1.4.3 Post-employment Benefits**

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

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

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

### **1.4.4 The Local Government Pension Scheme**

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

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

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

Liabilities are discounted to their value at current prices, using a discount rate of 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.

### **1.4.5 Discretionary Benefits**

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

### **1.5 Events after the Reporting Period**

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

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

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

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

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

Changes in accounting policies are only made when required by proper accounting practices or the change provides more reliable or relevant information about the effect of transactions, other events and conditions on the Joint Committee’s financial position or financial performance. Where a change is made, it is applied retrospectively (unless 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.

### **1.7 Government Grants and Other Contributions**

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

## **NOTE I – ACCOUNTING POLICIES (continued)**

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

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

### **1.8 Overheads and Support Services**

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

### **1.9 Reserves**

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

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

### **1.10 Revenue Expenditure Funded from Capital Under Statute**

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

### **1.11 Value Added Tax**

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

### **1.12 Debtors and Creditors**

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

### **1.13 Long-Term Contracts**

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

### **1.14 Joint Operations**

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

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

## NOTE 2 - CHANGE IN ACCOUNTING POLICY

The Joint Committee's existing accounting policies are amended only insofar as to reflect the guidance in the 2022/23 CIPFA Code of Practice on Local Authority Accounting in the United Kingdom.

## NOTE 3 – PRIOR PERIOD ADJUSTMENTS

In the 2021/22 Statement of Accounts, Revenue Expenditure Funded from Capital Under Statute (REFCUS) was included in the Cash Flow Statement under 'Adjustments to net surplus or deficit on the provision of services for non-cash movements' and 'Investing Activities'. A prior period adjustment has been made in order to correct the inclusion of REFCUS in these lines. The following tables reflect the restatements that have been made to the 2021/22 main Statement of Accounts and the relevant Notes to the Accounts.

### CASH FLOW STATEMENT

	<b>As previously stated 2021/22 £'000</b>	<b>Restatement £'000</b>	<b>Restated 2021/22 £'000</b>
Adjustments to net surplus or deficit on the provision of services for non-cash movements	(137)	124	(13)
Net cash flows from Operating Activities	(637)	124	(513)
Investing Activities	124	(124)	0

### CASH FLOW STATEMENT – ADJUSTMENTS TO NET SURPLUS OR DEFICIT ON THE PROVISION OF SERVICES FOR NON-CASH MOVEMENTS

	<b>As previously stated 2021/22 £'000</b>	<b>Restatement £'000</b>	<b>Restated 2021/22 £'000</b>
Other non-cash items charged to the net surplus/ deficit on the provision of services	(165)	124	(41)
	<b>(137)</b>	<b>124</b>	<b>(13)</b>

### CASH FLOW STATEMENT – INVESTING ACTIVITIES

	<b>As previously stated 2021/22 £'000</b>	<b>Restatement £'000</b>	<b>Restated 2021/22 £'000</b>
Other payments for investing activities	124	(124)	0
Net cash flows from investing activities	<b>124</b>	<b>(124)</b>	<b>0</b>

## **NOTE 4 - 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 1 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 5 – CRITICAL JUDGEMENTS IN APPLYING ACCOUNTING POLICIES**

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

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

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

## NOTE 6 – 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:

Item	Uncertainties	Effect if actual results differ from assumptions
Pensions liability	<p>Estimation of the net liability to pay pensions depends on a number of complex judgements relating to the discount rate used, the rate at which salaries are projected to increase, changes in retirement ages, mortality rates and expected returns on pension fund assets. A firm of consulting actuaries is engaged to provide the Joint Committee with expert advice about the assumptions to be applied.</p> <p>Brexit and Covid 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.</p>	The effects on the net pension liability of changes in individual assumptions are set out in Note 24.

## NOTE 7 – MATERIAL ITEMS OF INCOME AND EXPENSE

Related items include:-

- £1,204k 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 15.2).
- £4,345k in grants and contributions and equivalent expenditure (Note 20).

## NOTE 8 – NOTE TO THE EXPENDITURE AND FUNDING ANALYSIS

ADJUSTMENTS BETWEEN FUNDING AND ACCOUNTING BASIS				
2022/23	Adjustments for Capital Purposes (i)	Net change for the Pensions Adjustments (ii)	Other Differences (iii)	Total Adjustments
	£'000	£'000	£'000	£'000
Adjustments from General Fund to arrive at the Comprehensive Income and Expenditure Statement amounts				
Programme Management Office	0	233	(7)	226
Accountable Body Support Services	0	0	0	0
Joint Committee	0	0	0	0
Projects	1,656	0	0	1,656
Grant Schemes	0	0	0	0
Income	(1,656)	0	0	(1,656)
<b>Cost of Services</b>	<b>0</b>	<b>233</b>	<b>(7)</b>	<b>226</b>
Financing and Investment Income and Expenditure	0	29	0	29
<b>(Surplus) / Deficit on Provision of Services</b>	<b>0</b>	<b>262</b>	<b>(7)</b>	<b>255</b>

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



## NOTE 8 – 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 9 – 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.

2022/23	Usable Reserve General Fund Balance	Movement in Unusable Reserves
<b>ADJUSTMENTS BETWEEN ACCOUNTING BASIS AND FUNDING BASIS UNDER REGULATIONS</b>	<b>£'000</b>	<b>£'000</b>
<b>Adjustments involving the Capital Adjustment Account</b>		
Capital grants and contributions applied	1,656	(1,656)
Revenue expenditure funded from capital under statute	(1,656)	1,656
<b>Adjustments primarily involving the Pensions Reserve</b>		
Reversal of items relating to retirement benefits debited/credited to the Comprehensive Income and Expenditure Statement (Note 24)	(449)	449
Employer's pensions contributions and direct payments to pensioners payable in the year	187	(187)
<b>Adjustment primarily involving the Accumulated Absences Account</b>		
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)
<b>Total Adjustments</b>	<b>(255)</b>	<b>255</b>

2021/22	Usable Reserve General Fund Balance	Movement in Unusable Reserves
<b>ADJUSTMENTS BETWEEN ACCOUNTING BASIS AND FUNDING BASIS UNDER REGULATIONS</b>	<b>£'000</b>	<b>£'000</b>
<b>Adjustments involving the Capital Adjustment Account</b>		
Capital grants and contributions applied	124	(124)
Revenue expenditure funded from capital under statute	(124)	124
<b>Adjustments primarily involving the Pensions Reserve</b>		
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)
<b>Adjustment primarily involving the Accumulated Absences Account</b>		
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
<b>Total Adjustments</b>	<b>(292)</b>	<b>292</b>

## NOTE 10 – 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 31 March 2022	Transfers			Balance 31 March 2023
		between reserves	in	out	
<b>Note</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
10.1 Earmarked Reserve	637	0	0	(85)	552
10.2 Projects Reserve	195	0	0	(43)	152
10.3 Interest Reserve	699	0	1,017	(48)	1,668
<b>Total</b>	<b>1,531</b>	<b>0</b>	<b>1,017</b>	<b>(176)</b>	<b>2,372</b>

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

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

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

## NOTE 11 – FINANCING AND INVESTMENT INCOME AND EXPENDITURE

2021/22	2022/23
£'000	£'000
3 Net interest on the net pension defined benefit liability/(asset)	29
(16) Interest receivable and similar income	(761)
<b>(13) Total</b>	<b>(732)</b>

## NOTE 12 – SHORT-TERM DEBTORS

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

## NOTE 13 – 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.

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

## NOTE 14 – SHORT-TERM CREDITORS

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

## NOTE 15 – UNUSABLE RESERVES

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

## NOTE 15 – UNUSABLE RESERVES (continued)

### 15.1 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 9 provides details of the source of all the transactions posted to the Account.

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

### 15.2 Pensions Reserve

The Pensions Reserve absorbs the timing differences arising from the different arrangements for accounting for post-employment benefits and for funding benefits in accordance with statutory provisions. The Joint Committee accounts for post-employment benefits in the Comprehensive Income and Expenditure Statement as the benefits are earned by employees accruing years of service, updating the liabilities recognised to reflect inflation, changing assumptions and investment returns on any resources set aside to meet the costs. However, statutory arrangements require benefits earned to be financed as the Joint Committee makes employer's contributions to pension funds or eventually pays any pensions for which it is directly responsible. The 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
<b>0 Balance 1 April</b>	<b>(942)</b>
(891) Transfer from Cyngor Gwynedd*	0
200 Re-measurements of the net pension defined benefit (liabilities) / assets	1,204
(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	(449)
162 Employer's pensions contributions and direct payments to pensioners payable in the year	187
<b>(942) Balance 31 March</b>	<b>0</b>

\*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.

## NOTE 15 – UNUSABLE RESERVES (continued)

### 15.3 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
<b>0 Balance 1 April</b>	<b>(41)</b>
(41) 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
<b>(41) Balance 31 March</b>	<b>(34)</b>

## NOTE 16a – 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	(262)
(41) Other non-cash items charged to net surplus/deficit on the provision of services *	7
<b>(13)</b>	<b>(39,626)</b>

\* Revenue Expenditure Funded from Capital Under Statute (REFCUS) has been removed in 2022/23 and 2021/22 figures have been restated to ensure comparison.

## NOTE 16b – CASH FLOW STATEMENT – OPERATING ACTIVITIES

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

## NOTE 17 – EXPENDITURE AND INCOME ANALYSED BY NATURE

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

2021/22		2022/23
£'000	<u>Expenditure / Income</u>	£'000
	<b>Expenditure</b>	
1,435	Employee benefits expenses	1,596
17	Premises	32
0	Transport	2
1,117	Supplies and Services	995
135	Third Party	210
3	Interest Payments	29
124	Revenue Expenditure Funded From Capital Under Statute	1,656
<b>2,831</b>	<b>Total Expenditure</b>	<b>4,520</b>
	<b>Income</b>	
(1,318)	Partner Contributions	(873)
(16)	Interest and investment income	(761)
(1,997)	Grants and other contributions	(3,472)
<b>(3,331)</b>	<b>Total Income</b>	<b>(5,106)</b>
<b>(500)</b>	<b>(Surplus) / Deficit on the Provision of Services</b>	<b>(586)</b>

## NOTE 18 – OFFICERS' REMUNERATION

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

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

\* Since 10 October 2022, the Portfolio Director has been seconded to the North Wales Corporate Joint Committee (CJC) for two days a week to fulfil 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.

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



## NOTE 20 – GRANT INCOME

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

	2021/22		2022/23	
	£'000	£'000	£'000	£'000
<b>Grants and Contributions Credited to Services</b>				
Welsh Government				
European Social Fund Priority 5	808		987	
Decarbonisation 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	
		<b>1,642</b>		<b>2,860</b>
<b>Grants and Other Contributions from the Government</b>				
Department of Work and Pensions	0		1	
		<b>0</b>		<b>1</b>
<b>Other Grants and Contributions</b>				
Partners' Contributions				
Conwy County Borough Council	168		124	
Denbighshire County Council	154		118	
Flintshire County Council	194		134	
Cyngor Gwynedd	172		126	
Isle of Anglesey County Council	137		111	
Wrexham County Borough Council	181		128	
Bangor University	118		63	
Wrexham Glyndŵr University	59		40	
Coleg Cambria**	60		(9)	
Grŵp Llandrillo Menai	75		38	
		<b>1,318</b>		<b>873</b>
<b>Community Renewal Fund</b>				
Denbighshire County Council	34		60	
Cyngor Gwynedd	34		60	
Isle of Anglesey County Council	34		60	
Wrexham County Borough Council	34		60	
		<b>136</b>		<b>240</b>
<b>Cyngor Gwynedd</b>				
North Wales Growth Deal Grant	219		286	
UK Shared Prosperity Fund	0		15	
North Wales Corporate Joint Committee Implementation Grant	0		9	
		<b>219</b>		<b>310</b>
<b>North Wales Corporate Joint Committee</b>		<b>0</b>		<b>61</b>
<b>Total Grants and Contributions Credited to Services</b>		<b>3,315</b>		<b>4,345</b>

\* 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:

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

## 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)	0	0
Flintshire County Council	0	(134)	0	13
Cyngor Gwynedd	251	(486)	(10)	0
Isle of Anglesey County Council	0	(171)	0	0
Wrexham County Borough Council	0	(188)	0	0
Bangor University	1,639	(63)	0	17
Wrexham Glyndwr University	1	(26)	(14)	0
Coleg Cambria	0	9	0	0
Grŵp Llandrillo Menai	0	(38)	0	0
North Wales Corporate Joint Committee	0	0	(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 15.1)	0
<b>0</b>	<b>Capital Financing Requirement</b>	<b>0</b>

The movement in the year is explained as follows:

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

## 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.

## **NOTE 24 – PENSION COSTS (continued)**

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

### **Transactions Relating to Post-employment Benefits**

The Joint Committee recognises the cost of retirement benefits in the reported cost of services when they are earned by employees, rather than when the benefits are eventually paid as pensions. However, the charge it is required to make 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.

## NOTE 24 – PENSION COSTS (continued)

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)
<b>Opening Position at 1 April</b>	<b>883</b>	<b>(1,774)</b>	<b>(891)</b>	<b>1,192</b>	<b>(2,134)</b>	<b>(942)</b>
Service Cost						
Current Service Cost*	0	(410)	(410)	0	(420)	(420)
<b>Total Service Cost</b>	<b>0</b>	<b>(410)</b>	<b>(410)</b>	<b>0</b>	<b>(420)</b>	<b>(420)</b>
Net interest						
Interest Income on Plan Assets	20	0	20	36	0	36
Interest Cost on Defined Benefit Obligation	0	(23)	(23)	0	(65)	(65)
<b>Total Net Interest</b>	<b>20</b>	<b>(23)</b>	<b>(3)</b>	<b>36</b>	<b>(65)</b>	<b>(29)</b>
<b>Total Defined Benefit Cost Recognised in Profit/(Loss)</b>	<b>20</b>	<b>(433)</b>	<b>(413)</b>	<b>36</b>	<b>(485)</b>	<b>(449)</b>
Cash flows						
Participants' contributions	60	(60)	0	69	(69)	0
Employer contributions	159	0	159	184	0	184
Benefits paid	0	0	0	(1)	1	0
<b>Expected Closing Position</b>	<b>1,122</b>	<b>(2,267)</b>	<b>(1,145)</b>	<b>1,480</b>	<b>(2,687)</b>	<b>(1,207)</b>
Remeasurements						
Change in demographic assumptions	0	15	15	0	88	88
Change in financial assumptions	0	202	202	0	1,440	1,440
Other experience**	0	(84)	(84)	116	(238)	(122)
Return on Assets excluding amounts included in net interest	70	0	70	(56)	0	(56)
<b>Total remeasurements recognised in Other Comprehensive Income (OCI)</b>	<b>70</b>	<b>133</b>	<b>203</b>	<b>60</b>	<b>1,290</b>	<b>1,350</b>
Fair Value of Plan Assets	1,192	0	1,192	1,540	0	1,540
Present Value of Funded Liabilities	0	(2,134)	(2,134)	0	(1,397)	(1,397)
<b>Closing Position at 31 March</b>	<b>1,192</b>	<b>(2,134)</b>	<b>(942)</b>	<b>1,540</b>	<b>(1,397)</b>	<b>143</b>

\* 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.

## NOTE 24 – PENSION COSTS (continued)

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	31 March 2023
	£'000	£'000
Fair Value of Plan Assets	1,192	1,540
Present Value of Funded Obligations	(2,134)	(1,397)
Effect of IAS 19/ IFRIC 14	0	(143)
<b>Net Asset/ (Liability) Arising From Defined Benefit Obligation</b>	<b>(942)</b>	<b>0</b>

### 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 bid value of the Fund's assets as at 31 March 2023 was £2.762bn. Only a portion of the Fund is relevant to the NWEAB.

### Fair Value of Employer Assets

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

Asset Category	At 31 March 2022				At 31 March 2023			
	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	
<b>Equity Securities</b>								
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
<b>Debt Securities</b>								
Other	0	0	0	0	0	0	0	0
<b>Private Equity</b>								
All	0	67	67	6	0	97	97	6
<b>Real Estate</b>								
UK Property	0	102	102	9	0	127	127	8
Overseas Property	0	0	0	0	0	0	0	0
<b>Investment Funds and Unit Trusts</b>								
Equities	0	758	758	63	0	958	958	62
Infrastructure	0	23	23	2	0	44	44	3
Other	0	238	238	20	0	309	309	20
<b>Cash and Cash Equivalents</b>								
All	4	0	4	0	5	0	5	1
<b>Total</b>	<b>4</b>	<b>1,188</b>	<b>1,192</b>	<b>100</b>	<b>5</b>	<b>1,535</b>	<b>1,540</b>	<b>100</b>

## NOTE 24 – PENSION COSTS (continued)

### Basis for estimating assets and liabilities

Liabilities have been assessed on an actuarial basis using the projected unit method, an estimate of the pensions that will be payable in future years dependent on assumptions about mortality rates, life expectancy and salary levels. Life expectancy is based on 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
<b>Financial Assumptions</b>	<b>% p.a.</b>	<b>% p.a.</b>
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
<b>Take-up option to convert annual pension into retirement lump sum</b>		
for pre-April 2008 service	50	65
for post-April 2008 service	75	65
<b>Mortality assumptions</b>	<b>Years</b>	<b>Years</b>
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).



## NOTE 24 – PENSION COSTS (continued)

The figures in the table below have been derived based on the membership profile of the Joint Committee as at 31 March 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.

<b>Impact on the Defined Benefit Obligation in the Scheme</b>		
<b>Change in assumption</b>	<b>Approximate increase to Defined Benefit Obligation</b>	<b>Approximate monetary amount</b>
	<b>31 March 2023</b>	<b>31 March 2023</b>
	<b>%</b>	<b>£'000</b>
0.1% decrease in real discount rate	3	45
1 year increase in member life expectancy	4	56
0.1% increase in the salary increase rate	1	8
0.1% increase in the pension increase rate	3	38

### 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. The Joint Committee 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

	<b>Liability Split</b>	
	<b>31 March 2023</b>	
	<b>£'000</b>	<b>%</b>
Active Members	1,390	99.5
Deferred Members	7	0.5
Pensioner Members	0	0.0
<b>Total</b>	<b>1,397</b>	<b>100.0</b>

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 £178k.

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.

## **NOTE 25 – EVENTS AFTER THE REPORTING PERIOD**

The Statement of Accounts was authorised by the Head of Finance on 7 December 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. The accounts have been updated since issue on 7 July 2023 to incorporate auditor recommendations.

# 2022-2023 Annual Governance Statement

## Introduction

### Ambition North Wales

The Ambition North Wales partnership was established in 2012 to develop a regional approach to economic growth and to address the challenges and barriers facing the North Wales economy. The partnership covers the six local authority administrative areas of North Wales comprising the councils of Gwynedd, Anglesey, Conwy, Denbighshire, Wrexham and Flintshire. The partnership also includes the University of Bangor, Wrexham University, Coleg Cambria and Grŵp Llandrillo Menai.

In December 2020, the partnership agreed the North Wales Growth Deal with UK Government and Welsh Government securing an investment of £240million into the North Wales economy as part of the Deal.

A Portfolio Management Office has been established to deliver the Growth Deal and the first project business case was approved in December 2021 and is now in delivery.

## Purpose

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

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

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

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

## North Wales Growth Deal

The aim of the Growth Deal is to build a more vibrant, sustainable, and resilient economy in North Wales. Building on the region's strengths to boost productivity and tackling long term challenges and economic barriers to deliver inclusive growth. The approach is to promote growth in a scalable, inclusive, and sustainable way in line with Wellbeing of Future Generations (Wales) Act 2015.

The Growth Deal aims to bring over £1 billion of investment to North Wales in order to generate over 4,000 new jobs and an increase in GVA of £2.4 billion. The UK and Welsh governments have committed to jointly investing £240 million capital over a 15-year period, with the remainder leveraged from private and public sources.

The desired outcomes of this investment are to be delivered through the delivery of a portfolio of five separate programmes which:

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

## Growth Deal Programmes

The five programmes are

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

## Governance Framework

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

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

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

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

The governance framework described above has been in place at Ambition North Wales for the year ending 31 March 2023 and remains applicable up to the date of the approval of the Statement of Accounts.

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

### 1. Integrity and Values

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

- The expectations of the Portfolio Management Office, Board Members and the Accountable Body are set out within Governance Agreement 2. The Agreement sets out the procedure for meetings, decision making structures, democratic accountability, delegations' policy, scrutiny arrangements and includes the Code of Conduct.
- A conflict of interest policy is in place covering the Growth Deal, specifically for the portfolio, programme and project boards. Declarations of interest is a standing item on the agenda of the Economic Ambition Board, Portfolio Board and all Programme and Project Boards.

- Internal and External audit arrangements are in place.
- All reports to the Economic Ambition Board include legal/finance statutory comments prior.
- The Monitoring Officer ensures compliance on all decisions undertaken by the Economic Ambition Board.
- Scrutiny arrangements are in place with all 6 local authorities.
- The Portfolio Management Office have developed and committed to a set of values for the team:
  - to be ambitious
  - to work collaboratively
  - to do the right thing
  - to make a difference.

## 2. Openness and engagement

Ensuring openness and comprehensive stakeholder engagement.

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

## 3. Making a difference

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

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

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

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

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

#### 5. Valuing our people; engaging, leading and supporting

Developing capacity and the capability of leadership and individuals.

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

#### 6. Managing risks, performance and finance

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

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



- Annual Audit reports are submitted by the Accountable Body to the Economic Ambition Board.,

## 7. Good transparency and accountability

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

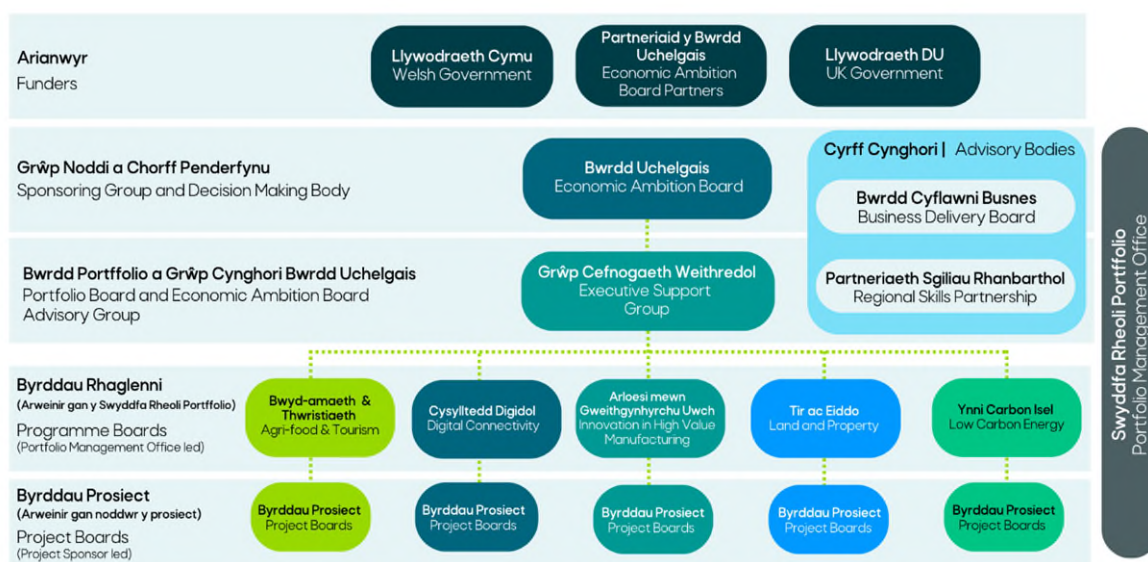
- The Portfolio Management Office has developed an Integrated Assurance and Approval Plan, Monitoring and Evaluation Plan and Portfolio Business Plan.
- The Economic Ambition Board meeting papers are published on the Host Authority website as well as Ambition North Wales' website. This includes quarterly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

# Growth Deal Governance

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

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

The diagram below provides a visual overview of the framework:



All Ambition North Wales projects’ business cases are developed in line with the 'Better Business Cases' guidance and the Five Case model developed by Welsh Government and HM Treasury as well as HM Treasury's Green Book guide. All business cases are subject to independent Gateway Reviews by Welsh Government Integrated Assurance Hub, at all key decision points, in line with Cabinet Office Gateway Process. Sponsor procurement arrangements are scrutinised as part of this process.

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

were subject to these arrangements in respect of conflict of interests through their code of conduct or the equivalent arrangements in Governance Agreement (GA) 1 and 2.

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

## **Assurance**

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

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

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

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

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

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

- Project assurance reviews will take place throughout the life of the project at pre-agreed stages, including before key decision points. The level of assurance may vary per project, but would include a minimum of two external Gateway reviews per project, including a Gateway 2 review and a benefits realisation review. The rationale for the proposed approach is set out below:
  - Project Gateway 1 (SOC) – Only required for new projects or those currently at concept stage due to the approved Programme Business Case. All other projects to produce combined SOC/OBC for Gateway 2.
  - Project Gateway 2 (OBC) – Required for all projects within the Growth Deal.

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

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

#### Summary of recent North Wales Growth Deal Gateway Reviews

	Type of Review	Date	Delivery Confidence Assessment
<b>Portfolio and Programme Reviews</b>			
North Wales Growth Deal	Portfolio and Programme PAR	September 2023	AMBER
<b>Project Reviews</b>			
Last Few %	Gateway 2	February 2022	AMBER/RED
	Gateway 2 AAP*	June 2022	AMBER
Digital Signal Processing Centre	Gateway 4	November 2022	GREEN
Tourism Talent Network	Gateway 1	November 2022	AMBER/GREEN
Egni	Gateway 2	January 2023	AMBER
Smart Local Energy	Gateway 2	February 2023	AMBER
Tourism Talent Network	Gateway 2	March 2023	AMBER
Holyhead Gateway	Gateway 2	June 2023	AMBER**
Centre for Environmental Biotechnology	Gateway 2 PAR	September 2023	TBC
Cydnherth (Morlais)	Gateway 2	September 2023	TBC

\* AAP - Assurance of Action Plan Review. This is a follow up review to confirm sufficient progress has been made addressing the recommendations of the initial review where a Red or Amber-Red rating was given.

\*\* The review team highlighted a significant consenting risk outside the projects control relating to the Harbour Revision Order. This is has since been approved by Welsh Government, removing the risk.

## **Audit**

### **Internal and External Audit Arrangements**

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

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

## **Risk Management**

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

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

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

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

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

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

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

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



Source: Ambition North Wales

## Summary and Conclusion

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

*Alwen Williams*

ALWEN WILLIAMS  
PORTFOLIO DIRECTOR

*[Signature]*

COUNCILLOR DYFRIG SIENCYN  
CHAIR OF THE NORTH WALES ECONOMIC  
AMBITION BOARD

DATE: 22/09/2023

DATE: 22/09/2023

# Proposed Audit Report

## The report of the Auditor General for Wales to the members of North Wales Economic Ambition Board Joint Committee

### Opinion on financial statements

I have audited the financial statements of the North Wales Economic Ambition Board Joint Committee for the year ended 31 March 2023 under the Public Audit (Wales) Act 2004.

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

The financial reporting framework that has been applied in their preparation is applicable law and UK adopted international accounting standards as interpreted and adapted by the Code of Practice on Local Authority Accounting in the United Kingdom 2022-2023.

In my opinion, in all material respects, the financial statements:

- give a true and fair view of the financial position of the North Wales Economic Ambition Board Joint Committee as at 31 March 2023 and of its income and expenditure for the year then ended; and
- have been properly prepared in accordance with legislative requirements and UK adopted international accounting standards as interpreted and adapted by the Code of Practice on Local Authority Accounting in the United Kingdom 2022-2023.

### Basis of opinion

I conducted my audit in accordance with applicable law and International Standards on Auditing in the UK (ISAs (UK)) and Practice Note 10 'Audit of Financial Statements of Public Sector Entities in the United Kingdom'. My responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of my report.

My staff and I are independent of the North Wales Economic Ambition Board Joint Committee in accordance with the ethical requirements that are relevant to my audit of the financial statements in the UK including the Financial Reporting Council's Ethical Standard, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

### Conclusions relating to going concern

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

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

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

### Other Information

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

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

I have nothing to report in this regard.

## **Opinion on other matters**

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

- the information contained in the Narrative Report for the financial year for which the financial statements are prepared is consistent with the financial statements and is in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom 2022-23; and
- the information given in the Annual Governance Statement for the financial year for which the financial statements are prepared is consistent with the financial statements and is in accordance with guidance.

## **Matters on which I report by exception**

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

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

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

## **Responsibilities**

### **Responsibilities of the responsible financial officer for the financial statements**

As explained more fully in the Statement of Responsibilities for the Statement of Accounts, the responsible financial officer is responsible for:

- the preparation of the financial statements, which give a true and fair view and comply with proper practices;
- maintaining proper accounting records;
- internal controls as the responsible financial officer determines is necessary to enable the preparation of statements of accounts that are free from material misstatement, whether due to fraud or error; and
- assessing the North Wales Economic Ambition Board Joint Committee's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless the responsible financial officer anticipates that the services provided by the North Wales Economic Ambition Board Joint Committee will not continue to be provided in the future.

### **Auditor's responsibilities for the audit of the financial statements**

My responsibility is to audit the financial statements in accordance with the Public Audit (Wales) Act 2004.

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are



considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

My procedures included the following:

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

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

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

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

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

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

### **Other auditor's responsibilities**

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

## **Certificate of completion of audit**

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

Adrian Crompton  
Auditor General for Wales  
5 February 2024

1 Capital Quarter  
Tyndall Street  
Cardiff, CF10 4BZ

The maintenance and integrity of Cyngor Gwynedd's website is the responsibility of the Head of Corporate Support; the work carried out by auditors does not involve consideration of these matters and accordingly auditors accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the website.

## Glossary

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Audit year: 2022-23

Date issued: January 2024

Document reference: 3960A2023

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

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

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

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

# Contents

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

## Audit of Accounts Report

Introduction	4
Proposed audit opinion	4
Significant issues arising from the audit	5
Appendices	
Appendix 1 – Final Letter of Representation	6
Appendix 2 – Proposed Audit Report	9
Appendix 3 – Summary of Corrections Made	14

# Audit of Accounts Report

## Introduction

- 1 We summarise the main findings from our audit of your 2022-23 accounts in this report.
- 2 We have already discussed these issues with the Head of Finance (Section 151 Officer) and his team.
- 3 Auditors can never give complete assurance that accounts are correctly stated. Instead, we work to a level of 'materiality'. This level of materiality is set to try to identify and correct misstatements that might otherwise cause a user of the accounts into being misled.
- 4 We set this level at £90,400 for this year's audit.
- 5 There are some areas of the accounts that may be of more importance to the reader, and we have set a lower materiality level for:
  - Related Party Disclosures £10,000
  - Senior Officer Remuneration £1,000
- 6 We have now substantially completed this year's audit subject to completion of final audit procedure steps. Should any issues arise from this work, we will provide a verbal update at the Committee.
- 7 In our professional view, we have complied with the ethical standards that apply to our work; remain independent of yourselves; and our objectivity has not been compromised in any way. We have previously notified you of a potential threat to auditor independence and objectivity arising with the Audit Manager who is an acquaintance of a member of the Joint Committee's Executive Group. We confirm that the planned safeguards to mitigate the potential threat set out in our Audit Plan have operated as intended.

## Proposed audit opinion

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



## Significant issues arising from the audit

### Uncorrected misstatements

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

### Corrected misstatements

13 There were initially misstatements in the accounts that have now been corrected by management. However, we believe that these should be drawn to your attention and they are set out with explanations in **Appendix 3**.

### Other significant issues arising from the audit

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

# Appendix 1

## Final Letter of Representation

[Audited body's letterhead]

Auditor General for Wales  
Wales Audit Office  
1 Capital Quarter  
Tyndall Street  
Cardiff  
CF10 4BZ

### Representations regarding the 2022-23 financial statements

This letter is provided in connection with your audit of the financial statements of North Wales Economic Ambition Board Joint Committee for the year ended 31 March 2023 for the purpose of expressing an opinion on their truth and fairness and their proper preparation.

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

### Management representations

#### Responsibilities

We have fulfilled our responsibilities for:

- the preparation of the financial statements in accordance with legislative requirements and the Code of Practice on Local Authority Accounting in the United Kingdom 2022-23; in particular the financial statements give a true and fair view in accordance therewith; and
- the design, implementation, maintenance and review of internal control to prevent and detect fraud and error.

#### Information provided

We have provided you with:

- full access to:
  - all information of which we are aware that is relevant to the preparation of the financial statements such as books of account and supporting documentation, minutes of meetings and other matters;
  - additional information that you have requested from us for the purpose of the audit; and

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

## Financial statement representations

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

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

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

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

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

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

## Representations by Joint Committee

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

We acknowledge our responsibility for the preparation of true and fair financial statements in accordance with the applicable financial reporting framework. The financial statements were approved by North Wales Economic Ambition Board Joint Committee on 2 February 2024.

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

Signed by:

Signed by:

Dewi Aeron Morgan

Councillor Dyfrig Siencyn

Head of Finance, Gwynedd Council

Chair of NWEAB

2 February 2024

2 February 2024

# Appendix 2

## Proposed Audit Report

### **The report of the Auditor General for Wales to the members of North Wales Economic Ambition Board Joint Committee**

#### **Opinion on financial statements**

I have audited the financial statements of the North Wales Economic Ambition Board Joint Committee for the year ended 31 March 2023 under the Public Audit (Wales) Act 2004.

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

The financial reporting framework that has been applied in their preparation is applicable law and UK adopted international accounting standards as interpreted and adapted by the Code of Practice on Local Authority Accounting in the United Kingdom 2022-2023.

In my opinion, in all material respects, the financial statements:

- give a true and fair view of the financial position of the North Wales Economic Ambition Board Joint Committee as at 31 March 2023 and of its income and expenditure for the year then ended; and
- have been properly prepared in accordance with legislative requirements and UK adopted international accounting standards as interpreted and adapted by the Code of Practice on Local Authority Accounting in the United Kingdom 2022-2023.

#### **Basis of opinion**

I conducted my audit in accordance with applicable law and International Standards on Auditing in the UK (ISAs (UK)) and Practice Note 10 'Audit of Financial Statements of Public Sector Entities in the United Kingdom'. My responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of my report.

My staff and I are independent of the North Wales Economic Ambition Board Joint Committee in accordance with the ethical requirements that are relevant to my audit of the financial statements in the UK including the Financial Reporting Council's Ethical Standard, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

## Conclusions relating to going concern

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

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

## Other information

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

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

I have nothing to report in this regard.

## Opinion on other matters

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

- the information contained in the Narrative Report for the financial year for which the financial statements are prepared is consistent with the financial statements and is in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom 2022-23; and
- the information given in the Annual Governance Statement for the financial year for which the financial statements are prepared is consistent with the financial statements and is in accordance with guidance.

## Matters on which I report by exception

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

I have nothing to report in respect of the following matters, which I report to you, if, in my  
Page 10 of 15 - Audit of Accounts Report – NWEAB Joint Committee

opinion:

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

## Responsibilities

### Responsibilities of the responsible financial officer for the financial statements

As explained more fully in the Statement of Responsibilities for the Statement of Accounts, the responsible financial officer is responsible for:

- the preparation of the financial statements, which give a true and fair view and comply with proper practices;
- maintaining proper accounting records;
- internal controls as the responsible financial officer determines is necessary to enable the preparation of statements of accounts that are free from material misstatement, whether due to fraud or error; and
- assessing the North Wales Economic Ambition Board Joint Committee's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless the responsible financial officer anticipates that the services provided by the North Wales Economic Ambition Board Joint Committee will not continue to be provided in the future.

### Auditor's responsibilities for the audit of the financial statements

My responsibility is to audit the financial statements in accordance with the Public Audit (Wales) Act 2004.

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

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

My procedures included the following:

- Enquiring of management and those charged with governance, including obtaining and reviewing supporting documentation relating to the North Wales Economic Ambition Board Joint Committee's policies and procedures concerned with:

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

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

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

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

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

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



### **Other auditor's responsibilities**

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

### **Certificate of completion of audit**

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

Adrian Crompton  
Auditor General for Wales  
5 February 2024

1 Capital Quarter  
Tyndall Street  
Cardiff, CF10 4BZ

# Appendix 3

## Summary of Corrections Made

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

Correction	Nature of correction	Reason for correction
<p><b>Comprehensive Income and Expenditure Statement (CIES):</b></p> <ul style="list-style-type: none"> <li>£851,000 increase in pension costs charged to the CIES.</li> <li>£851,000 increase in re-measurement charged to the Other Comprehensive Income and Expenditure.</li> </ul> <p>Nil impact on Total Comprehensive Income and Expenditure.</p> <p><b>Pension Reserve (Note 14.2):</b></p> <ul style="list-style-type: none"> <li>£851,000 increase in re-measurements of the net pension defined benefit (liabilities)/ assets.</li> <li>£851,000 increase in reversal of items debited or credited to the CIES.</li> </ul> <p>Nil impact on the pension reserve closing position.</p>	<p>Following the submission of the draft accounts for audit, a revised IAS19 report was received from the Actuary due to the Current Service Cost being shown as a receipt/asset and not an expense/liability in error.</p> <p>This resulted in the 'Current Service Cost' being understated by £840,000, interest payable being understated by £11,000 and re-measurement being understated by £851,000.</p> <p>Numerous other notes are impacted by this adjustment including the narrative report, Note 6 'Material items of income and expenditure', Note 10 'Financing and Investment Income' and Expenditure', Note 17 'Expenditure and Income Analysed by Nature' and Note 24 'Pension costs'.</p>	<p>To correct an error made by the actuary within NWEAB's IAS 19 report.</p>
<p><b>Classification Only:</b></p> <p><b>Cash Flow Statement:</b></p> <ul style="list-style-type: none"> <li>Note 15a 'Cash flow Statement Operating Activities'.</li> <li>Note 16 'Cash flow Statement Investing Activities'.</li> </ul> <p>2022-23: £1,656,000.</p>	<p>The draft cash flow statement and supporting notes to the cashflow statement incorrectly included REFCUS (Revenue Expenditure Funded by Capital Under Statute) income and expenditure as 'Other non-cash items charged to net surplus/deficit on the provision of services' and 'Other payments for investing activities' line in Note 15a.</p>	<p>To comply with the CIPFA Code.</p>

2021-22: £124,000.

The narrative within the cash flow statement clearly states that *'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.'* This does not apply for REFCUS as it is capital expenditure on assets not owned by the Joint Committee and therefore expensed through the CIES and should not have been capitalised on the Balance Sheet.

As the prior period REFCUS amount is material this will also require adjustment and footnotes added to the cash flow, Note 15a and Note 16 as a restatement.



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## REPORT TO THE NORTH WALES ECONOMIC AMBITION BOARD

2/2/2024

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**Title:** 2023/24 Revenue and Capital Budget – End of December 2023 Review.

**Author:** Dewi A Morgan, Host Authority Head of Finance (Statutory Finance Officer)

Sian Pugh, Host Authority Assistant Head of Finance

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### 1. Purpose of the Report

- 1.1 The purpose of this report is to provide the North Wales Economic Ambition Board (NWEAB) with details of the actual revenue expenditure and income up to the end of December 2023, as well as projected full year out-turn against its annual budget. It also shows the revised proposed capital programme as at the end of December 2023.
- 1.2 In order to operate effectively, the Joint Committee needs to be aware of its projected expenditure position against its approved annual budget.

### 2. Decision Sought

The Board is asked to:-

- 2.1 Note and accept the NWEAB's revenue end of December 2023 review (Appendix 1).
  - 2.2 Note and accept the NWEAB's reserves update (Appendix 2).
  - 2.3 Agree the NWEAB's revised capital expenditure profile (Appendix 3).
-

### **3. Reasons for the Decision**

- 3.1 To note a forecast underspend of £340,768 against the revenue budget in 2023/24. The final underspend at the end of the financial year will be used to reduce the amount claimed from the growth deal grant.
- 3.2 To note a further slippage on the capital programme, with an estimated expenditure of £3.36m in 2023/24 compared to an approved budget of £11.25m for the year.

### **4. Background and Relevant Considerations**

- 4.1 The NWEAB in its meeting on 24 March 2023 approved its 2023/24 revenue and capital budget.
- 4.2 The net out-turn position at the end of the 2023/24 financial year was forecasted to be an underspend of £266,683 at the end of August 2023 review, but this has now increased to £340,768.
- 4.3 The out-turn report for 2023/24 will be presented to the NWEAB on 17 May 2024.

### **Revenue**

#### **5. Expenditure and income in 2023/24**

- 5.1 Appendix 1 provides a detailed analysis of the actual expenditure and income up to the end of December 2023, together with projected full year out-turn against its annual budget.
- 5.2 The one-off virement of £148,000 was approved by the Board in May 2023 as part of the out-turn report for 2022/23.

### **Portfolio Management Office**

- 5.3 There's a £32,662 overspend on the Portfolio Management Office, and the main overspend is shown on the employee expenditure heading, but this will be funded from the UK Shared Prosperity Fund and the North Wales Corporate Joint Committee income that is received for staff secondment, and both are shown in the income section.

### Accountable Body Support Services

5.4 With further information available, we are now forecasting an underspend of £35,220 on the Accountable Body Support Services heading, and this will be used to fund the external financial support expenditure shown under projects.

### Joint Committee

5.5 There's an underspend of £39,245 on the Joint Committee heading and this due to an underspend on the external legal support, financial fees and Business Delivery Board headings.

### Projects

5.6 The Projects heading shows a net underspend of £108,629, and this is mainly due to an underspend on the project business case development.

### Grant schemes

5.7 The expenditure under this heading includes external consultant fees as well as an internal support team to deliver the Local Area Energy Plans, and this expenditure is funded by a specific grant from Welsh Government.

### Funding Contributions

5.8 The main income streams for 2023/24 include partner contributions, ESF Funding, the revenue allocation of the North Wales Growth Deal (NWGD) grant, The North Wales Corporate Joint Committee (staff secondment), Welsh Government Energy grant, UK Shared Prosperity Fund and the earmarked reserve.

5.9 As a surplus is estimated for this year, it is suggested that a reduced amount of the growth deal is used (with the exact figure to be finalised at year end) which would then leave a neutral position for the Board for the year.

### NWEAB Reserves

5.10 Appendix 2 shows the opening reserve balances for the year, and the estimated balances at 31 March 2024.

- 5.11 The total general earmarked reserve balance at 31 March 2023 was £552,027, and £274,100 of this reserve has been allocated in the 2023/24 budget to give an estimated balance of £277,927 at 31 March 2024.
- 5.12 The projects reserve balance at 31 March 2023 was £152,300 and there is likely to be no movement this year.
- 5.13 The interest reserve is ringfenced to fund the cost of borrowing in future years, and its balance at 31 March 2023 was £1,667,882. The partner interest contributions of £251,040 for 2023/24 will be added to the reserve as well as interest accrued on the balance during the year. Due to the capital grant balance of around £50m as well as the high interest rate, this will be around £2.5m for this year to give an estimated balance of £4,418,922 at 31 March 2024.

## **Capital**

- 5.14 Appendix 3 shows the revised proposed capital programme as at the end of December 2023. There is a further reduction of £3.77m in the anticipated expenditure for 2023/24 compared to the budget that was approved in March 2023 and this was on four projects (Connecting the last few percent, Holyhead Gateway, Former North Wales Hospital and the Centre of Environmental Biotechnology).
- 5.15 It is highly unlikely that we will receive our annual contribution of £20.44m from Welsh Government and UK Government in 2023/24, but we are currently in discussion with UK Government and are working on a capital re-profile, and if successful it could mean receiving the UK Government's grant allocation in line with expenditure rather than as a flat rate over 10 years.

## **6. Staffing Implications**

- 6.1 As a result of numerous vacant posts as well as their success with the regional Shared Prosperity Fund application, the PMO have reviewed their staffing structure. The estimated out-turn position for 2023/24 reflects the recruitments that have taken place over recent months as well as the expected recruitments before the end of the year.



**7. Consultations Undertaken**

- 7.1 The appendices of this report were presented to the Portfolio Board on 19 January 2024.

**8. Appendices**

Appendix 1 – 2023/24 North Wales Economic Ambition Board’s Revenue Budget – End of December 2023 Review

Appendix 2 – NWEAB’s Reserves

Appendix 3 – 2023/24 North Wales Economic Ambition Board’s Capital Budget – End of December 2023 Review

**STATUTORY OFFICERS’ RESPONSE:**

**i. Monitoring Officer – Accountable Body:**

No observations to add in relation to propriety.

**ii. Statutory Finance Officer – Accountable Body:**

Author of this report.

## 2023/24 North Wales Economic Ambition Board's Revenue Budget - End of December 2023 Review

Appendix 1

	Base Budget	One-off virements	Total Budget	December 2023	December 2023 Commitments	Estimated Final Position	Overspend / (Underspend)
Expenditure	(£)	(£)	(£)	(£)	(£)	(£)	(£)
<b>Portfolio Management Office</b>							
Employee Expenditure (Pay, N.I. & Superannuation)	1,279,890	0	1,279,890	864,199	0	1,318,800	38,910
Advertising and Assessment of Candidates	2,500	0	2,500	10,800	0	10,800	8,300
Travel and Subsistence	10,000	0	10,000	6,294	0	10,000	0
Training	10,000	0	10,000	2,381	0	10,000	0
Engagement, Events and Meetings	13,000	0	13,000	3,457	10	6,000	(7,000)
Communications and Public Relations	30,000	0	30,000	20,312	3,160	23,472	(6,528)
Supplies and Services	10,000	0	10,000	16,080	337	17,917	7,917
Regional Engagement Team (RET)	10,600	0	10,600	4,950	3,713	8,663	(1,937)
Premises	36,000	0	36,000	0	0	36,000	0
ESF Evaluation	24,000	0	24,000	0	14,000	14,000	(10,000)
Portfolio and Programme Development	30,000	0	30,000	33,000	0	33,000	3,000
<b>Portfolio Management Office Total</b>	<b>1,455,990</b>	<b>0</b>	<b>1,455,990</b>	<b>961,473</b>	<b>21,220</b>	<b>1,488,652</b>	<b>32,662</b>
<b>Accountable Body Support Services</b>							
Finance Services Support	106,360	0	106,360	0	0	75,000	(31,360)
Legal (includes Monitoring Officer)	28,320	0	28,320	0	0	28,250	(70)
Corporate Support	43,490	0	43,490	13,646	0	39,700	(3,790)
Information Technology	18,670	0	18,670	0	0	18,670	0
Insurance	4,330	0	4,330	0	0	4,330	0
<b>Accountable Body Support Services Total</b>	<b>201,170</b>	<b>0</b>	<b>201,170</b>	<b>13,646</b>	<b>0</b>	<b>165,950</b>	<b>(35,220)</b>
<b>Joint Committee</b>							
External Legal Support	18,000	0	18,000	0	0	0	(18,000)
External Financial Fees	10,000	0	10,000	700	0	5,000	(5,000)
External Audit Fee	25,330	0	25,330	0	0	25,330	0
Business Delivery Board	15,000	18,000	33,000	16,755	0	16,755	(16,245)
<b>Joint Committee Total</b>	<b>68,330</b>	<b>18,000</b>	<b>86,330</b>	<b>17,455</b>	<b>0</b>	<b>47,085</b>	<b>(39,245)</b>
<b>Projects</b>							
Project Business Case Development	270,000	130,000	400,000	78,643	209,914	275,329	(124,671)
External Legal Support	85,000	0	85,000	45,527	13,021	120,000	35,000
External Financial Support	0	0	0	0	0	21,450	21,450
External Procurement Support	60,000	0	60,000	0	12,000	12,000	(48,000)
Assurance	40,000	0	40,000	4,950	0	47,592	7,592
<b>Projects Total</b>	<b>455,000</b>	<b>130,000</b>	<b>585,000</b>	<b>129,120</b>	<b>234,935</b>	<b>476,371</b>	<b>(108,629)</b>
<b>Grant schemes</b>							
Employee Expenditure - Energy Project	140,800	0	140,800	76,690	0	114,328	(26,472)
Local Area Energy Plans	648,050	0	648,050	393,943	92,091	511,728	(136,322)
<b>Grant schemes Total</b>	<b>788,850</b>	<b>0</b>	<b>788,850</b>	<b>470,633</b>	<b>92,091</b>	<b>626,056</b>	<b>(162,794)</b>
<b>Transfers to reserves</b>							
Partner interest contributions	251,040	0	251,040	0	0	251,040	0
<b>Transfers to reserves Total</b>	<b>251,040</b>	<b>0</b>	<b>251,040</b>	<b>0</b>	<b>0</b>	<b>251,040</b>	<b>0</b>
<b>Total Expenditure</b>	<b>3,220,380</b>	<b>148,000</b>	<b>3,368,380</b>	<b>1,592,327</b>	<b>348,246</b>	<b>3,055,154</b>	<b>(313,226)</b>

2023/24 North Wales Economic Ambition Board's Revenue Budget - End of December 2023 Review

	Base Budget	One-off virements	Total Budget	December 2023	December 2023 Commitments	Estimated Final Position	Overspend / (Underspend)
Income	(£)	(£)	(£)	(£)	(£)	(£)	(£)
<b>Funding Contributions</b>							
<b>Partner Contributions</b>							
Conwy County Borough Council	(55,350)	0	(55,350)	(55,350)	0	(55,350)	0
Denbighshire County Council	(55,350)	0	(55,350)	(55,350)	0	(55,350)	0
Flintshire County Council	(55,350)	0	(55,350)	(55,350)	0	(55,350)	0
Cyngor Gwynedd	(55,350)	0	(55,350)	(55,350)	0	(55,350)	0
Isle of Anglesey County Council	(55,350)	0	(55,350)	(55,350)	0	(55,350)	0
Wrexham County Borough Council	(55,350)	0	(55,350)	(55,350)	0	(55,350)	0
Bangor University	(27,680)	0	(27,680)	(27,680)	0	(27,680)	0
Wrexham Glyndwr University	(27,680)	0	(27,680)	(27,680)	0	(27,680)	0
Coleg Cambria	(27,680)	0	(27,680)	(27,680)	0	(27,680)	0
Grŵp Llandrillo Menai	(27,680)	0	(27,680)	(27,680)	0	(27,680)	0
<b>Local Authorities' Supplementary Contributions</b>							
Conwy County Borough Council	(40,000)	0	(40,000)	(40,000)	0	(40,000)	0
Denbighshire County Council	(40,000)	0	(40,000)	(40,000)	0	(40,000)	0
Flintshire County Council	(40,000)	0	(40,000)	(40,000)	0	(40,000)	0
Cyngor Gwynedd	(40,000)	0	(40,000)	(40,000)	0	(40,000)	0
Isle of Anglesey County Council	(40,000)	0	(40,000)	(40,000)	0	(40,000)	0
Wrexham County Borough Council	(40,000)	0	(40,000)	(40,000)	0	(40,000)	0
<b>Partner Interest Contributions</b>							
Conwy County Borough Council	(31,770)	0	(31,770)	(31,770)	0	(31,770)	0
Denbighshire County Council	(25,730)	0	(25,730)	(25,730)	0	(25,730)	0
Flintshire County Council	(42,200)	0	(42,200)	(42,200)	0	(42,200)	0
Cyngor Gwynedd	(33,610)	0	(33,610)	(33,610)	0	(33,610)	0
Isle of Anglesey County Council	(18,720)	0	(18,720)	(18,720)	0	(18,720)	0
Wrexham County Borough Council	(36,280)	0	(36,280)	(36,280)	0	(36,280)	0
Bangor University	(36,650)	0	(36,650)	(36,650)	0	(36,650)	0
Wrexham Glyndwr University	(13,610)	0	(13,610)	(13,610)	0	(13,610)	0
Grŵp Llandrillo Menai	(12,470)	0	(12,470)	(12,470)	0	(12,470)	0
<b>Other</b>							
European Social Fund (ESF) Priority 5 funding	(255,930)	0	(255,930)	(232,829)	0	(232,829)	23,101
North Wales Growth Deal grant	(874,000)	(148,000)	(1,022,000)	0	0	(1,022,000)	0
The North Wales Corporate Joint Committee	0	0	0	0	0	(69,421)	(69,421)
Welsh Government Energy grant	(799,870)	0	(799,870)	(90,250)	0	(645,331)	154,539
DWP Grant	0	0	0	5	0	5	5
UK Shared Prosperity Fund	(32,620)	0	(32,620)	8,089	0	(203,367)	(170,747)
Capitalisation of Salary Costs (Growth Deal)	(50,000)	0	(50,000)	0	0	0	50,000
Welsh Government Grant - Student Placement	0	0	0	(24,000)	0	(15,018)	(15,018)
Earmarked Reserve	(274,100)	0	(274,100)	0	0	(274,100)	0
<b>Total Income</b>	<b>(3,220,380)</b>	<b>(148,000)</b>	<b>(3,368,380)</b>	<b>(1,272,845)</b>	<b>0</b>	<b>(3,395,922)</b>	<b>(27,542)</b>
<b>Net Overspend / (Underspend)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>319,482</b>	<b>348,246</b>	<b>(340,768)</b>	<b>(340,768)</b>

NWEAB's Reserves

Appendix 2

	£
<b>Total earmarked reserve at 31 March 2023</b>	<b>(552,027)</b>
2023/24 budget allocation	274,100
<b>Total earmarked reserve at 31 March 2024</b>	<b>(277,927)</b>

	£
<b>Total projects reserve at 31 March 2023</b>	<b>(152,300)</b>

	£
<b>Total interest reserve at 31 March 2023</b>	<b>(1,667,882)</b>
2023/24 partner interest contributions	(251,040)
Estimated 2023/24 interest on balances	(2,500,000)
<b>Total interest reserve at 31 March 2024</b>	<b>(4,418,922)</b>

Programme	Project	Project Sponsor	2021/22 (£m)	2022/23 (£m)	2023/24 (£m)	2024/25 (£m)	2025/26 (£m)	2026/27 (£m)	2027/28 (£m)	2028/29 (£m)	2029/30 (£m)	2030/31 (£m)	2031/32 (£m)	2032/33 (£m)	2033/34 (£m)	2034/35 (£m)	Total (£m)
Digital	Digital Signal Processing Centre (DSP)	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	0.00	0.00	2.96
Digital	Connected Key Sites and Corridors	NWEAB	0.00	0.00	0.00	0.50	4.00	2.00	2.37	0.00	0.00	0.00	0.00	0.00	0.00	0.00	8.87
Digital	Connected Campus	NWEAB	0.00	0.00	0.00	0.94	10.10	4.93	4.71	0.00	0.00	0.00	0.00	0.00	0.00	0.00	20.68
Digital	Connecting the last few percent	NWEAB	0.00	0.00	0.00	0.00	2.32	1.85	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	4.17
Low carbon energy	Cydnorth (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	0.00	0.00	8.87
Low carbon energy	Egni (Low Carbon Energy Centre of Excellence)	Bangor University	0.00	0.00	0.00	0.00	3.94	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	3.94
Low carbon energy	Trawsfynydd Power Station	Cwmni Eginio	0.00	0.00	0.00	0.00	1.50	2.50	5.00	5.70	5.00	0.00	0.00	0.00	0.00	0.00	19.70
Low carbon energy	Hydrogen Hub and Transport Decarbonisation	NWEAB	0.00	0.00	0.00	0.00	5.61	5.62	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	11.23
Low carbon energy	Smart Local Energy	NWEAB	0.00	0.00	0.00	1.50	3.00	9.25	9.25	1.63	0.00	0.00	0.00	0.00	0.00	0.00	24.63
Low carbon energy	Deeside Waste to Fuel*	The Circular Economy Ltd	0.00	0.00	0.00	6.40	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	6.40
Low carbon energy	Holyhead Hydrogen Hub*	Menter Môn	0.00	0.00	0.00	1.90	1.90	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	3.80
Land and property	Holyhead Gateway	Stena Line	0.00	0.00	0.00	14.64	17.00	2.83	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	34.47
Land and property	Warren Hall Strategic Site	NWEAB	0.00	0.00	0.00	0.00	7.38	7.39	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	14.77
Land and property	Former North Wales Hospital, Denbigh	NWEAB	0.00	0.00	0.14	4.90	1.90	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	6.94
Land and property	Parc Bryn Cegin Strategic Site	NWEAB	0.00	0.00	0.00	5.91	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	5.91
Land and property	Western Gateway, Wrexham	NWEAB	0.00	0.00	0.00	0.00	4.48	4.48	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	8.96
Land and property	Kinmel Studios*	Stage Fifty	0.00	0.00	0.00	0.00	3.40	3.40	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	6.80
Land and property	Wrexham Gateway*	Wrexham County Borough Council	0.00	0.00	0.00	0.00	2.79	2.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	4.79
Innovation in High Value Manufacturing	Centre of Environmental Biotechnology (CEB)	Bangor University	0.00	0.00	0.00	2.96	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	2.96
Innovation in High Value Manufacturing	Enterprise Engineering & Optics Centre	Glyndŵr University	0.00	0.00	1.81	7.27	2.47	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	11.55
Agri-food and tourism	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	0.00	0.00	11.82
Agri-food and tourism	Tourism Talent Network	Grŵp Llandrillo Menai	0.00	0.00	0.00	0.00	2.13	2.30	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	4.43
Agri-food and tourism	Responsible Adventure*	Zip World	0.00	0.00	0.00	2.30	3.70	0.20	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	6.20
2.15% to fund the NWEAB's revenue budget			0.22	0.28	1.02	1.20	0.70	0.70	0.30	0.15	0.15	0.10	0.10	0.10	0.08	0.05	5.15
<b>Anticipated expenditure by 31/03</b>			<b>0.34</b>	<b>1.94</b>	<b>3.36</b>	<b>61.74</b>	<b>87.38</b>	<b>50.55</b>	<b>21.63</b>	<b>7.48</b>	<b>5.15</b>	<b>0.10</b>	<b>0.10</b>	<b>0.10</b>	<b>0.08</b>	<b>0.05</b>	<b>240.00</b>
<b>Approved budget (March 2023)</b>			<b>0.34</b>	<b>2.09</b>	<b>11.25</b>	<b>65.66</b>	<b>85.34</b>	<b>34.74</b>	<b>28.33</b>	<b>6.73</b>	<b>5.10</b>	<b>0.10</b>	<b>0.10</b>	<b>0.10</b>	<b>0.08</b>	<b>0.05</b>	<b>240.00</b>
<b>Variance</b>			<b>0.00</b>	<b>(0.15)</b>	<b>(7.89)</b>	<b>(3.92)</b>	<b>2.04</b>	<b>15.81</b>	<b>(6.70)</b>	<b>0.75</b>	<b>0.05</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
North Wales Growth Deal Grant			0.34	1.94	3.36	61.74	30.38	20.44	20.45	7.48	5.15	0.10	0.10	0.10	0.08	0.05	151.71
Borrowing							57.00	30.11	1.18								88.29
<b>Total Capital Funding</b>			<b>0.34</b>	<b>1.94</b>	<b>3.36</b>	<b>61.74</b>	<b>87.38</b>	<b>50.55</b>	<b>21.63</b>	<b>7.48</b>	<b>5.15</b>	<b>0.10</b>	<b>0.10</b>	<b>0.10</b>	<b>0.08</b>	<b>0.05</b>	<b>240.00</b>

\*Replacement projects

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**REPORT TO THE NORTH WALES ECONOMIC AMBITION BOARD**  
**2<sup>nd</sup> February 2024**

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**TITLE:** North Wales Growth Deal – Quarter 3 Performance and Risk Report  
**AUTHOR:** Hedd Vaughan-Evans, Head of Operations

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**1. PURPOSE OF THE REPORT**

- 1.1. The purpose of the report is to present the Quarter 3 (October to December) 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 3 Performance Report and updated Portfolio Risk Register.
- 2.2. That the Board approves the submission of the Quarter 3 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 3 Performance Report
  - Portfolio Risk Register – December 2023
- 4.4. North Wales Growth Deal – Quarter 3 Performance Report
  - 4.4.1. The Quarter 3 performance report provides an overview of progress on the Growth Deal programmes and projects.

- 
- 4.4.2. This quarter saw the approval of the updated Portfolio Business Case and the submission to Welsh and UK Governments as part of the annual award of funding process.
- 4.4.3. The Economic Ambition Board approved three project Outline Business Cases during the quarter. These were the Tourism Talent Network, Egni and Deeside Anaerobic Digestion Plant. The Board also approved the Full Business Case for the Enterprise Engineering and Optic Centre project, a significant milestone for the Growth Deal.
- 4.4.4. The Quarter 3 update is showing projects reporting against the revised portfolio delivery profile approved by the Board. Three projects are currently reporting as red due to either risks to the project scope or significant delays to project timescales:
- Connecting the Last Few % - Procurement activity on the project has been suspended until UK Government confirms the launch date for its new intervention, expected to be confirmed in Q3 23/24 for launch in 2024. The new proposed intervention by UK Government is likely to meet or improve upon the project's spending objectives.
  - Western Gateway, Wrexham – a review of the project is being undertaken 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. Survey work is underway as requested by Natural Resources Wales and CADW.

#### 4.5. Portfolio Risk Register – December 2023

- 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 affordability, capacity, delay, planning and statutory consents, public and private sector investment, and spending objectives. The risk on economic context has increased due to the developing global issues affecting supply chains and the energy market likely to affect costs in the short to medium term. The risk on delay remains red but has decreased due to the progress made during the quarter including the OBC and FBC approvals.

### 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.

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### APPENDICES:

- |                   |  |
|-------------------|--|
| <b>Appendix 1</b> | North Wales Growth Deal – Quarter 3 Performance Report |
| <b>Appendix 2</b> | Portfolio Risk Register – December 2023                |

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### 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 fair reflection of the financial situation of Ambition North Wales during quarter 3. Implementing the decision sought will not create a new spending commitment. I will continue to assist the Portfolio Management Office in managing the relevant risks.”



# North Wales Growth Deal

2023-24 Quarter 3

(October – December 2023)

Performance Report

1.	Portfolio Director Summary .....	3
2.	Portfolio Performance .....	4
3.	Digital Programme Performance .....	5
4.	Low Carbon Energy Programme Performance .....	7
5.	Land and Property Programme Performance .....	10
6.	Agri-food and Tourism Programme Performance .....	13
7.	Innovation in High Value Manufacturing Programme Performance .....	15
8.	Project Progress Tracker.....	17
9.	Growth Deal Project Delivery Pipeline – Portfolio Business Case 2023 .....	18
10.	Objective Tracker – Overview of delivery (March 2023).....	19
11.	Growth Deal Grant Expenditure Profile – Portfolio Business Case 2023 .....	20
12.	Growth Deal Projects: Capital Funding Allocation Profile.....	22
	APPENDIX A - Growth Deal Projects Summary .....	23

During this quarter we saw significant progress in the delivery of the Growth Deal projects

The Outline Business Cases for the Tourism Talent Network, Deeside Anaerobic Digestion Plant and the Egni projects were approved by the Economic Ambition Board and recommended that a Full Business Case is prepared for the Board to consider following the completion of the outstanding actions.

The Full Business Case for the Enterprise Engineering and Optic Centre project was approved by the Board.. This is a significant milestone for the Growth Deal and will see the project start on site in February 2024 with Wynne Construction having been appointed as the main contractor for the Plas Coch development.

The updated Portfolio Business Case has now been approved by the Board and submitted to Welsh and UK Governments as part of the annual award of funding process.

The annual Portfolio Gateway Review of the Growth Deal was carried out by a panel of independent experts during October. The report gave an Amber-Red confidence rating and set out 15 recommendations to address. An action plan was presented to the Economic Ambition Board during December.

A follow-up Assurance of Action Plan (AAP) review took place during December and focussed on the effectiveness of the actions to address the recommendations. The Assurance of Action Plan review gave an Amber-Green confidence rating demonstrating progress against the recommendations.

Savills completed work on their Investment Analysis report, and a set of founding investment principles were presented to the Economic Ambition Board in December. Work on a detailed Investment Strategy will continue with the aim of presenting to the Board in February.

Looking forward 2024 promises to be an exciting year for Ambition North Wales and the Growth Deal, with significant progress expected this year on our projects.



Alwen Williams, Portfolio Director

*Alwen Williams*

Themes	RAG Status	Commentary
Portfolio Business Case	Green	The Portfolio Business Case 2023 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.
Delivery Pipeline	Yellow	The delivery pipeline has been reviewed and updated as part of the 2023 Portfolio Business Case. Projects will now report against this revised timetable
Governance	Green	The Portfolio, Programme and Project Management Framework is now well established with the Portfolio Board and five Programme Boards operating effectively. A Conflicts of Interest procedure is in place across all Boards.
Assurance	Green	The fourth annual Growth Deal assurance review (Programme Assurance Review) was completed in October 2023 with the report delivering an 'Amber-Red' confidence rating for the portfolio. A follow up Assurance of Action Plan (AAP) review took place in December 2023, with the report delivering an Amber Green confidence rating. The next review will take place during October 2024.
Resource and Capacity	Green	A recruitment campaign has been underway to appoint to 7 roles within the Portfolio Management Office. New officers have joined the team and others will join in the new year, taking the team to full capacity. This includes additional capacity to deliver on the SPF workstreams. Fixed term contracts in the team have been extended to March 2025 reducing the risk of staff leaving in the short term.
Finance	Yellow	A total of £2.28m Growth Deal funding had been spent up to the end of 2022/23, £1.8m of that on the Digital Signal Processing Centre. To date in 2023/24 £474k of Growth Deal revenue has been spent.
Investment	Red	Securing the public and private sector investment required to deliver the Growth Deal remains a significant risk across the portfolio. The Economic Ambition Board approved the Investment Principles during their meeting in December 2023, the investment strategy is being developed to support the team to meet the investment targets.
Risk	Red	Reallocation of PMO resources following the Portfolio PAR review has accelerated OBC and FBC development slightly reducing risk on delays and this approach will continue to be used to further minimise the risk. 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.
Benefits Monitoring & Evaluation	Green	The benefits realisation, monitoring and evaluation framework and indicator definitions have been finalised, with three final areas still under discussion with Welsh Government. A system user guide is being developed for the reporting system and the second phase of user training is scheduled for February.
Communication and Engagement	Green	The announcement on the OBC and FBC approvals was the main focus, along with promoting recruitment opportunities with Ambition North Wales. Our engagement and reach continued to grow on social media, with over 6,400 website users.

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Programme Aim	Job Creation Target	GVA Investment Target	Total Investment Target
Deliver the step change in digital connectivity needed to ensure North Wales is able to satisfy user demand, maintain pace with the rest of the UK, unlock the potential of priority sectors and sites and underpin a flourishing innovation ecosystem.	380	£158m	£41.7m

RAG Status	Programme Manager Commentary
	<ul style="list-style-type: none"> <li>The Gateway 2 review for the Connected Key Sites and Corridors '4G+' project took place in November with the reviewers providing an Amber-Green assessment. The PMO is now working on addressing areas for improvement prior to submitting the outline business case for consideration by the Portfolio and Economic Ambition Boards.</li> <li>Work has continued on the Connected Campuses business cases with a Business Justification Case for regional investment in LPWAN networks at an advanced stage.</li> <li>The Programme is making progress with three Shared Prosperity Fund digital projects set to run over the course of 2024. Work is underway involving each of the councils investigating new approaches to using council owned property to support how 4G mobile coverage is delivered in the region. Additional support for communities to improve their broadband and local businesses understand options for adopting new digital technologies is also being prepared to start in early 2024.</li> </ul>



Mark Pritchard  
Lead Member



David Fitzsimon  
Senior Responsible Owner



Stuart Whitfield  
Programme Manager

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Project (Project Sponsor)	Project Stage	Key Milestones (this quarter)	Key Milestones (next quarter)	RAG Status	RAG Rationale
Digital Signal Processing Centre Bangor University	Delivery	<ul style="list-style-type: none"> <li>Two SBRI (Small Business Research Initiative) proposals submitted to UK Department for Science, Innovation and Technology Future Telecommunications 'Network of Networks' Challenge</li> </ul>	<ul style="list-style-type: none"> <li>Submission of final business justification case for the third tranche of funding to purchase equipment.</li> </ul>		<ul style="list-style-type: none"> <li>Progress with the support for indirect job creation is risking not meeting forecasted levels. The Project has developed new SBRI proposals to seek to address this and is developing a digital ecosystem of employers to improve commercialisation of the Centre's research outputs.</li> </ul>
Connecting the Last Few % Economic Ambition Board	Developing the Full Business Case	<ul style="list-style-type: none"> <li>Procurement documents and contract completed.</li> <li>SPF application in progress. Community broadband engagement is a workstream within the application.</li> </ul>	<ul style="list-style-type: none"> <li>UK Government to confirm launch date for its new intervention.</li> <li>Decision on rescoping the project within the programme</li> <li>Procurement of SPF funded project to support communities</li> </ul>		<ul style="list-style-type: none"> <li>UK Government has proposed a new intervention which is likely to meet or improve upon the Last Few % project's spending objectives.</li> <li>Procurement activity has been suspended until UK Government confirms the launch date for its project, expected to be confirmed in Q3 23/24 for launch in 2024</li> <li>SPF project will support spending objectives through promotion of funding for communities to improve broadband locally</li> </ul>
Connected Key Sites and Corridors Economic Ambition Board	Developing the Outline Business Case	<ul style="list-style-type: none"> <li>PMO approval of OBCs</li> <li>4G+ Gateway 2 Review November, Amber Green</li> <li>Programme Board approval of 4G+ OBC</li> </ul>	<ul style="list-style-type: none"> <li>Portfolio Board approval 4G+ OBC</li> <li>Economic Ambition Board approval 4G+ OBC</li> <li>Business Delivery Board endorsement 4G+ OBC</li> <li>Fibre OBC Gateway 2 Review</li> </ul>		<ul style="list-style-type: none"> <li>Gateway 2 Review of 4G+ Amber Green assessment with recommendations now being addressed before Portfolio and Economic Ambition Board consideration</li> <li>Fibre OBC Gateway 2 review to be scheduled</li> </ul>
Connected Campuses Economic Ambition Board	Developing the Outline Business Case	<ul style="list-style-type: none"> <li>SPF application approved, this includes funding for connectivity assessments across the region to support the objectives of the Advanced Wireless project</li> <li>LPWAN BJC project board approval</li> <li>Advanced Wireless SOC approved</li> </ul>	<ul style="list-style-type: none"> <li>LPWAN procurement</li> <li>Gateway 2 Review to be scheduled for Advanced Wireless business case</li> <li>LPWAN BJC board approvals and Critical Friend Review</li> <li>Advanced Wireless OBC PMO review</li> </ul>		<ul style="list-style-type: none"> <li>LPWAN BJC developed with project board approval</li> <li>Advanced Wireless SOC approved and OBC being developed for PMO review in Q4</li> </ul>

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)	

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

RAG Status	Programme Manager Commentary
	<ul style="list-style-type: none"> <li>• <b>Egni</b> - OBC has been approved by the Economic Ambition Board.</li> <li>• <b>Deeside</b> - OBC has been approved by the Economic Ambition Board.</li> <li>• <b>Hydrogen Sponsor Challenge</b> – the applications have been scored and moderated. Next stage will be clarifications, technical interview and recommendation put forward for a March 2024 Economic Ambition Board approval.</li> <li>• <b>Cydnerth</b> – following changes to State Aid thresholds, funding into the Cydnerth project could now be considered as a subsidy rather than an investment on a commercial basis. The Menter Môn Morlais team are currently working on a proposal for Ambition North Wales to consider that will require subsidy control consideration.</li> <li>• <b>Recruitment</b> - Denise Creed started in the role of Energy Project Officer on the 20th of November and Sandra Sharp will be starting as Energy Project Manager on the 22nd of January.</li> </ul>



Cllr Llinos Medi  
Lead Member



Dylan Williams  
Senior Responsible Owner



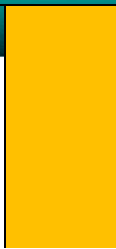
Elgan Roberts  
Programme Manager

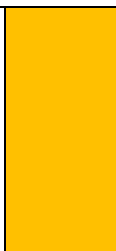
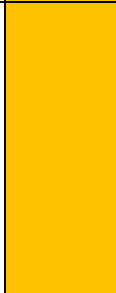
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## 4 Low Carbon Energy Programme Performance

Project (Project Sponsor)	Project Stage	Key Milestones (this quarter)	Key Milestones (next quarter)	RAG Status	RAG Rationale
Cydnherth (Morlais) Menter Môn	Developing the Outline Business Case	<ul style="list-style-type: none"> <li>• Morlais project completed.</li> <li>• The Morlais Sub Station was officially opened by the First Minister on the 20th of October.</li> <li>• Collaborative Group established to address WEFO T&amp;Cs and Growth Deal funding mechanism.</li> <li>• Operational loan secured through Welsh Government.</li> </ul>	<ul style="list-style-type: none"> <li>• OBC to be updated and finalised.</li> <li>• Finalise Growth Deal funding mechanism into the project that is compliant with Subsidy Control regime.</li> <li>• Prepare OBC for March 2023 approval.</li> </ul>		<ul style="list-style-type: none"> <li>• Resolutions to the funding mechanism needed before the OBC can be submitted for approval</li> </ul>
Hydrogen Hub Economic Ambition Board	Developing the Strategic Outline Business Case	<ul style="list-style-type: none"> <li>• Applications received in response to the Hydrogen Sponsor Challenge. Have been scored and moderated.</li> <li>• Clarification questions have been issued to the bidders.</li> </ul>	<ul style="list-style-type: none"> <li>• Technical interview for potential sponsors before final assessment concluded.</li> <li>• Put forward a recommendation to the Economic Ambition Board in March 2024 to select a sponsor.</li> </ul>		<ul style="list-style-type: none"> <li>• Applications received from credible organisations, slight delay with process to prioritise on priority pipeline of projects, but overall timescales not impacted</li> </ul>
Egni Bangor University	Developing the Full Business Case	<ul style="list-style-type: none"> <li>• Development of RIBA Stage 2 progressed to timetable.</li> <li>• OBC approved by the Board in December</li> </ul>	<ul style="list-style-type: none"> <li>• Issue and agreement of RIBA Stage 2 report.</li> <li>• Commence on developing FBC.</li> <li>• Start of RIBA Stage 3 activity.</li> </ul>		<ul style="list-style-type: none"> <li>• Project is progressing on time and to budget.</li> </ul>
Smart Local Energy Economic Ambition Board	Developing the Full Business Case	<ul style="list-style-type: none"> <li>• Agreed the changes to be incorporated into the revised tender proposal</li> <li>• Stakeholder session undertaken with private sector and third sector representatives – useful feedback received to incorporate in updated tender</li> <li>• Fee mechanism updated</li> </ul>	<ul style="list-style-type: none"> <li>• Finalise the tender documents</li> <li>• Re-launch the tender</li> <li>• Finalise investment strategy and draft FBC.</li> </ul>		<ul style="list-style-type: none"> <li>• Delay to finalising FBC and launch of Fund due to the failure to appoint a Fund Advisor on the first attempt</li> </ul>



<p>Trawsfynydd Cwmni Eginio</p>	<p>Developing the Strategic Outline Business Case</p>	<ul style="list-style-type: none"> <li>No significant progress with this project since last report due to uncertainty around the site selection process led by UK Government</li> </ul>	<ul style="list-style-type: none"> <li>Recent UK Government release of consultations and roadmap for nuclear to be reviewed with Cwmni Eginio to understand impacts on project</li> </ul>		<ul style="list-style-type: none"> <li>Uncertainty on programme delivery timescales until the site selection process is completed by UK Government</li> </ul>
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<p>Deeside Anaerobic Digestion Plant The Circular Economy Developments</p>	<p>Developing the Full Business Case</p>	<ul style="list-style-type: none"> <li>Gateway Review completed</li> <li>OBC approved at the December Economic Ambition Board meeting</li> <li>Contracts in place with EPC &amp; O&amp;M Contractors</li> </ul>	<ul style="list-style-type: none"> <li>Action OBC recommendations and prepare FBC</li> <li>Agree funding agreement</li> <li>Complete subsidy control assessment</li> </ul>		<ul style="list-style-type: none"> <li>Funding agreement to be finalised and subsidy control assessments to be completed before FBC approval which introduces some risk.</li> </ul>
<p>Holyhead Hydrogen Hub Menter Môn</p>	<p>Developing the Outline Business Case</p>	<ul style="list-style-type: none"> <li>Ove Arup KO meeting to support OBC and FBC development.</li> <li>Engineering meetings ongoing, engagement of civil contractors for desktop geotechnical studies. Progressing utility connection easements. Initiate discussion plot acquisition.</li> <li>Grid connection studies received.</li> </ul>	<ul style="list-style-type: none"> <li>Conclusion of geotechnical studies, connection agreement and 132kV grid topology.</li> <li>Onboard additional MM support resource.</li> <li>Progress OBC development.</li> <li>Gateway Review and draft OBC submission.</li> </ul>		<ul style="list-style-type: none"> <li>Investment decisions required from external investors (EDF and UK Government) which are dependent on others</li> </ul>

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

RAG Status	Programme Manager Commentary
	<ul style="list-style-type: none"> <li>• <b>Warren Hall, Broughton</b> – Welsh Government consultants have reported on the impact of the Hawarden airfield safety case on the project site and initial discussions are taking place with Airbus UK. .</li> <li>• <b>Western Gateway, Wrexham</b> – The Council, Welsh Government and Transport for Wales held a workshop to assess the Roads Review recommendations to deliver a and exemplar project in line with the four tests adopted by Welsh Government. It has been agreed that Transport for Wales will undertake a WELTAG 0 Traffic Review. to provide a review of the evidence base for traffic flows and numbers post the pandemic.</li> <li>• <b>Former North Wales Hospital, Denbigh</b> – Denbighshire County Council were successful in their Levelling Up Fund Round 3 application to UK Government and a provisional sum of funding from the headline amount awarded could be used to assist in resolving the development viability issues caused by increasing build costs in the construction industry. Progress on the draft Outline Business Case is moving now at pace. The Land and Property Programme Board in December endorsed the project subject to completion of the OBC and meeting particular points of information. The remaining outstanding consenting matters concerning planning conditions and licences required to finalise the Phase 1 works and permit these to commence have been submitted to the Council.</li> <li>• <b>Holyhead Gateway</b> – Holyhead Port expansion project outline business case has been substantially completed. The Land and Property Programme Board approved the project subject to confirmation on agreed points.</li> <li>• <b>Parc Bryn Cegin, Bangor</b> – SP Projects have been appointed by Welsh Government and have provided a revised site Masterplan and high level costings for comment. by the PMO and these have been past back to SP Project and Welsh Government. Regular project team meetings are proposed to commence in January 2024.</li> <li>• <b>Kinmel Studios</b> – After the initial on boarding and site meeting Studio 50 have been appointing their consultancy team over the last quarter and engaging with their private sector funders. They are to share their funding business case for the private sector funding with the PMO.</li> <li>• <b>Wrexham Gateway</b> – UK Government confirmed the relocation of 300 plus Civil Service posts from London/Home Counties to Wrexham in December to be located at the Wrexham Gateway site. The Council are to complete the Strategic Outline Case and now commence developing the Outline Business Case.</li> </ul>

Project (Project Sponsor)	Project Stage	Key Milestones (this quarter)	Key Milestones (next quarter)	RAG Status	RAG Rationale
Western Gateway, Wrexham Wrexham County Borough Council	Developing the Strategic Outline Business Case	<ul style="list-style-type: none"> <li>A workshop has been held with the Council, Transport for Wales and Welsh Government to assess a way forward to help deliver the project.</li> </ul>	<ul style="list-style-type: none"> <li>Transport for Wales are to undertake and fund a Welltag 0 assessment on behalf of the Council. to provide a baseline assessment of traffic flows and numbers as they are in 2024.</li> </ul>		<ul style="list-style-type: none"> <li>The project risk rating remains on red whilst the review of the projects ability to meet Welsh Governments tests for highway investment is undertaken.</li> </ul>
Warren Hall, Broughton Welsh Government / Economic Ambition Board	Developing the Strategic Outline Business Case	<ul style="list-style-type: none"> <li>Welsh Government have met with Airbus UK to discuss the evidence provided by their consultants and these discussions are ongoing.</li> </ul>	<ul style="list-style-type: none"> <li>Welsh Government to formalise with Airbus UK the revised airfield safety case impact on the project site.</li> </ul>		<ul style="list-style-type: none"> <li>Project risk rating remains at amber as revising the airfield safety case is still to be fully assessed. And agreed by Airbus UK.</li> </ul>
Former North Wales Hospital, Denbighshire Jones Bros (Ruthin) Limited / Denbighshire County Council	Developing the Outline Business Case	<ul style="list-style-type: none"> <li>The Outline Business Case is substantially complete.</li> <li>The project was presented to the Land and Property Programme Board in December 2023 who support the project.</li> <li>UK Government awarded Denbighshire Levelling Up Funding Round 3 funds based the R2 application which contained provision for a £3m allocation in 2022.</li> <li>Project partner to submit documents to Planning Authority on S106 agreement, planning condition compliance and Habitat licences.</li> </ul>	<ul style="list-style-type: none"> <li>Complete and approve the outline business case</li> <li>Commence the approval process for the full business case.</li> <li>Denbighshire to formalise the Levelling Up Fund Round 3 funding allocation. for the project</li> <li>The Subsidy Support referral to the Competition and Markets Authority to be registered on the Authority website.</li> <li>Outstanding statutory consents are granted by planning authority.</li> <li>Agree/finalise with Jones Bros and DCC Phase 1 works and payment and verification process for transparency and value for money purposes.</li> </ul>		<ul style="list-style-type: none"> <li>Project risk rating moved to Green due to provisional award of LUF funding to Denbighshire and possible allocation to reduce the viability gap.</li> </ul>
Parc Bryn Cegin, Bangor Welsh Government / North Wales Economic Ambition Board	Developing the Outline Business Case	<ul style="list-style-type: none"> <li>Welsh Government consultancy team to commence project development.</li> <li>Plot Masterplan and high level costings provided for comment.</li> </ul>	<ul style="list-style-type: none"> <li>Regular project teams meetings to commence.</li> <li>Drafting the Outline Business Case to re-commence with a view to having a completed draft for the spring. 2024.</li> </ul>		<ul style="list-style-type: none"> <li>Green risk rating retained for the project. Even though project commencement on site maybe delayed by 3 months.</li> </ul>

Project (Project Sponsor)	Project Stage	Key Milestones (this quarter)	Key Milestones (next quarter)	RAG Status	RAG Rationale
Holyhead Gateway Stena Line Ports Limited	Developing the Outline Business Case	<ul style="list-style-type: none"> <li>The Outline Business Case is substantially complete and final analysis is being undertaken on outputs delivered by the project.</li> <li>The project was presented to the Land and Property Programme Board in December 2023 who support the project.</li> </ul>	<ul style="list-style-type: none"> <li>Completing the draft Outline Business Case for the delivery of the port capacity enhancement works</li> <li>Submit the Subsidy Support application to Competition and Markets Authority.</li> <li>Stena commence first stage procurement prior to issuing the second stage Invitation to Tender..</li> </ul>		<ul style="list-style-type: none"> <li>Risk rating retained at amber as negotiations with end user of new port areas is still ongoing.</li> </ul>
Kinmel Studios Stage Fifty	Finalising the Strategic Outline Case	<ul style="list-style-type: none"> <li>Stage Fifty have been appointing their consultancy team to develop the project. and approaching private funders.</li> </ul>	<ul style="list-style-type: none"> <li>The Strategic Outline Business Case to be completed.</li> <li>Development of the outline business case to commence.</li> </ul>		<ul style="list-style-type: none"> <li>Risk rating as green given project application scrutiny and assessments made on its deliverability.</li> </ul>
Wrexham Gateway Wrexham County Borough Council	Finalising the Strategic Outline Case	<ul style="list-style-type: none"> <li>UK Government has confirmed that over 300 Civil Service will be relocated to Wrexham.</li> </ul>	<ul style="list-style-type: none"> <li>The Strategic Outline Business Case to be completed.</li> <li>Development of the outline business case to commence.</li> </ul>		<ul style="list-style-type: none"> <li>Risk rating as green given project application scrutiny and assessments made on its deliverability.</li> </ul>



Cllr Jason McLellan  
Lead Member



Andrew Farrow  
Senior Responsible Owner



David Mathews  
Programme Manager

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

RAG Status	Programme Manager Commentary
	Significant progress this past quarter with the approval by the Economic Ambition Board of the Outline Business Case for the Tourism Talent Network project in October, providing the momentum for the project to progress to procurement ahead of Full Business Case consideration in July 2024. The Responsible Adventure project has focused on a scaled back Strategic Outline Case that incorporates feedback from Ambition North Wales as part of the project selection process. Planning issues remain a significant risk for all three projects, with the risks being managed as described below. The Task and Finish group established to explore the agriculture/horticulture gap in the Growth Deal has commissioned some research looking at food supply and demand in the region.



Cllr Charlie McCoubrey  
Lead Member



Sioned Williams  
Senior Responsible Owner



Robyn Lovelock  
Programme Manager

	Delivering to Plan with no issues to address (no action required)		Delivery slightly behind schedule and/or minor/moderate issues to address (management action in place)		Delivery significantly behind schedule and/or significant issues to address (urgent action required)
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Project (Project Sponsor)	Project Stage	Key Milestones (this quarter)	Key Milestones (next quarter)	RAG Status	RAG Rationale
Glynllifon Rural Economy Hub Grŵp Llandrillo Menai	Developing the Full Business Case	<ul style="list-style-type: none"> <li>Survey work on-going as requested by Natural Resource Wales and CADW</li> <li>On-site meeting with Ambition North Wales to discuss planning risks and timeline to Full Business Case submission</li> </ul>	<ul style="list-style-type: none"> <li>Finalise survey work</li> <li>Work with the PMO to confirm a revised timeline for drafting and reviewing the Full Business Case working towards approval in early 2024.</li> <li>Further develop the Full Business Case</li> </ul>		<ul style="list-style-type: none"> <li>Rating remains red due to repeated project delays and as planning permission has yet to be secured</li> </ul>
Tourism Talent Network Grŵp Llandrillo Menai	Developing the Full Business Case	<ul style="list-style-type: none"> <li>Outline Business Case (OBC) approved by the Portfolio Board and Economic Ambition Board in October/November 2023</li> <li>PMO support provided on procurement planning for Spoke partners</li> </ul>	<ul style="list-style-type: none"> <li>Work with PMO to develop project-specific funding agreement</li> <li>Preparation of the Outline Business Case for the Sustainable Communities for Learning proposal for Hub element, and submission of planning application</li> </ul>		<ul style="list-style-type: none"> <li>Approval of the Outline Business Case has confirmed timeline towards Full Business Case consideration in July 2024.</li> </ul>
Responsible Adventure ZipWorld	Developing the Strategic Outline Case	<ul style="list-style-type: none"> <li>Training day in early October with project sponsor to discuss project delivery and share experience and knowledge.</li> <li>PMO support provided on Better Business Case</li> </ul>	<ul style="list-style-type: none"> <li>Programme Board to consider Strategic Outline Case (SOC)</li> <li>Better Business Case workshops</li> <li>Commence development of the Outline Business Case</li> </ul>		<ul style="list-style-type: none"> <li>Strategic Outline Case being prepared in timeframe expected</li> </ul>

	Delivering to Plan with no issues to address (no action required)		Delivery slightly behind schedule and/or minor/moderate issues to address (management action in place)		Delivery significantly behind schedule and/or significant issues to address (urgent action required)
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Programme Aim	Job Creation Target	GVA Investment Target	Total Investment Target
To consolidate North Wales position as a powerful and innovative high value manufacturing cluster, building on existing specialisms and leading expertise to create a higher value, more diverse economic base that supports the transition to a low carbon economy.	180	£114m	£39.5m

RAG Status	Programme Manager Commentary
	The approval by the Economic Ambition Board of the Full Business Case for the Enterprise Engineering and Optics Centre project is a significant milestone for the project and for the Growth Deal, enabling the project to move into delivery. Construction of the Plas Coch Centre will begin in February 2024, the first construction project enabled by the North Wales Growth Deal. Planning permission for the Centre for Environmental Biotechnology (CEB) was received and the draft Business Justification Case for the project was reviewed by the Portfolio Management Office, with the Business Case on track for approval in March 2024.



Cllr Dyfrig Siencyn  
Lead Member

To Be Confirmed  
Senior Responsible Owner



Robyn Lovelock  
Programme Manager

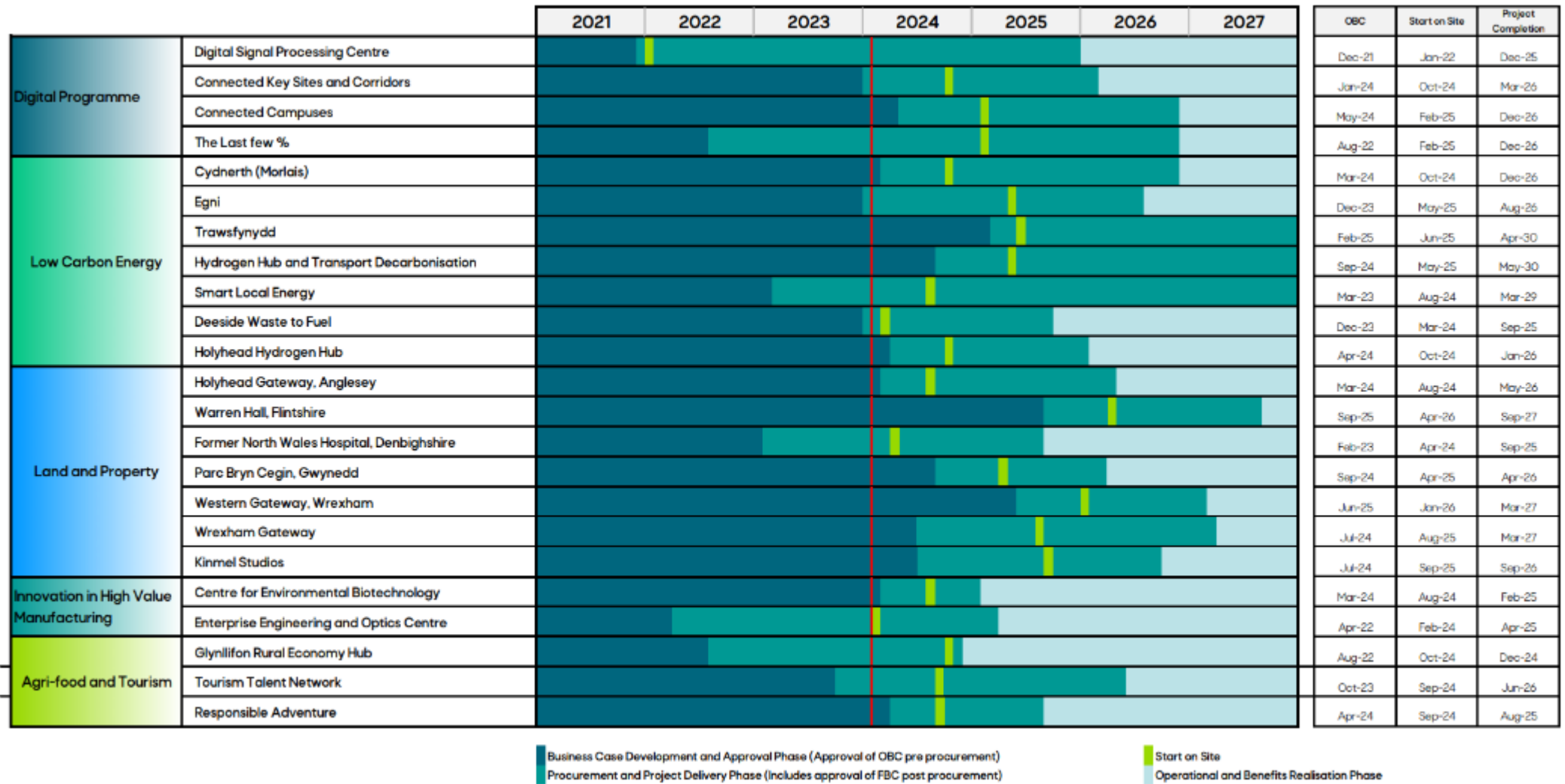
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Project (Project Sponsor)	Project Stage	Key Milestones (this quarter)	Key Milestones (next quarter)	RAG Status	RAG Rationale
Enterprise Engineering and Optics Centre Wrexham University	Full Business Case	<ul style="list-style-type: none"> <li>Full Business Case approved by the Economic Ambition Board in November 2023</li> <li>Suppliers for OpTIC works and equipment purchases not appointed, projects will be retendered following further supplier engagement</li> </ul>	<ul style="list-style-type: none"> <li>Contract signing scheduled for January 2024, with Plas Coch start-on-site planned for February 2024</li> <li>Revise and publish tenders for the OpTIC works and equipment purchases</li> </ul>		<ul style="list-style-type: none"> <li>Project on track to begin construction in February 2024</li> </ul>
Centre for Environmental Biotechnology Bangor University	Developing the Business Justification Case	<ul style="list-style-type: none"> <li>Planning permission for the Henfaes site received</li> <li>Incorporating feedback from Portfolio Management Office Review into finalising the Business Justification Case for final review in February 2024.</li> </ul>	<ul style="list-style-type: none"> <li>Finalise Business Justification Case ahead of EAB consideration in March 2024.</li> <li>Preparation for procurement in April 2024</li> </ul>		<ul style="list-style-type: none"> <li>Rating moved from Red to Amber following Gateway and PMO Reviews</li> </ul>

	Delivering to Plan with no issues to address (no action required)		Delivery slightly behind schedule and/or minor/moderate issues to address (management action in place)		Delivery significantly behind schedule and/or significant issues to address (urgent action required)
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Project	Consenting Stage				Stage 1	Stage 2	Stage 3	Stage 4	Stage 5	Stage 6	Stage 7	Stage 8
	Pre-application stage	Outline planning / Consent	Full planning / Consent	Conditions discharged	Determine the Project context	Preparing the Strategic Outline Case	Preparing the Outline Business Case	Approval of the Outline Business Case	Preparing the Full Business Case	Approval of the Full Business Case	Project implementation and monitoring	Project Evaluation
Digital Signal Processing Centre	No planning required				✓	✓	✓	✓	✓	✓	⌚	
Connected Key Sites and Corridors	Consenting requirements TBC				✓	✓	⌚					
Connected Campuses	Consenting requirements TBC				✓	✓	⌚					
Last Few %	Consenting requirements TBC				✓	✓	✓	✓	⌚			
Cydnherth (Morlais)	✓	✓	✓	⌚	✓	✓	⌚					
Trawsfynydd Power Station	Consenting requirements TBC				✓	⌚						
Egni	⌚				✓	✓	✓	✓	⌚			
Smart Local Energy	Consenting requirements TBC				✓	✓	✓	✓	⌚			
Hydrogen Hub & Transport Decarbonisation	Consenting requirements TBC				✓	✓	⌚					
Deeside Waste to Fuel	✓	✓	✓	⌚	✓	✓	✓	✓	⌚			
Holyhead Hydrogen Hub	✓	✓			✓	✓	⌚					
Holyhead Gateway	✓	✓	✓	⌚	✓	✓	⌚					
Former North Wales Hospital	✓	✓	✓	⌚	✓	✓	⌚					
Western Gateway, Wrexham	LDP adopted 23/12/2023				✓	⌚						
Warren Hall, Broughton	⌚				✓	⌚						
Parc Bryn Cegin, Bangor	⌚				✓	✓	⌚					
Kinmel Studios	⌚				✓	⌚						
Wrexham Gateway	⌚				✓	⌚						
Glynllifon Rural Economy Hub	⌚				✓	✓	✓	✓	⌚			
Tourism Talent Network	⌚				✓	✓	✓	✓	⌚			
Responsible Adventure	⌚				✓	⌚						
Centre for Environmental Biotechnology	⌚				✓	✓	⌚					
Enterprise Engineering and Optics	✓	✓	✓	⌚	✓	✓	✓	✓	✓	✓	⌚	



The status for each project is assessed against this profile from the 2023 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

		Portfolio Business Case 2023 Targets			Approved Project Business Case Targets				Difference		
		GVA (£M)	Jobs Created (net)	(£M) Total Investment*	OBC/ FBC**	GVA (£M)	Jobs Created (net)	(£M) Total Investment*	GVA (£M)	Jobs Created	(£M) Total Investment*
Digital	Digital Signal Processing Centre (DSP)	10	35	2.96	FBC	12	33	3.0	+2	-2	-0.04
	Connecting the last few %	10	135	4.17	OBC	15	130	4.0	+5	-5	+0.17
	Connected Key Sites and Corridors	50	115	9.40	n/a	n/a	n/a	n/a	n/a	n/a	n/a
	Connected Campuses	30	0	20.68	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Low Carbon Energy	Cydnherth (Morlais)	30	100	8.87	n/a	n/a	n/a	n/a	n/a	n/a	n/a
	Hydrogen Hub and Transport Decarbonisation	35	90	28.42	n/a	n/a	n/a	n/a	n/a	n/a	n/a
	Egni	30	50	8.00	OBC	19	49	10	-11	-1	+2
	Smart Local Energy	130	230	102.00	OBC	122	174	106	-8	-56	+4
	Trawsfynydd	70	505	244.12	n/a	n/a	n/a	n/a	n/a	n/a	n/a
	Holyhead Hydrogen Hub	20	20	28.77	n/a	n/a	n/a	n/a	n/a	n/a	n/a
	Deeside Anaerobic Digestion Plant	20	40	63.28	OBC	34	65	60	+14	+25	+1.72
Land and Property	Western Gateway, Wrexham	120	360	43.36	n/a	n/a	n/a	n/a	n/a	n/a	n/a
	Warren Hall, Broughton	120	445	69.76	n/a	n/a	n/a	n/a	n/a	n/a	n/a
	Former North Wales Hospital, Denbigh	10	50	99.94	n/a	n/a	n/a	n/a	n/a	n/a	n/a
	Parc Bryn Cegin, Bangor	20	50	5.91	n/a	n/a	n/a	n/a	n/a	n/a	n/a
	Holyhead Gateway	370	925	181.44	n/a	n/a	n/a	n/a	n/a	n/a	n/a
	Wrexham Gateway	10	150	14.37	n/a	n/a	n/a	n/a	n/a	n/a	n/a
	Kinmel Studios	50	200	32.00	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Agrifood and Tourism	Glynllifon Rural Economy Hub	30	95	16.79	OBC	45	96	13	+15	+1	-3.79
	Tourism Talent Network	10	5	12.94	OBC	35.3	68	12.88	+25.3	+63	-0.06
	Responsible Adventure	20	175	12.40	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Innovation in High Value Manufacturing	Enterprise Engineering and Optics Centre	30	60	16.42	FBC	70	70	18.12	+40	+10	+1.7
	Centre for Environmental Biotechnology	30	90	3.50	n/a	n/a	n/a	n/a	n/a	n/a	n/a
<b>Growth Deal Portfolio Total</b>		<b>1,255</b>	<b>3,925</b>	<b>1,029</b>	<b>6OBC + 2FBC</b>	<b>352.3</b>	<b>685</b>	<b>227</b>			

\* Total investment shown here includes 1.5% Portfolio Management Office costs  
 \*\* OBC – Outline Business Case, FBC – Full Business Case

# 11. Growth Deal – Capital Expenditure Profile

Note: The expenditure profile is based on the latest available project information.

Project	2021/22 (£m)	2022/23 (£m)	2023/24 (£m)	2024/25 (£m)	2025/26 (£m)	2026/27 (£m)	2027/28 (£m)	2028/29 (£m)	2029/30 (£m)	2030/31 (£m)	2031/32 (£m)	2032/33 (£m)	2033/34 (£m)	2034/35 (£m)	2035/36 (£m)	Total (£m)
<b>Digital Programme</b>																
Digital Signal Processing Centre Project	0.12	1.66	0.39	0.79	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	2.96
Connected Key Sites and Corridors	0.00	0.00	0.00	0.50	4.00	2.00	2.37	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	8.87
Advanced Connectivity ('Connected Campus')	0.00	0.00	0.00	0.94	10.10	4.93	4.71	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	20.68
Last few %	0.00	0.00	0.00	0.00	2.32	1.85	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	4.17
<b>Low Carbon Energy Programme</b>																
Cytherth (Morlais)	0.00	0.00	0.00	3.33	4.44	1.10	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	8.87
Egni (Low Carbon Energy Centre of Excellence)	0.00	0.00	0.00	0.00	3.94	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	3.94
Trawsfynydd Power Station	0.00	0.00	0.00	0.00	1.50	2.50	5.00	5.70	5.00	0.00	0.00	0.00	0.00	0.00	0.00	19.70
Hydrogen Hub	0.00	0.00	0.00	0.00	5.61	5.62	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	11.23
Smart Local Energy	0.00	0.00	0.00	1.50	3.00	9.25	9.25	1.63	0.00	0.00	0.00	0.00	0.00	0.00	0.00	24.63
Deeside Anaerobic Digestion Plant*	0.00	0.00	0.00	6.40	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	6.40
Holyhead Hydrogen Hub*	0.00	0.00	0.00	1.90	1.90	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	3.80
<b>Land and Property Programme</b>																
Holyhead Gateway	0.00	0.00	0.00	14.64	17.00	2.83	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	34.47
Warren Hall, Broughton	0.00	0.00	0.00	0.00	7.38	7.39	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	14.77
Former North Wales Hospital, Denbigh	0.00	0.00	0.14	4.90	1.90	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	6.94
Parc Bryn Cegin, Bangor	0.00	0.00	0.00	5.91	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	5.91
Western Gateway, Wrexham	0.00	0.00	0.00	0.00	4.48	4.48	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	8.96
Kimmel Studios*	0.00	0.00	0.00	0.00	3.40	3.40	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	6.80
Wrexham Gateway*	0.00	0.00	0.00	0.00	2.79	2.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	4.79
<b>Innovation in High Value Manufacturing</b>																
Centre of Environmental Biotechnology	0.00	0.00	0.00	2.96	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	2.96
Enterprise Engineering & Optics Centre	0.00	0.00	1.81	7.27	2.47	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	11.55
<b>Agrifood and Tourism Programme</b>																
Glynifon Rural Economy Hub Project	0.00	0.00	0.00	7.20	4.62	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	11.82
Tourism TALENT Network	0.00	0.00	0.00	0.00	2.13	2.30	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	4.43
Responsible Adventure*	0.00	0.00	0.00	2.30	3.70	0.20	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	6.20
<b>Growth Deal Sub Total</b>																
<b>North Wales Growth Deal</b>	<b>0.12</b>	<b>1.66</b>	<b>2.34</b>	<b>60.54</b>	<b>86.68</b>	<b>49.85</b>	<b>21.33</b>	<b>7.33</b>	<b>5.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>234.8</b>
<b>PMO 2.15%</b>																
Portfolio Management Office	0.22	0.28	1.02	1.20	0.70	0.70	0.30	0.15	0.15	0.10	0.10	0.10	0.08	0.05	0.00	5.15
<b>Growth Deal Total</b>																
<b>North Wales Growth Deal</b>	<b>0.34</b>	<b>1.94</b>	<b>3.36</b>	<b>61.74</b>	<b>87.38</b>	<b>50.55</b>	<b>21.63</b>	<b>7.48</b>	<b>5.15</b>	<b>0.10</b>	<b>0.10</b>	<b>0.10</b>	<b>0.08</b>	<b>0.05</b>	<b>0.00</b>	<b>240.0</b>

\* Replacement projects invited to join the Growth Deal subject to agreeing a MOU - timetable and deliver profile to be finalised

# 11. Growth Deal – Risk Adjusted Capital Expenditure Profile

Note: The expenditure profile is based on the latest available project information, risk adjusted by the Portfolio Management Office.

Project	2021/22 (£m)	2022/23 (£m)	2023/24 (£m)	2024/25 (£m)	2025/26 (£m)	2026/27 (£m)	2027/28 (£m)	2028/29 (£m)	2029/30 (£m)	2030/31 (£m)	2031/32 (£m)	2032/33 (£m)	2033/34 (£m)	2034/35 (£m)	2035/36 (£m)	Total (£m)
<b>Digital Programme</b>																
Digital Signal Processing Centre Project	0.12	1.66	0.39	0.79	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	2.96
Connected Key Sites and Corridors	0.00	0.00	0.00	0.00	0.50	4.00	2.00	2.37	0.00	0.00	0.00	0.00	0.00	0.00	0.00	8.87
Advanced Connectivity ('Connected Campus')	0.00	0.00	0.00	0.00	0.94	10.10	4.93	4.71	0.00	0.00	0.00	0.00	0.00	0.00	0.00	20.68
Last few %	0.00	0.00	0.00	0.00	0.00	2.32	1.85	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	4.17
<b>Low Carbon Energy Programme</b>																
Cydnherth (Morlais)	0.00	0.00	0.00	0.00	3.33	4.44	1.10	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	8.87
Egni (Low Carbon Energy Centre of Excellence)	0.00	0.00	0.00	0.00	1.97	1.97	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	3.94
Trawsfynydd Power Station	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1.50	2.50	5.00	5.70	5.00	0.00	0.00	19.70
Hydrogen Hub	0.00	0.00	0.00	0.00	0.00	0.00	5.61	5.62	0.00	0.00	0.00	0.00	0.00	0.00	0.00	11.23
Smart Local Energy	0.00	0.00	0.00	0.75	3.00	9.25	9.25	2.38	0.00	0.00	0.00	0.00	0.00	0.00	0.00	24.63
Deeside Anaerobic Digestion Plant*	0.00	0.00	0.00	4.20	2.20	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	6.40
Holyhead Hydrogen Hub*	0.00	0.00	0.00	0.00	1.90	1.90	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	3.80
<b>Land and Property Programme</b>																
Holyhead Gateway	0.00	0.00	0.00	7.64	17.00	9.83	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	34.47
Warren Hall, Broughton	0.00	0.00	0.00	0.00	0.00	7.38	7.39	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	14.77
Former North Wales Hospital, Denbigh	0.00	0.00	0.00	3.90	3.04	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	6.94
Parc Bryn Cegin, Bangor	0.00	0.00	0.00	0.00	5.91	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	5.91
Western Gateway, Wrexham	0.00	0.00	0.00	0.00	0.00	0.00	4.48	4.48	0.00	0.00	0.00	0.00	0.00	0.00	0.00	8.96
Kinmel Studios*	0.00	0.00	0.00	0.00	0.00	3.40	3.40	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	6.80
Wrexham Gateway*	0.00	0.00	0.00	0.00	0.00	2.79	2.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	4.79
<b>Innovation in High Value Manufacturing</b>																
Centre of Environmental Biotechnology	0.00	0.00	0.00	0.00	2.96	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	2.96
Enterprise Engineering & Optics Centre	0.00	0.00	0.00	7.27	4.28	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	11.55
<b>Agrifood and Tourism Programme</b>																
Glynllifon Rural Economy Hub Project	0.00	0.00	0.00	0.00	7.20	4.62	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	11.82
Tourism TALENT Network	0.00	0.00	0.00	0.00	0.00	2.13	2.30	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	4.43
Responsible Adventure*	0.00	0.00	0.00	0.00	2.30	3.70	0.20	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	6.20
<b>Growth Deal Sub Total</b>																
<b>North Wales Growth Deal</b>	<b>0.12</b>	<b>1.66</b>	<b>0.39</b>	<b>24.55</b>	<b>56.53</b>	<b>67.83</b>	<b>44.51</b>	<b>19.56</b>	<b>1.50</b>	<b>2.50</b>	<b>5.00</b>	<b>5.70</b>	<b>5.00</b>	<b>0.00</b>	<b>0.00</b>	<b>234.8</b>
<b>PMO 2.15%</b>																
Portfolio Management Office	0.22	0.28	1.02	1.20	0.70	0.70	0.30	0.15	0.15	0.10	0.10	0.10	0.08	0.05	0.00	5.15
<b>Growth Deal Total</b>																
<b>North Wales Growth Deal</b>	<b>0.34</b>	<b>1.94</b>	<b>1.41</b>	<b>25.75</b>	<b>57.23</b>	<b>68.53</b>	<b>44.81</b>	<b>19.71</b>	<b>1.65</b>	<b>2.60</b>	<b>5.10</b>	<b>5.80</b>	<b>5.08</b>	<b>0.05</b>	<b>0.00</b>	<b>240.0</b>

\* Replacement projects invited to join the Growth Deal subject to agreeing a MOU - timetable and deliver profile to be finalised

## 12. Growth Deal Projects: Capital Funding Allocation Profile

Programme	Project	Project Sponsor	Profile 23/24 (£m)	Actual YTD (£m)	Variance (£m)*	Rationale
Digital	Digital Signal Processing Centre	Bangor University	0.39	0.00	-0.39	The claim for the DSP has been received and will be paid during Quarter 4.
	Connecting the Last Few %	North Wales Economic Ambition Board	0.00	0.00	0.00	
	Connected Key Sites and Corridors	North Wales Economic Ambition Board	0.00	0.00	0.00	
	Connected Campuses	North Wales Economic Ambition Board	0.00	0.00	0.00	
Low Carbon Energy	Cydnherth (Morlais)	Menter Môn	0.00	0.00	0.00	No Full Business Cases have been approved. Expenditure profile now aligned to 2023 Portfolio Business Case update.
	Hydrogen Hub & Transport Decarbonisation	North Wales Economic Ambition Board	0.00	0.00	0.00	
	Egni	Bangor University	0.00	0.00	0.00	
	Smart Local Energy	North Wales Economic Ambition Board	0.00	0.00	0.00	
	Trawsfynydd Power Station	Cwmni Eginio	0.00	0.00	0.00	
	Deeside Waste to Fuel	The Circular Economy Development	0.00	0.00	0.00	
	Holyhead Hydrogen Hub	Menter Môn	0.00	0.00	0.00	
Land and Property	Western Gateway, Wrexham	North Wales Economic Ambition Board	0.00	0.00	0.00	No Full Business Cases have been approved. Expenditure profile now aligned to 2023 Portfolio Business Case update.
	Warren Hall, Broughton	North Wales Economic Ambition Board	0.00	0.00	0.00	
	Former North Wales Hospital, Denbigh	North Wales Economic Ambition Board	0.14	0.00	-0.14	
	Parc Bryn Cegin, Bangor	North Wales Economic Ambition Board	0.00	0.00	0.00	
	Holyhead Gateway	Stena line	0.00	0.00	0.00	
	Kinmel Studios	Stage Fifty	0.00	0.00	0.00	
	Wrexham Gateway	Wrexham County Borough Council	0.00	0.00	0.00	
Agri-food and Tourism	Glynllifon Rural Economy Hub	Grŵp Llandrillo Menai	0.00	0.00	0.00	No Full Business Cases have been approved. Expenditure profile now aligned to 2023 Portfolio Business Case update.
	Tourism Talent Network	Grŵp Llandrillo Menai	0.00	0.00	0.00	
	Responsible Adventure	Zip World	0.00	0.00	0.00	
Innovation in High Value Manufacturing	Enterprise Engineering and Optics Centre	Glyndwr University	1.81	0.00	-1.81	EEOC Full Business Cases has been approved. Expenditure profile now aligned to 2023 Portfolio Business Case update.
	Centre for Environmental Biotechnology	Bangor University	0.00	0.00	0.00	
Portfolio Management Office Costs			1.02	0.47	-0.55	
Total			3.36	0.47	-2.89	

\* Variance is the difference between the planned profile (Portfolio Business Case 2023) and the Actual Year to Date (YTD) expenditure.

	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.
	The last few %	Ambition North Wales	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	Ambition North Wales	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	Ambition North Wales	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	Cydnorth (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	Ambition North Wales	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	Ambition North Wales	To help achieve renewable energy, decarbonisation and local ownership targets, the project will support innovative enabling projects and demonstrators that overcome market failures and unlock private and community sector investments in smart local energy solutions.
	Trawsfynydd	Cwmni Eginio	The site is uniquely placed for a 'First of A Kind' deployment of a Small Modular Reactor (SMR) or Advanced Modular Reactor (AMR). Alongside the public and private sector, the Growth Deal will contribute funding towards enabling infrastructure for this development.
	Deeside Waste to Fuel	The Circular Economy Ltd	Creation of a facility to convert 182,000 tonnes per year of commercial food waste destined for landfill/incineration into green bio-methane, power, and fertiliser.
	Holyhead Hydrogen Hub	Menter Môn	This project will build a green hydrogen production facility at Parc Cybi, Holyhead, producing around 2000+kg/day of green hydrogen, supplying road, maritime and rail transport customers across North Wales.
Land and Property	Western Gateway, Wrexham	Ambition North Wales	Delivery of primary services to enable the site to be brought to the market for sale and development.
	Warren Hall, Broughton	Ambition North Wales	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	Ambition North Wales	Provide industrial floor space to meet known demand for units.
	Former North Wales Hospital, Denbigh	Ambition North Wales	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.
	Wrexham Gateway	Wrexham County Borough Council	This project is a sustainable development of a vibrant regenerated area, creating a focal point to support business investment and a multi-modal transportation hub with links to active travel.
	Kinmel Studios	Stage Fifty	This project will design, build and operate film and television studios at Tir Llwyd Enterprise Park along with a training academy and incubator units.
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.
	Responsible Adventure	Zip World	A multi-element project as part of a sustainable and eco-tourism package including a new sustainable Cable Car, Slate Explorer including visitor viewing platform and an eBus Network.
Innovation in High Value Manufacturing	Centre for Environmental Biotechnology (CEB)	Bangor University	The Centre for Engineering Biotechnology will be a world-leading centre in the discovery and characterisation of novel extremophilic enzymes of industrial relevance. The Centre for Engineering Biotechnology will provide a strong foundation for attracting world-leading researchers, significant public and commercial research funding, and inward investment to Wales.
	Enterprise Engineering & Optics Centre	Wrexham University	The Enterprise Engineering & Optics Centre will provide facilities targeted to boost high-level skills development for the region and enable Small and medium-sized enterprises (SME's) and large businesses to work in partnership with Wrexham Glyndwr University on commercially driven research and development in optics, composites and hydrogen fuel cells.

NORTH WALES GROWTH DEAL PORTFOLIO RISK REGISTER

Risk ID	Date Raised	Risk Category	Risk Name	Risk Owner	Description of the Risk	Current Gross Risk Rating			Trend	Mitigating Actions	Action Due Dates	Action owner	Residual Risk Rating			Trend	Status (Open / Closed)	Commentary	Date of last update
						P	I	Score					P	I	Score				
R003	21/10/20	Financial	Affordability	Portfolio Management Office	If projects increase in cost, there is a risk they may not go ahead or project scope may need to be scaled down	5	5	25	↔	<p>Project Business Cases will set out detailed project level financial, commercial and risk management measures to manage costs.</p> <p>Robust performance, risk and financial reporting arrangements will be established for all projects</p> <p>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.</p> <p>Ongoing discussions with UK/WG on mitigation strategy for managing the risk of increasing costs</p> <p>Portfolio Delivery Fund approved by the NWEAB and requests for funding approved in Feb 2023</p> <p>PMO engaging with sponsors at project level to identify mitigation for cost increases</p>	<p>N/A</p> <p>Monthly</p> <p>N/A</p> <p>Monthly</p> <p>In place</p> <p>Monthly</p>	<p>PMO, Project Sponsor</p> <p>PMO</p> <p>PMO</p> <p>PMO</p> <p>PMO</p>	4	4	16	↔	Open	Risk reviewed. No changes to gross or residual risk scores. The residual risk rating remains high as costs have increased significantly since the Growth Deal was agreed in December 2020. While costs have stabilised at the moment, the Growth Deal funding from government is fixed at the amount agreed in 2020 therefore affordability remains a challenge for project. This is being managed on a project by project basis with some projects able to look at design changes, changes to deliver models and others needing to secure additional funding from other sources.	16/01/24
R016	22/10/20	Programme and Project Delivery	Assurance	Operations Manager	If agreed assurance processes are not followed, there is a risk that project approval could be impacted and could result in suspension/postponement of government grant payments.	3	5	15	↔	<p>Integrated Assurance and Approval Plan (IAAP) agreed with Welsh and UK Government as part of Final Deal.</p> <p>Continued engagement with Welsh Government Assurance Hub to refine and update the Integrated Assurance and Approval Plan (IAAP)</p> <p>PMO assurance lead to coordinate delivery of assurance in accordance with the IAAP</p>	<p>Complete</p> <p>Quarterly</p> <p>N/A</p>	<p>PMO</p> <p>PMO</p> <p>PMO</p>	2	4	8	↔	Open	Risk reviewed. No changes to gross or residual risk scores. An assurance review in October 2023 resulted in 14 recommendations to be undertaken by the PMO. An action plan was put in place to address these and the follow up review in December highlighted the good progress made in addressing the recommendations.	16/01/24
R015	22/10/20	Reputational and Social Impact	Benefits Realisation	Portfolio Management Office	If project benefits are not realised, there is a risk that the overall Growth Deal could fail to deliver the benefits set out within business case.	4	4	16	↔	<p>Each programme and project will be responsible for benefits management through a Benefits Realisation Plan.</p> <p>Monthly highlight reports to Programme Board to monitor benefits realisation</p> <p>Procurement Principles adopted with focus on community benefits and social value</p> <p>Benefits Realisation guidance developed and being disseminated to project sponsors for use in project business cases</p>	<p>N/A</p> <p>Monthly</p> <p>Complete</p> <p>N/A</p>	<p>PMO, Programme and Project SROs</p> <p>PMO</p> <p>PMO</p> <p>PMO</p>	3	3	9	↔	Open	Risk reviewed. No changes to gross or residual risk scores. A recent assurance review highlighted the work of the PMO on benefits realisation as good practice which will ensure the structures and systems are in place to help projects realise and report on benefits realisation.	16/01/24
R001	21/10/20	Programme and Project Delivery	Capacity	Portfolio Director	If sufficient resources are not in place at portfolio, programme and project level, there is a risk that this could impact on the successful delivery of the deal	4	5	20	↔	<p>NWEAB approval for fixed term contract extensions to March 2025. Majority of PMO Team in place</p> <p>Additional procurement and legal technical capacity to be secured for projects as required</p> <p>PMO to utilise external technical support when necessary</p> <p>PMO supporting partners to ensure capacity for delivery and support recruitment activity</p> <p>Backfill arrangements in place to manage the impact of part-time secondment of Portfolio Director to the Corporate Joint Committee</p> <p>SPF bid includes contribution towards some existing PMO costs</p> <p>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</p>	<p>In place</p> <p>Ongoing</p> <p>Reviewed monthly</p> <p>Reviewed monthly</p> <p>In place</p> <p>March 2023</p> <p>In place</p>	<p>PMO</p> <p>PMO</p> <p>PMO</p> <p>PMO, Project Sponsors</p> <p>PMO</p> <p>PMO</p>	4	4	16	↔	Open	Risk reviewed. No changes to gross or residual risk scores. Capacity remains a risk with a number of vacancies in the team. However recruitment is underway to fill these roles which should see the risk reduced in the next quarter.	16/01/24
R006	21/10/20	Environmental	Climate Change and Biodiversity	Portfolio Director	If projects do not take account of carbon emissions or biodiversity loss within project level assessments, there is a risk the portfolio could contribute towards the issues of climate change and biodiversity loss	4	3	12	↔	<p>Position statement on Climate Change and Biodiversity adopted by the NWEAB.</p> <p>Project business cases to demonstrate delivery against the adopted NWEAB position.</p> <p>Methodology on how to take account of carbon emissions and biodiversity loss within project business cases now published and shared with all projects</p>	<p>N/A</p> <p>N/A</p> <p>In place</p>	<p>NWEAB</p> <p>PMO, Project SROs</p> <p>PMO</p>	3	3	9	↔	Open	Risk reviewed. No changes to gross or residual risk scores. Roll out of methodology and associated training continues	16/01/24
R002	21/10/20	Programme and Project Delivery	Delay	Portfolio Management Office	If there are delays to project delivery, there is a risk this could have an impact on the realisation of benefits or could result in projects not progressing.	5	5	25	↔	<p>PMO resources reallocated to assist projects requiring additional support (2023 PAR action).</p> <p>Monthly highlight reports to Programme Board with escalation routes to NWEAB</p> <p>Programme and project RAID logs in place to record risks and manage issues</p> <p>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</p> <p>Quarterly reports to the NWEAB and Portfolio Board</p> <p>Project timetables reviewed as part of the 2022 Portfolio Business Case</p> <p>Project Delivery Fund approved by the NWEAB with change requests approved in Feb 2023</p> <p>PMO working with sponsors at project-level to identify opportunities to minimise delay and where delay is unavoidable minimise impact</p>	<p>Monthly</p> <p>Monthly</p> <p>N/A</p> <p>Quarterly</p> <p>In place</p> <p>Feb 2023</p> <p>In place</p>	<p>PMO</p> <p>PMO, Project Sponsor</p> <p>Project Sponsor</p> <p>Project Sponsor</p> <p>PMO</p> <p>PMO, Project sponsor</p> <p>PMO, Project Sponsors</p>	4	4	16	▼	Open	<p>Risk probability reduced.</p> <p>OBC and FBC approvals in Q3 have addressed some delays. Action following PAR to use PMO resources more flexibly has proven to be effective to accelerate business case development. Risk probability will reduce further if progress is sustained.</p> <p>A number of projects are experiencing delays which will impact on the timing of benefits realisation.</p>	16/01/24



Risk ID	Date Raised	Risk Category	Risk Name	Risk Owner	Description of the Risk	Current Gross Risk Rating			Trend	Mitigating Actions	Action Due Dates	Action owner	Residual Risk Rating			Trend	Status (Open / Closed)	Commentary	Date of last update
						P	I	Score					P	I	Score				
R020	03/10/22	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	4	5	20	▲	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	3	5	15	▲	Open	Risk probability increased. Developing global issues affecting supply chains and energy market likely to affect costs in the short to medium term.	16/01/24
R017	22/10/20	Financial	Financial Management	s151 Officer	If appropriate financial arrangements are not put in place, there could be a risk to the delivery of the deal, draw-down of the funding grant and allocation of funds.	3	4	12	↔	NWEAB will utilise existing financial processes of Gwynedd Council as Host Authority Project Business Cases will set out detailed project level financial, commercial and risk management measures to manage finances Robust monthly performance, risk and financial reporting arrangements will be established for all projects Robust financial claims process established for the drawdown of funding	N/A N/A Monthly N/A	PMO PMO, Project SRO PMO, Project SRO PMO	2	3	6	↔	Open	Risk reviewed. No changes to gross or residual risk scores. Residual risk remains low due to the processes in place by Ambition North Wales and the funding agreements with project sponsors.	16/01/24
R014	22/10/20	Financial	Fraud	Portfolio Director	If appropriate processes are not put in place and managed, there is a risk that the portfolio could be subject to fraudulent claims resulting in misuse of public funds	4	4	16	↔	Projects to have robust financial monitoring processes in place PMO to review claims submitted before passing them onto accountable body for payment Code of conduct and conflicts of interest policy incorporated as part of Governance Agreement 2 Conflict of Interest Register maintained for all programmes, projects and advisory groups.	N/A N/A Complete N/A	PMO PMO Monitoring Officer PMO	2	4	8	↔	Open	Risk reviewed. No changes to gross or residual risk scores. Residual risk remains low due to the processes in place by Ambition North Wales. A further round of fraud training is planned for the PMO and Business Delivery Board in early 2024.	16/01/24
R009	21/10/20	Regulatory	Planning and Statutory Consents	Portfolio Management Office	If projects do not receive the necessary statutory consents and planning approval, there is a risk that projects will not be delivered and the benefits would not be realised.	4	5	20	↔	Project business cases will set out the consenting requirements for each project and the risks to project delivery Continued engagement with project sponsors to understand consenting process and risks with support provided where appropriate at project level Local authority phosphates strategies in place as part of Local Plan 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 Chair and/or Portfolio Director to write to consenting authorities highlighting the impact of delayed decisions when individual project risks are escalated.	N/A N/A In place Summer 2023 In place As required	PMO, Project SROs PMO Local Authorities PMO PMO, Project sponsors Portfolio Director	4	5	20	↔	Open	Risk reviewed. No changes to gross or residual risk scores. Consenting remains a high risk, however the approval of the Harbour Revision Order (HRO) for Holyhead Gateway removes a significant project consenting risk. Adoption of LDP by WCBC is a positive development for the risk probability for Land and Property.	16/01/24
R013	21/10/20	Reputational and Social Impact	Political Change	Portfolio Director	If stakeholders are not managed effectively, there is a risk that political change could impact support for the portfolio, programme and projects.	4	4	16	↔	Frequent engagement with UK, Welsh Government and local government politicians and officials. GA2 and Final Deal agreement to confirm commitments of all parties. New members to be briefed on the Growth Deal Portfolio following the change in leadership Engagement with new UK Government Ministers	N/A Complete Complete Ongoing	NWEAB, PMO NWEAB PMO PMO	2	4	8	↔	Open	Risk reviewed. No changes to gross or residual risk scores. The risk remains low at present as there are no local elections in Wales during 2024. However with a UK General Election having to take place no later than 28 January 2025 this risk may increase in the future.	16/01/24
R007	21/10/20	Financial	Private Sector Investment	Portfolio Management Office	If the private sector investment is not secured, there is a risk that projects will not be delivered or delivered at reduced scale impacting on the benefits to the region.	4	5	20	↔	Continued engagement with Project Sponsors and private sector partners Development of robust project business cases and contractual agreements for Growth Deal funding Delivery of project process for identifying replacement Growth Deal projects Following PAR recommendation, an investment strategy has been developed with further work to be commissioned in early 2023	N/A N/A July 2023 March 2023	PMO, Project SROs PMO, Project SROs NWEAB, PMO PMO	4	4	16	↔	Open	Risk reviewed. No changes to gross or residual risk scores. Securing the private sector investment for the Growth Deal remains a high risk, however the position has improved with the selection of five new projects through the project replacement process.	16/01/24
R008	21/10/20	Financial	Public Sector Investment	Portfolio Management Office	If the public sector investment is not secured, there is a risk that projects will not be delivered or delivered at reduced scale impacting on the benefits to the region.	4	4	16	↔	All NWEAB partners have signed up to the Growth Deal and Governance Agreement 2. Development of robust project business cases and contractual agreements for Growth Deal funding Support project sponsor applications for other public funding sources where appropriate	Complete N/A As required	NWEAB PMO, Project SROs PMO	4	4	16	↔	Open	Risk reviewed and mitigations updated. No changes to gross or residual risk scores. As per private sector investment, the risk rating remains high due to the low number of FBCs approved to date and funding agreements entered into.	16/01/24
R018	01/10/20	Financial	Revenue Funding	Portfolio Management Office and Project Sponsors	If sufficient revenue funding is not in place to support the activities of the NWEAB and delivery of the Growth Deal, then project delivery and achievement of spending objectives and benefits may be impacted	4	5	20	↔	NWEAB has approved extension of fixed term contracts to March 2025. 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 to 5 local authorities successful, separate application submitted to Wrexham.	N/A N/A N/A N/A May 2023 Sep 2023	PMO PMO, Project SRO PMO, Project SRO PMO PMO, Portfolio Board PMO	3	4	12	↔	Open	Risk reviewed and mitigations updated. No changes to gross or residual risk scores. Revenue position has improved through the increase in the top slice from the Growth Deal to 2.15% and securing SPF funding. Outcome of SPF application to WCBC pending.	16/01/24

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						P	I	Score					P	I	Score				
R010	21/10/20	Reputational and Social Impact	Spending Objectives	Portfolio Director	If projects fail to deliver against the portfolio spending objectives, there is a risk that the Growth Deal may not meet its targets in relation to job creation, GVA and investment.	5	4	20	↔	<p>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</p> <p>Project review and change control process in place.</p> <p>Replacement project process was completed in July 2023 with five new project selected to join the Growth Deal.</p> <p>Investment strategy has been developed. Principles approved by Board in December 2023 with full strategy to be presented in early 2024.</p>	<p>N/A</p> <p>N/A</p> <p>Complete</p> <p>In place</p>	<p>PMO, Project SROs</p> <p>PMO</p> <p>NWEAB, PMO</p> <p>PMO</p>	4	4	16	↔	Open	Risk reviewed and mitigations updated. No changes to gross or residual risk scores. The latest iteration of the Portfolio Business Case submitted to both governments in October 2023 demonstrates how the Growth Deal can still deliver on these targets, however the contingency has now reduced therefore the residual risk remains high.	16/01/24
R019	01/10/20	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	↔	<p>Project business cases and implementation plans to clearly set out risks to project delivery and mitigations, including supply chain risks.</p> <p>RSP working with PMO to identify regional supply chain / skills challenges and identify mitigations</p> <p>Additional funding secured for skills activity</p> <p>Projects to conduct early market engagement where appropriate</p>	<p>N/A</p> <p>N/A</p> <p>In place</p> <p>N/A</p>	<p>PMO</p> <p>PMO</p> <p>PMO</p> <p>Project Sponsors</p>	3	4	12	↔	Open	Risk reviewed. No changes to gross or residual risk scores. Close collaboration between the PMO and the RSP on skills and supply chain is key to reducing the probability of this risk. This is an ongoing activity to ensure the capacity and skills are in the region to take advantage of the opportunities through the Growth Deal.	16/01/24