

OBSERVATIONS FROM THE EDUCATION AND ECONOMY SCRUTINY COMMITTEE – EXTRAORDINARY MEETING 15/10/18

- An extraordinary meeting of the Education and Economy Scrutiny Committee was held on 15/10/18 to scrutinise the proposition document - Growth Deal for the North Wales Economy.
- Observations by the committee were presented to the Leader as seen below. Reference was made to scrutiny's views at the meeting of the Cabinet on 16/10/18.
- A copy is presented to the Full Council – extraordinary meeting 25/10/18

Dear Leader

Thank you for the opportunity to scrutinise the proposition document of the Growth Deal for the North Wales Economy at an extraordinary meeting of the Education and Economy Scrutiny Committee this morning. As the committee has had an opportunity to scrutinise matters as developments have proceeded, please note that the main observations / issues noted below are in addition to the observations already submitted by the Scrutiny Committee at previous meetings.

To summarise:

- **Confirmation was given that the Scrutiny Committee is supportive of the strategic direction and gave its support to proceed with the Proposition Document.**

In terms of additional observations / risks identified, please note the following main points:

FINANCIAL RISKS

- It is crucial to continue to hold discussions with the UK Government and Welsh Government in order to minimise the financial risks – especially the risks in relation to cash flow and the risk of losing grants if firm financial management is not in place.
- It is recommended that discussions continue with Welsh Government to try to retain the non-domestic rates (or at least an element) as a means of minimising costs for local authorities.
- However, we must be awake to the fact that financial risks could fall on local authorities and prepare for this by considering the projects and expenditure profile.

GOVERNANCE RISKS

- A risk was noted should one of the partners of the deal withdraw, and that this would be managed by the Partnership Agreement which is currently being developed.
- It was noted that clarity was needed regarding the future governance framework, with the governance framework ensuring a clear accountability line for the Leaders to the individual Councils.

POLITICAL RISKS

- The risk to the national entity of Wales was noted through the development of the deal.

PROJECTS RISKS

- There will be a need to try to ensure that small businesses and agriculture benefits from the deal, as well as the large companies.

Yours sincerely

Councillor Beth Lawton,
Chair of the Education and Economy Scrutiny Committee (on behalf of the committee)