
NORTH WALES ECONOMIC AMBITION BOARD 12/06/20

Present:

Voting Members - Councillors:- Llinos Medi Huws (Isle of Anglesey County Council), Ian Roberts (Flintshire Council), Sam Rowlands (Conwy County Borough Council), Mark Pritchard (Wrexham County Borough Council) and Dyfrig L. Siencyn (Gwynedd Council) (Chair).

Advisors – Dafydd Evans (Grŵp Llandrillo Menai), Maria Hinfelaar (Glyndŵr University), Prof. David Thomas (Bangor University), Steve Jackson (Coleg Cambria), Jim Jones (North Wales Mersey Dee Business Council) and Askar Sheibani (Business Delivery Board).

Chief Officers - Annwen Morgan (Isle of Anglesey County Council), Iwan Davies (Conwy County Borough Council), Judith Greenhalgh (Denbighshire Council), Ian Bancroft (Wrexham County Borough Council), Dilwyn Williams (Gwynedd Council), Colin Everett (Flintshire Council).

Officers in attendance - Alwen Williams (Programme Director), Dafydd Edwards (Statutory Finance Officer), Iwan Evans (Monitoring Officer), Jane Richardson (Chair of the Executive Officers Group), Hedd Vaughan-Evans (Operations Manager) and Annes Siôn (Democracy Services Officer).

1. APOLOGIES

No apologies were received.

2. DECLARATION OF PERSONAL INTEREST

No declarations of personal interest were received.

3. URGENT BUSINESS

None to note.

4. MINUTES OF THE PREVIOUS MEETING

The Chair signed the minutes of the previous meeting of the EAB held on 24 January 2020, as a true record.

5. HEADS OF TERMS

The report was submitted by Alwen Williams - Programme Director.

RESOLVED

To note the completion of the Heads of Terms.

REASONS FOR THE DECISION

The Heads of Terms Agreement had been drafted by both Governments in the context of the Proposition Document and in line with the offer from the NWEAB within the Implementation Plan. The NWEAB had discussed and approved the draft document during meetings on 26 July and 6 September 2019. With the publication of the final document, the document was formally submitted to the Board to be noted publically.

DISCUSSION

The report was submitted noting that it was a signed version of the Heads of Terms agreement prepared in the context of the Proposition Document and Implementation Plan. It was noted that a decision was needed to note that the Heads of Terms had been completed.

During the discussion the following matters were raised:

- It was emphasised that signing the Heads of Terms was significant as it showed the clear commitment of both Governments to the work of the Ambition Board. It was also added that the Heads of Terms displayed a good partnership with both Governments and it was noted that the Board looked forward to signing the final document before the end of the year.

6. PROGRAMME GOVERNANCE

The report was submitted by Hedd Vaughan-Evans - Operations Manager.

RESOLVED

Resolved to:

- Endorse the principle of adopting a programme and project management approach to the delivery of the North Wales Growth Deal, including the establishment of Programme Boards to oversee operational delivery.
- Approve the proposed delivery structure as set out in Appendix 1 and the proposed Programme Board Terms of Reference as set out in Appendix 2.
- Approve the appointment of Programme SROs and Deputy SROs as set out in Appendix 3 and appoint a Lead Member from the North Wales Economic Ambition Board to sit on each Programme Board.
- Note that the existing sub-groups for Energy and Digital, will be replaced by the Programme Board once established.
- Delegate authority to the Programme Director in consultation with the Monitoring Officer and the Executive Support Group to implement the programme governance arrangements and make all other appointments to the Programme Boards.

REASONS FOR THE DECISION

The NWEAB needed to adopt a programme governance model based on best practice to ensure the successful delivery of the North Wales Growth Deal.

Given the scale and complexity of the partnership and the portfolio of work to be delivered, the need to establish a clear model for portfolio, programme and project governance was expressed.

DISCUSSION

The report was submitted, and the decision noted. The importance of project governance was stressed not for arrangements but for the vision. It was noted that the model was based on a best practice approach for managing projects and was built on the present structure.

It was explained that the main change was the establishment of the programme board which would replace the sub-groups. These would not be formal sub-boards of the NWEAB, rather, programme boards which would oversee work and propose recommendations not make decisions. Attention was drawn to the structure and it was explained which Members would be Lead Members for each programme, who would act as a link between the boards and the NWEAB.

It was reported that the NWEAB had been identified as a Group to co-ordinate Economic Recovery post Covid-19. It was noted that the aim and objective of the Economic Recovery Co-ordination Group would be to facilitate the period post Covid.

During the discussion the following matters were raised:-

- A member enquired how the Recovery Group and NWEAB structure worked together and whether there would be an impact on projects. It was noted that four themes had been highlighted for the recovery groups across the region and the economy was one of these; further information would be sent to the members.
- It was added that the Board, via the Recovery Group, would set objectives and lead on the work but would not respond directly. It was stressed that there would be a need to work in partnership with the Government.

7. GOVERNANCE AGREEMENT 2

The report was presented by Iwan Evans - Host Authority Monitoring Officer.

DECISION

To approve the report together with the revised Governance Agreement 2 Project Plan subject to receiving an update at the next meeting of the Board.

REASONS FOR THE DECISION

The agreement of the underlying partnership and governance framework was key to agreeing a comprehensive Governance Agreement 2. GA2 is a document which primarily codifies the relationship and commitment of the parties, their responsibilities and accountability as well as establishing the supporting governance framework. The Board was required to scrutinise and agree a schedule for completing this work to support the aim of getting a Final Growth Deal Agreement in place by December 2020.

DISCUSSION

The report was submitted, and it was noted that it had been scheduled for March in order to follow the timeframe of the work programme so as to sign the final deal in December but that Covid had delayed things until this meeting. It was stressed that Governance Agreement 2 was crucial for a Final Deal.

It was noted that a Governance Workshop had been held to identify and understand the matters which needed agreement or resolution between the partners. The key issues

were outlined. It was noted that there was slippage to the timeframe which would be challenging and a further report would be required at the next meeting.

During the discussion the following matters were raised:-

- The need to ensure that the scrutiny procedure was as straightforward as possible and would be incorporated in arrangements which authorities already had in place, was noted. It was added that the scrutiny timeframe would make it difficult to reach the target of completing the Final Growth Deal by December 2020.
- It was noted that a further, comprehensive report would be submitted to the members at the next meeting.

8. COMMERCIAL MODELS

The report was submitted by Hedd Vaughan-Evans - Operations Manager.

DECISION

Comments were made on the paper and it was noted that further work on how commercial and funding models could be applied to programmes and projects will be carried out by the Programme Office, the Executive Support Group and partners' Finance Officers, while noting that a further report on this matter will be presented to the NWEAB in due course.

REASONS FOR THE DECISION

As part of the development of the programme business cases, the NWEAB needed to develop the funding models for the Programmes and Projects. There was a need to draw attention to the type of potential commercial and funding models and the relevant considerations which also presented an opportunity to recycle funds back in to the Growth Deal for further future investment.

DISCUSSION

The report was submitted and the need to proceed with the work on commercial and funding models as part of the package of work that was needed to secure a Final Deal with the Governments, was noted. Three potential models were outlined which were grant, loan or investment or a combination of the three.

During the discussion, the following matters were raised:-

- It was noted that the ideas about models were flexible and that every project need not work in the same way.
- It was stated that this would need to be looked at to secure funding to invest in projects, and that a further report would follow.
- It was stressed that these models were to look at ways of using the funds the Board had and not to look for further investment.

9. 2019/20 OUT-TURN REPORT AND ANNUAL RETURN

The report was submitted by Dafydd Edwards - Host Authority Head of Finance Department.

DECISION

To note and accept the Joint-committee's Revenue Income and Expenditure Account for 2019/20.

To approve the Joint-committee's Official Annual Return for 2019/20 (subject to External Audit), which had been duly completed and certified by the Joint-committee's Statutory Finance Officer in line with the statutory deadline of 15 June 2020.

REASONS FOR THE DECISION

The Joint-committee must be aware of its financial position for 2019/20 and comply with the statutory requirements with regard to completing the Annual Return.

DISCUSSION

The report was submitted noting that it outlined the final accounts and that approval was needed for the Joint Committee's official annual return. It was added that the accounts and report would be the subject of an audit by Deloitte and if any changes were needed, an amended version would be submitted to the next Joint Committee.

Attention was drawn to the underspend, noting that the reasons for the underspend included a reduction in the Accountable Body's support services. It was added that the European Social Fund money had not been received until May 2020 which meant that it did not appear in the 2019/20 accounts. Therefore, it was added that it would be claimed retrospectively during 2020/21 and back-dated to 1 July 2018. It was explained that there was an underspend of £161,316 that had been transferred to an allocated reserve fund to give a balance of £497,529 which would be available to fund future one-off costs.

During the discussion the following matters were raised:-

The officers were thanked for their work.

- It was noted that a confirmation letter for the European Social Fund money had been received which would allow the Programme Office Team to start preparing for the next phase.

10. 2020/21 BUDGET

The report was submitted by Dafydd Edwards - Host Authority Head of Finance Department.

DECISION

To approve the 2020/21 Budget with ESF Grant Funding (Appendix 1b) and to allow the Programme Director, in consultation with Gwynedd Council's Section 151 Officer and Monitoring Officer and the Chairman, to commit up to an additional £100,000 from the earmarked reserve within the year, on the Planning, Development and Project Support heading if required, in order to maintain and realise the work programme timetable for the final Growth Deal.

REASONS FOR THE DECISION

The NWEAB was required to set out the proposed budget per expenditure heading and the corresponding funding streams for the year. With the Board's approval received, it is possible to operate effectively within the funding available.

DISCUSSION

The report was submitted noting that this item had been agreed via e-mail following the postponement of the previous meeting as a result of the Covid-19 crisis in order to allow the NWEAB to operate over the previous two months. It was added that, when the report had been written, formal confirmation in relation to the ESF grant had not been received; therefore, members were required to focus on scenario 2 in the budget.

The main changes between the 2019/20 and 2020/21 budget were highlighted, namely an increase in staffing costs and a reduction in the budget for project planning, development and support. It was added that the Growth Bid Grant Income would be received during the year but if it were received during the last quarter, it was confirmed they would deal with that at the time.

Attention was drawn to the need to make one-off virements to be funded from the reserve fund to fund expenditure under the following headings "Communication and Public Relations" and "Project Planning, Development and Support". The Budget was discussed and it was noted that it used £272,470 to fund one-off expenditure which would leave a balance of £358,000 in the allocated reserve fund to fund future one-off costs.

During the discussion the following matters were raised:-

- The finance team was thanked for their work and it was noted that an additional £100,000 needed to be committed to the Project Planning, Development and Support heading to ensure that plans were completed.

11. EXCLUSION OF PRESS AND PUBLIC

DECISION

Resolved to exclude the press and public for the subsequent two items.

12. PROJECT BASELINE REVIEW

DECISION

1. To note the content of the report and the presentation delivered at the meeting.
2. To note that the Final Deal with UK and Welsh Government on the North Wales Growth Deal will be based on Programme Business Cases.
3. To agree that the Regional Transport Decarbonisation project be delivered as part of the Low Carbon Energy Programme and that no Transport Programme business case will be developed as part of the Final Deal agreement.

REASONS FOR THE DECISION

The Programme Office had carried out a baseline review of the fourteen projects and six programmes that form part of the North Wales Growth Deal. Following the review, there was a need to update the NWEAB on the position of each programme and the process to achieve a final deal.

DISCUSSION

The report was discussed.

13. BUSINESS DELIVERY BOARD

DECISION

Owing to the change in context, to postpone proceeding with the process of appointing a Chair for the Business Delivery Board in order to give the NWEAB an opportunity to consider whether the role of the Business Delivery Board needed to be revised.

A further report will be submitted following a consultation with the private sector and the Business Delivery Board.

REASONS FOR THE DECISION

Given that six months had passed since the shortlist of candidates had been created, that Covid-19 had changed the regional economic context significantly, along with changes in viewpoint in terms of the input of both governments to the appointment, the NWEAB needed to reflect on the situation and consider how best to proceed.

DISCUSSION

The report was discussed.

The meeting commenced at 1.00 pm and concluded at 3.50 pm

CHAIRMAN