
NORTH WALES ECONOMIC AMBITION BOARD 15/07/22

Present:

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

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

Chief Officers - Dylan Williams (Isle of Anglesey County Council), Iwan Davies (Conwy County Borough Council), Neal Cockerton (Flintshire Council), Linda Roberts (Wrexham County Borough Council), Graham Boase (Denbighshire Council) and Sioned Williams (Gwynedd Council).

Officers in attendance - Dewi Morgan (Statutory Finance Officer - Host Authority), Gareth Owens (Monitoring Officer - Flintshire Council), Hedd Vaughan Evans (Operations Manager), Stuart Whitfield (Digital Programme Manager), Henry Aron (Energy Programme Manager), Robyn Lovelock (Growth Deal Programme Manager), David Matthews (Land and Property Programme Manager), Kirrie Roberts (Digital Connectivity Project Manager), Siân Pugh (Host Authority) and Annes Sion (Democracy Team Leader - Host Authority).

Also present - Wendy Boddington (Welsh Government), Darnley Read (UK Government), Gareth Ashman (UK Government), Elen Edwards (Conwy County Borough Council), Sioned Owen (Audit Wales).

1. APOLOGIES

Apologies were received from Professor Iwan Davies (Bangor University), Yana Williams (Coleg Cambria), Iwan Evans (Monitoring Officer - Host Authority), Dafydd Gibbard (Gwynedd Council), Alwen Williams (Portfolio Director) and Sheryl Le Bon (Senior Executive Officer).

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 meeting held on 14 June 2022, as a true record.

5. NORTH WALES GROWTH DEAL - QUARTER 1 PERFORMANCE REPORT

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

RESOLVED

To note and accept the Quarter 1 Performance Report and updated Portfolio Risk Register.

To note the work to reprofile the delivery plan as part of the Portfolio Business Case update and that this information will be available for the Quarter 2 report.

To approve the submission of the Quarter 1 Performance Report to Welsh Government and UK Government as well as the local authority scrutiny committees.

REASONS FOR THE DECISION

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

DISCUSSION

The report was submitted noting the NWEAB's highlights for the first quarter of the year. It was noted in relation to the Digital Programme that the first claim for the DSP Project was about to be submitted. It was explained that an Outline Business Case (OBC) for the Connecting the Last Few % project would be presented to the Board today.

It was highlighted in relation to the Low Carbon Energy Programme that a request to change the Morlais project had been supported by the Programme Board, provided that the contractual constraints associated with the Morlais' WEFO funding are appropriately addressed. In terms of the Egni project, it was noted that Bangor University had requested a delay to the business case timetable to allow for a review of the project. When drawing attention to the highlights of the Land and Property Programme, it was explained that Wrexham County Borough Council had approved funding to develop a Master plan for the Western Gateway Project. In addition to this, it was noted that a delivery mechanism had been agreed for the Former North Wales Hospital, Denbigh project which shared the risk of developing with an in principle three step development.

In relation to the Agri-Food and Tourism Programme, it was noted that Grŵp Llandrillo Menai had confirmed the structure of the Tourism Talent Network between the college and partners in the private sector, and that they were preparing to submit a pre-planning application for the Glynllifon Rural Economy Hub.

It was stated that four projects were reporting red at present, which is one fewer than last reported upon at the end of the last financial year. Firstly, it was noted that the Low Carbon Energy Centre of Excellence Project (Egni) is under review by Bangor University due to the proposed changes to capital and revenue projections and the delay caused by the review of the project. It was explained that outline planning permission for the Bodelwyddan Key Strategic Site had lapsed, and a request had been made for additional information on the likely planning policy position of the site to Denbighshire Council. It was noted in relation to the Glynllifon Rural Economy Hub that planning permission needed to be secured and a potential financial deficit was raised as a result of increasing

building capital costs. In relation to the Llysfasi Zero Net Farm project, it was noted that there was some delay following the need to incorporate feedback from the Gateway 2 review.

In relation to the risk register, it was explained that the risk profile had continued to be stable and affordability remained the biggest risk facing the portfolio, together with inflation, supply chain issues and a substantial increase in building costs. In terms of the political risk, this had reduced following the local government election in May 2022.

Observations arising from the discussion

- In relation to the Bodelwyddan Key Strategic Site, a question was asked about the timetable together with options submitted in September. It was noted that the team had asked for an update and that they hoped to submit a further report to the Board in September or October.
- A question was asked as to whether there was a need to strengthen the amber rating given to the financial risk due to the consistent increase in capital costs and the effect this would have on projects. It was stated that the Portfolio Office was doing everything within their ability to keep within the amber risk, and were working very closely with the programme managers to ensure that the projects could be completed and that the expected benefits could be provided within budget. The need to revisit the risk level was needed, and to report back in the quarter 2 report.

6. NWEAB'S STATEMENT OF ACCOUNTS FOR 2021-22

The report was submitted by Dewi Morgan (Statutory Finance Officer - Host Authority).

DECISION

To accept and note the NWEAB's Statement of Accounts (subject to audit) for 2021/22

REASONS FOR THE DECISION

There is no statutory requirement for the Board to approve the draft Statement of Accounts of the Joint Committee, but we consider that the submission of the draft statement for information is good practice to follow.

It was noted that the Board will need to approve the final version in October following receipt of the Audit report, and it was explained that the submission of the draft now is an opportunity for Board members to consider the content and to equip themselves with relevant information.

DISCUSSION

The report was submitted and it was noted that this year for the first time, the Board had prepared a full set of Statement of Accounts, rather than the annual return used in previous years. It was explained that this was because the Accounts and Audit Regulations (Wales) noted that a local authority body was a "larger relevant body" when the annual income or expenditure was over £2.5m.

It was reported that the annual Statement of Accounts had been prepared in accordance with the Code of Practice on Local Authority Accounting. It was explained that the NWEAB had received the information in a much more useful way when the Revenue and Capital Out-turn Position had been submitted in April. The decision made during that

meeting was noted. It was explained that the figure which appeared in the statement were consistent with the report back in April.

It was stressed that this year was the first year for the department to have prepared a report in this format, and consequently they had had to go back and re-set the 2020/21 position in order to include it in the document for comparison. It was noted that reserves appeared that could not be used, and it was explained that these dealt with matters such as future pension commitments. It was noted that the Statutory Finance Officer had signed the minutes of the accounts back in June and had certified that he was of the opinion that the Statement of Accounts had been prepared in accordance with the appropriate practice as set out in the CIPFA/LASAAC Code of Practice on Local Authority Accounting. It was noted that he believed that the Statement presented an accurate and fair picture of the North Wales Economic Ambition Board Joint Committee's financial position as at 31 March 2022 and the Joint Committee's income and expenditure for the year ended at that time.

It was explained that the statements would go on to be reviewed by Audit Wales, the NWEAB's external auditors, and the final accounts, together with the audited returns, would be submitted in the autumn.

Observations arising from the discussion

- The department was thanked for all their work in preparing the documents and that the word 'draft' should be added to the decision.

7. AUDIT PLAN 2022 - NORTH WALES ECONOMIC AMBITION BOARD JOINT COMMITTEE

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

DECISION

To accept the Audit Wales report which highlighted the NWEAB's Audit Plan for 2022.

REASONS FOR THE DECISION

Though the North Wales Economic Ambition Board Joint Committee (the Joint Committee) had been preparing the Smaller Joint Committee Annual Returns in previous years, this would be the first year for the Joint Committee to prepare the full financial statements. Audit Wales would audit the financial statements to ensure that a proper account was given of public money.

This document outlined the work that Audit Wales intended to undertake during 2022 as a means of fulfilling their statutory responsibilities as an external auditor and to fulfil their obligations under the Audit Code of Practice.

DISCUSSION

The report was submitted, noting that as this year was the first time for the NWEAB to be submitting full statements of accounts, it was believed to be appropriate for the NWEAB to receive an individual audit plan rather than be included within the Gwynedd Council plan. A significant risk was highlighted that management override of controls was present in all entities, and it was explained that this risk was present in all audit plans. It was noted that the Joint Committee had prepared full financial statements for the first time this year, and there was a risk that the statements were more likely to include

relevant misstatements.

Attention was drawn to the Audit Timetable by the performance team which had also been included. An update was given on the staff members table as the Performance Audit Manager had now left the organisation, and it was explained that the department would be notified when an individual had been appointed.

It was explained that the plan noted that Audit Wales hoped to complete the work by July / August but that they were negotiating across all authorities to push this date on to September / October.

Observations arising from the discussion

- The officers were thanked for the work and it was confirmed that the increase in fees of 3.7% was seen across all Audit Wales fees.

8. EXCLUSION OF PRESS AND PUBLIC

DECISION

Resolved to exclude the press and public from the meeting during the discussion on the following items for the reasons stated:-

Item 9- 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 also acknowledged that there are occasions, in order to protect the financial and commercial interests that matters related to such information need to be discussed without being publicised. The report is specifically regarding financial and business matters together with associated discussions. The 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.

Item 10 – The public must be excluded from meetings whenever it is likely in view of the nature of the business to be transacted or the nature of the proceedings that confidential information will be disclosed.

9. LAST FEW % PROJECT - OUTLINE BUSINESS CASE

The report was submitted by Elen Edwards, Stuart Whitfield (Digital Program Manager) and Kirrie Roberts (Project Manager)

DECISION

To approve the Outline Business Case for the Connecting the Last Few % project subject to Welsh and UK Governments' approval of the assurance process undertaken, and the Portfolio Management Office addressing the matters set out in the report, as set out in Section 7 request that a Full Business Case is prepared for the Board to consider following the confirmation of the outcome of the Open

Market Review (OMR) Public Review and the completion of the procurement process.

To note that the current number of white premises to be targeted within the OBC are provisional pending the outcome of the Public Review and that the final procurement approach will be confirmed following the outcome of the Public Review and the Market Engagement.

To delegate to the Portfolio Director in consultation with the Chair and Vice Chair final approval of the procurement approach incorporating the findings of the Public Review and the Market Engagement and the final approval of the procurement specification and social value criteria prior to commencing procurement.

To note that the final funding arrangements for the project will be agreed at the Full Business Case stage and authorise the Portfolio Director in consultation with the Host Authority Section 151 Officer and Monitoring Officer to agree draft terms for approval by the Board.

REASONS FOR THE DECISION

The NWEAB's support was needed for the Outline Business Case (OBC) for the Last Few % project in order to proceed with the project.

DISCUSSION

The report was discussed.

10. PROPOSED JOINT VENTURE AGREEMENT FOR THE DELIVERY OF EMPLOYMENT PREMISES IN GWYNEDD

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

DECISION

To support the principle of a Joint Venture Agreement with Welsh Government for the delivery of advance employment Units on Plot C3 Parc Bryn Cegin, Bangor as shown on the attached Estate plan (Appendix A).

To delegate the work of negotiating a Joint Venture Agreement in accordance with this report to the Portfolio Director in consultation with the Monitoring Officer and to ask for the final version to come back to the Board for approval.

REASONS FOR THE DECISION

In order to enable the project to proceed to the next phase, there is a need to secure a Joint Venture Agreement to clarify the roles of both parties. It was explained that a draft agreement has been developed subject to review and negotiating a final agreement by both parties.

DISCUSSION

The report was discussed.

The meeting commenced at 1pm and concluded at 3pm

CHAIRMAN