



Complete Agenda

**Bwrdd Uchelgais Economaidd  
Gogledd Cymru**

**North Wales  
Economic Ambition Board**

Meeting

**NORTH WALES ECONOMIC AMBITION BOARD**

Date and Time

**10.30 am, FRIDAY, 22ND SEPTEMBER, 2023**

Location

**Virtual Meeting - Zoom**

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

Contact Point

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(DISTRIBUTED 15/09/23)

# **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**

4 - 9

The Chair shall propose that the minutes of the meeting held on 21<sup>st</sup> July, 2023 be signed as a true record.

## **5. 2023-24 REVENUE AND CAPITAL BUDGET - END OF AUGUST 2023 REVIEW**

10 - 18

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

## **6. ANNUAL GOVERNANCE STATEMENT**

19 - 38

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

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## NORTH WALES ECONOMIC AMBITION BOARD 21/07/23

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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), Paul Johnson (Flintshire County Council), Charlie McCoubrey (Conwy County Borough Council) and Dyfrig Siencyn (Cyngor Gwynedd) (Chair).

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

Chief Officers – Dylan Williams (Isle of Anglesey County Council), Rhun ap Gareth (Conwy County Borough Council), Neal Cockerton (Flintshire County Council), Dafydd Gibbard (Cyngor Gwynedd), David Fitzsimon (Wrexham County Borough Council) and Graham Boase (Denbighshire County Council).

### Officers in attendance -

Host Authority:- Dewi A. Morgan (Statutory Finance Officer), Sion Huws (Deputy Monitoring Officer), Sian Pugh (Assistant Head of Finance – Sustainability and Developments), Sara Jones (Assistant Accountant – Pensions and Treasury Management) and Eirian Roberts (Democratic Services Officer).

North Wales Ambition:- Alwen Williams (Portfolio Director), Hedd Vaughan-Evans (Head of Operations), Nia Medi Williams (Senior Operations Officer), David Mathews (Land and Property Programme Manager), Robyn Lovelock (Growth Deal Programme Manager) and Elgan Roberts (Energy Programme Manager).

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

## 1. APOLOGIES

Apologies were received from:-

- Councillor Llinos Medi Huws (Isle of Anglesey County Council) with Councillor Gary Pritchard deputising;
- Councillor Ian Roberts (Flintshire County Council) with Councillor Paul Johnson deputising;
- Dafydd Evans (Grŵp Llandrillo Menai) with Paul Bevan deputising;
- Yana Williams (Coleg Cambria);
- Professor Edmund Burke (Bangor University) with Professor Paul Spencer deputising;
- Ian Bancroft (Wrexham County Borough Council) with David Fitzsimon deputising;
- Iwan Evans (Monitoring Officer) with Sion Huws (Deputy Monitoring Officer) deputising.

The Chairman welcomed the deputies to the meeting.

## 2. DECLARATION OF PERSONAL INTEREST

The following members declared a personal interest in item 8 – Growth Deal Funding: Project Replacement Process – Final Recommendations, for the reasons noted:-

- Councillor Mark Pritchard – Wrexham Port Project – because Wrexham County Borough Council was the applicant.
- Councillor Charlie McCoubrey – Kinmel Studio Project by Stage Fifty – because the land was owned by Conwy County Borough Council.
- Councillor Gary Pritchard – Kinmel Studio Project by Stage Fifty – because, until 30 June this year, he was employed with Rondo Media Company in Caernarfon, and Rondo partly owned Aria Studio in Llangefni.

It was not a prejudicial interest, and the members were advised that they could participate in full in the discussion and vote on the matter. Despite this, Councillor Mark Pritchard noted that he would rather not take part.

### **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 16 June 2023, as a true record.

### **5. NORTH WALES GROWTH DEAL – QUARTER 1 PERFORMANCE AND RISK REPORT**

The report was submitted by Hedd Vaughan-Evans (Head of Operations) and the programme managers elaborated on the highlights of individual programmes.

#### **RESOLVED**

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

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

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

#### **DISCUSSION**

Elgan Roberts was congratulated for being appointed to succeed Henry Aron as Energy Programme Manager and he was wished well in his post. It was explained, as an internal promotion, that this will reduce some of the capacity within the programme for a period, but this will be managed over the next few months.

The officers were thanked for preparing the report, and it was noted that it was interesting to see progress in some of the fields.

Councillor Mark Pritchard enquired if he had the right to take part in the discussion and vote on the matter as there was a reference in the report to the Western Gateway Project, Wrexham, which was led by Wrexham County Borough Council. In response, it was

explained that although there was an interest, there was an exception in the Code which allowed leaders to take part fully in the discussion and vote on the matter.

The Chair added that there were not any decisions to be made on individual projects in this case anyway, as it was a progress report submitted to the Board.

It was noted that it was not believed that the Western Gateway Project, Wrexham would go ahead as the Government's funding had been withdrawn, and it was recommended that the project should be revoked as soon as possible, so the North Wales Ambition officers were not wasting their time. In response, it was noted that:

- Following concern expressed in the last Board meeting regarding this project, North Wales Ambition officers had met with Wrexham Council officers, and it was understood that Wrexham Council was working on a plan exploring how this project can be moved forward.
- Once the plan was available, it will be reviewed by the North Wales Ambition officers, and if they believed that there was no viable way forward, then a report would have to be presented to the Board with a recommendation on the way forward, as with any other project in a similar situation.
- The project's sponsor can decide to withdraw or make a request to change, and again this would have to be something that the Board considers.
- It was not believed that we are in this situation at the moment, as Wrexham Council's officers were currently working on a plan.

Another member emphasised that the Western Gateway Project, Wrexham should not be given up, and that the Welsh Government and the Minister should be aware that their decision to withdraw the funding could endanger a very important project within the Growth Deal. It was enquired whether the Welsh Government were aware of the risk and if so, it was noted that it was important that the Board knew that the decision on the roads review had been made despite these types of risks. In response, it was noted that North Wales Ambition officers had held informal briefing meetings with their contacts in the Welsh Government and UK Government regarding the situation in general in terms of the Growth Deal, but it was understood that the engagement with the Welsh Government on the details of this specific project was mainly happening through Wrexham Council, as it was them that led on the project.

Wrexham Council's chief officer noted:-

- That the Council was currently in discussions with the Welsh Government, and that they were also looking at the current roads network's capacity to see if it was possible to provide for the Western Gateway development.
- That the Welsh Government had stated that they, as part of the decision on the roads review, would look at an alternative sustainable option for that part of Wrexham, and the discussions regarding this continued.
- Although the roads review had created challenges in terms of capacity, it was believed that it would be premature to revoke the project currently.

It was noted that the Business Delivery Board were trying their best to attract large international investors to North Wales and that there was a lot of potential for the private sector to be involved in this. In response, it was noted that:

- The work with the Savills company, that the Business Delivery Board was also involved with, had highlighted early on that there were major investors looking for viable projects and were looking towards North Wales, not only some of the larger investors that were already in the region, but also some higher funded investors that

were eager to support the levelling-up agenda and invest in areas with socio-economic needs, and that we should be taking advantage of them.

- On a regional level, if the collaboration could be harnessed to break through to some of these investors and funds, much more funding could be brought to North Wales, in addition to the investment coming through the Growth Deal.
- There was a huge opportunity in terms of investors, and one of the points often made by investors is how good the collaboration is in North Wales.

It was enquired what was the work timeline with Savills. In response, it was noted that:

- The work will be undertaken over the summer and it was hoped to host an event in early August to bring Savills to the North to give them an overview of the opportunities here.
- The work will be led by Nick Bennett, who was from the North, and understood the region very well, as well as understanding politics and the investment field.
- It was expected that the company will report back on the work's outcome by the end of the summer.

The Operations Manager and his team were thanked for the work.

## **6. NWEAB'S STATEMENT OF ACCOUNTS FOR 2022-23**

The report was submitted by Dewi A. Morgan (Statutory Finance Officer). It was noted that:-

- The Board, for the second year, had prepared a full set of statement of accounts, instead of the official form used in previous years, because North Wales Ambition was a "larger relevant body" in accordance with the requirements of the Accounts and Audit (Wales) Regulations as their annual income or spending was over £2.5m.
- The annual Statement of Accounts had been prepared in accordance with the Code of Practice on Local Authority Accounting.
- The Ambition Board had received the information in a much more useful way when the Ambition Board's Revenue and Capital Out-turn Position for 2022/23 had been presented on 5 May, and the decision made during this meeting was noted.
- The figures that appeared in table 1, page 3 of the report were consistent with the contents of the revenue out-turn report, and that what was seen in much of the document were technical matters relating to accounting conventions. Also, in the same manner, figures appeared that reflected the capital spending.
- The pensions figures were different this year. It was noted that the Ambition Board had a pension liability of £942,000 on 31 March 2022, but on 31 March 2023, the assets value was higher than the liabilities value with a net asset position of £572,000. It was explained that the reason for this was that the actuary's valuation used UK corporate bonds, and because these have yielded high, it had led to high accounting discount rates, which made the pension liability values substantially less. It was further explained that the pension calculating standards did not allow assets to be shown for a defined benefit pension scheme, therefore the asset's value had been adjusted to £0 on the balance sheet. Further instructions were expected on this from Audit Wales and CIPFA, and if any change to the handling was needed following these instructions, they would be revised by the final Statement of Accounts.
- The Statutory Finance Officer had signed the minutes on 7 July 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 the Statutory Finance Officer believed that the Statement presented an accurate and fair picture of the

North Wales Ambition Board Joint Committee's financial position on 31 March 2023 and the Joint Committee's income and expenditure for the year ended at that time.

- The statements would go on to be reviewed by Audit Wales, the Ambition Board's external auditors, and the final accounts, together with the auditors' report, would be presented to the Board during the autumn.

**RESOLVED to accept and note NWEAB's Statement of Accounts (subject to audit) for 2022/23.**

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

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

The Board will need to approve the final version following receipt of the Audit Wales report, but the submission of the draft now was an opportunity for Board members to consider the content and question financial officers about the content. This was an opportunity for the members to equip themselves with relevant information to consider relevant risks, and other matters that will be subject to audit, in their context.

#### **DISCUSSION**

The Statutory Finance Officer and his team were thanked for the work.

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

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

**There is an acknowledged public interest in openness in relation to the use of public resources and related financial issues. It is acknowledged, however, that there are occasions, in order to protect the financial and commercial interests that matters related to such information need to be discussed without being publicised. The report deals with financial and business matters as well as related discussions. Publication of such commercially sensitive information could adversely affect the interests of the applicants and undermine the confidence of others to share sensitive information for consideration. This would be contrary to the wider public interest of securing the best overall outcome. For these reasons, the matter was closed for the public interest.**

#### **8. GROWTH DEAL FUNDING: PROJECT REPLACEMENT PROCESS – FINAL RECOMMENDATIONS**

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

#### **RESOLVED**

- 1. To support the recommendation for the following projects to receive an invitation to join the Growth Deal's portfolio, subject to the project financier's agreement to the conditions noted in Attachment A to the report:**



- **Responsible Adventure Project by Zip World – conditional allocation of £6.2m**
  - **Kinmel Studio Project by Stage Fifty – conditional allocation of £6.8m**
  - **Holyhead Hydrogen Hub Project by Menter Môn – conditional allocation of £3.8m**
  - **Deeside Waste to Fuel Project by The Circular Economy Ltd – conditional allocation of £6.4m**
  - **Wrexham Port Project by Wrexham County Borough Council – conditional allocation of £4.79m.**
2. **To delegate the authority to the Portfolio Director and the Monitoring Officer to confirm the terms with the project sponsor and commit to the Memorandum of Understanding (MOU) with each project sponsor confirming the requirements and the expectations relating to the Growth Deal's Finance.**
  3. **To note that inviting a project to join the Growth Deal is not a decision to invest in the project. In accordance with the usual process to access funding, it will be required for all projects to produce a business case to be considered by the Board.**
  4. **To allocate an additional £350,000 of the Growth Deal's funding to support the Portfolio Management Office, by increasing the general contribution of the Growth Deal from 2% to 2.15%.**
  5. **To note the recommendations of the initial reserve list as noted in Attachment D to the report and make a request to the Portfolio Director to submit a paper confirming the recommendations in a future meeting.**

## **REASONS FOR THE DECISION**

A decision needs to be made following completion of the new projects process.

## **DISCUSSION**

The report was discussed.

The meeting commenced at 10.00 am and concluded at 11.30 am

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**CHAIR**

# Agenda Item 5

North Wales Economic Ambition Board: 22/09/2023

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## REPORT TO THE NORTH WALES ECONOMIC AMBITION BOARD

22/09/2023

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**Title:** 2023/24 Revenue and Capital Budget – End of August 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 This report intends to provide the North Wales Economic Ambition Board (NWEAB) with details of the actual revenue expenditure and income up to the end of August 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 August 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 August 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).
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### **3. Reasons for the Decision**

- 3.1 To note a forecast underspend of £266,683 against the revenue budget in 2023/24 which is mainly due to the PMO's success with their regional Shared Prosperity Fund application. The final underspend at the end of the financial year will be used to reduce the amount claimed from the growth deal grant and the earmarked reserve.
- 3.2 To note a further slippage on the capital programme, with an estimated expenditure of £7.13m 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 budget will continue to be monitored and reviewed throughout the 2023/24 financial year, and the third quarter review will be presented to the Portfolio Board and the NWEAB in January 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 August 2023, together with projected full year out-turn against its annual budget.
- 5.2 The net out-turn position at the end of the 2023/24 financial year is forecasted to be an underspend of £266,683.
- 5.3 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**

- 5.4 The £42,000 net overspend that is forecasted for the Programme Management Office will be mainly funded from the North Wales Corporate Joint Committee income that is received for staff secondment and is shown in the income section.

### Accountable Body Support Services

- 5.5 The expenditure under the Accountable Body Support Services heading is expected to be within the budget for 2023/24.

### Joint Committee

- 5.6 There's an underspend of £5,000 on the Joint Committee heading and this is on the External Financial Fees.

### Projects

- 5.7 The Projects heading shows a net underspend of £44,504, and this is due to slippage on the capital programme.

### Grant schemes

- 5.8 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

- 5.9 The income streams for 2023/24 include partner contributions, ESF Grant, 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.
- 5.10 The final ESF grant claim has now been completed and this was for the expenditure incurred to the end of June 2023.
- 5.11 The PMO's success with their regional Shared Prosperity Fund application has resulted in an estimated surplus at the end of the year. Therefore, rather than drawing down the £1,022,000 budgeted amount from the growth deal and £274,100 from the earmarked reserve, it is suggested that a reduced amount is claimed (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

- 5.12 Appendix 2 shows the opening reserve balances for the year, and the estimated balances at 31 March 2024.
- 5.13 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.
- 5.14 The projects reserve balance at 31 March 2023 was £152,300.
- 5.15 The interest reserve is ringfenced to fund the cost of borrowing in future years. Its balance at 31 March 2023 was £1,667,882, and the partner interest contributions of £251,040 for 2023/24 will be added to the reserve to give an estimated balance of £1,918,922 at 31 March 2024. The interest on this reserve balance as well as interest on the capital grant will be added at the end of the financial year. Due to the capital grant balance of around £50m as well as the increase in interest rates over recent months, this will be over £2m for this year.

### **Capital**

- 5.16 Appendix 3 shows the revised proposed capital programme as at the end of August 2023, and it includes the five replacement projects (Responsible Adventure, Kinmel Studios, Deeside Waste to Fuel, Holyhead Hydrogen Hub and Wrexham Gateway) that were approved by the Board in July 2023. It also shows that the growth deal grant allocated to fund revenue expenditure is £5.15m (2.15%). The Board approved in May 2023 to increase the allocation from 1.5% to 2% and then a further increase to 2.15% was approved by the Board in July 2023.
- 5.17 There is a £4.12m reduction in the anticipated expenditure for 2023/24 and this is due to slippage on three projects (Connecting the last few percent, Holyhead Gateway and Former North Wales Hospital).
- 5.18 Based on this revised expenditure profile, the growth deal grant will be sufficient to finance the capital programme for the first three years, with no external borrowing needed until 2024/25. This is also based on the PMO continuing to receive the annual income of £20.4m from the growth deal grant.

**6. Staffing Implications**

- 6.1 As a result of numerous vacant posts during recent months as well as their success with the regional Shared Prosperity Fund application, the PMO are now reviewing their staffing structure. The estimated out-turn position for 2023/24 reflects the recruitments that are expected to take place over the coming months.

**7. Consultations Undertaken**

- 7.1 The appendices of this report, were presented to the Portfolio Board on 8 September 2023.

**8. Appendices**

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

Appendix 2 – NWEAB’s Reserves

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

Appendix 1

	Base Budget	One-off virements	Total Budget	August 2023	August 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	470,731	0	1,317,557	37,667
Advertising and Assessment of Candidates	2,500	0	2,500	2,677	0	11,327	8,827
Travel and Subsistence	10,000	0	10,000	2,730	0	7,506	(2,494)
Training	10,000	0	10,000	722	0	10,000	0
Engagement, Events and Meetings	13,000	0	13,000	2,908	14,814	13,000	0
Communications and Public Relations	30,000	0	30,000	14,685	10,330	30,000	0
Supplies and Services	10,000	0	10,000	13,166	480	18,000	8,000
Regional Engagement Team (RET)	10,600	0	10,600	0	0	10,600	0
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	12,000	0	30,000	0
<b>Portfolio Management Office Total</b>	<b>1,455,990</b>	<b>0</b>	<b>1,455,990</b>	<b>519,619</b>	<b>39,624</b>	<b>1,497,990</b>	<b>42,000</b>
<b>Accountable Body Support Services</b>							
Finance Services Support	106,360	0	106,360	0	0	106,360	0
Legal (includes Monitoring Officer)	28,320	0	28,320	0	0	28,320	0
Corporate Support	43,490	0	43,490	5,829	0	43,490	0
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>5,829</b>	<b>0</b>	<b>201,170</b>	<b>0</b>
<b>Joint Committee</b>							
External Legal Support	18,000	0	18,000	0	0	18,000	0
External Financial Fees	10,000	0	10,000	0	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	0	0	33,000	0
<b>Joint Committee Total</b>	<b>68,330</b>	<b>18,000</b>	<b>86,330</b>	<b>0</b>	<b>0</b>	<b>81,330</b>	<b>(5,000)</b>
<b>Projects</b>							
Project Business Case Development	270,000	130,000	400,000	14,540	385,460	400,000	0
External Legal Support	85,000	0	85,000	20,432	13,064	68,496	(16,504)
External Procurement Support	60,000	0	60,000	0	0	30,000	(30,000)
Assurance	40,000	0	40,000	4,950	0	42,000	2,000
<b>Projects Total</b>	<b>455,000</b>	<b>130,000</b>	<b>585,000</b>	<b>39,922</b>	<b>398,524</b>	<b>540,496</b>	<b>(44,504)</b>
<b>Grant schemes</b>							
Employee Expenditure - Energy Project	140,800	0	140,800	45,989	0	125,377	(15,423)
Local Area Energy Plans	648,050	0	648,050	270,019	270,019	648,050	0
<b>Grant schemes Total</b>	<b>788,850</b>	<b>0</b>	<b>788,850</b>	<b>316,008</b>	<b>270,019</b>	<b>773,427</b>	<b>(15,423)</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>881,378</b>	<b>708,167</b>	<b>3,345,453</b>	<b>(22,927)</b>

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

Appendix 2

	Base Budget	One-off virements	Total Budget	August 2023	August 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)	(71,352)	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	(69,640)	(69,640)
Welsh Government Energy grant	(799,870)	0	(799,870)	0	0	(790,280)	9,590
UK Shared Prosperity Fund	(32,620)	0	(32,620)	9,619	0	(289,427)	(256,807)
Capitalisation of Salary Costs (Growth Deal)	(50,000)	0	(50,000)	0	0	0	50,000
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>(995,593)</b>	<b>0</b>	<b>(3,612,136)</b>	<b>(243,756)</b>
<b>Net Overspend / (Underspend)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(114,215)</b>	<b>708,167</b>	<b>(266,683)</b>	<b>(266,683)</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)
<b>Total interest reserve at 31 March 2024</b>	<b>(1,918,922) *</b>

\* Interest on balances will be added at the end of the financial year.

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	3.94	10.10	4.93	1.71	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	0.60	1.72	1.85	0.00	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	3.94	0.00	3.94	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	1.97	2.96	4.92	9.85	0.00	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
Land and property	Holyhead Gateway	Stena Line	0.00	0.00	1.40	17.24	15.83	0.00	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	0.74	6.20	0.00	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
Innovation in High Value Manufacturing	Centre of Environmental Biotechnology (CEB)	Bangor University	0.00	0.00	1.25	1.71	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	1.63	5.41	4.34	0.17	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
Replacement project	Responsible Adventure	Zip World	0.00	0.00	0.10	2.20	3.70	0.20	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	6.20
Replacement project	Kinmel Studios	Stage Fifty	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
Replacement project	Deeside Waste to Fuel	The Circular Economy Ltd	0.00	0.00	0.00	3.20	3.20	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	6.40
Replacement project	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
Replacement project	Wrexham Gateway	Wrexham County Borough Council	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
	2.15% to fund the NWEAB's revenue budget		0.22	0.43	1.02	1.05	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>2.09</b>	<b>7.13</b>	<b>69.99</b>	<b>88.59</b>	<b>41.10</b>	<b>18.55</b>	<b>11.63</b>	<b>0.15</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>0.00</b>	<b>(4.12)</b>	<b>4.33</b>	<b>3.25</b>	<b>6.36</b>	<b>(9.78)</b>	<b>4.90</b>	<b>(4.95)</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	2.09	7.13	67.76	20.44	20.44	18.55	11.63	0.15	0.10	0.10	0.10	0.08	0.05	148.96
	Borrowing					2.23	68.15	20.66									91.04
<b>Total Capital Funding</b>			<b>0.34</b>	<b>2.09</b>	<b>7.13</b>	<b>69.99</b>	<b>88.59</b>	<b>41.10</b>	<b>18.55</b>	<b>11.63</b>	<b>0.15</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>

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**REPORT TO THE NORTH WALES ECONOMIC AMBITION BOARD**  
**22 September 2023**

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**TITLE:** Annual Governance Statement  
**AUTHOR:** Hedd Vaughan-Evans, Head of Operations

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**1. PURPOSE OF THE REPORT**

1.1. To accept and approve the Governance Statement.

**2. DECISION SOUGHT**

2.1. The Economic Ambition Board is asked to accept and approve the Annual Governance Statement.

**3. REASONS FOR THE DECISION**

3.1. As outlined below.

**4. BACKGROUND AND RELEVANT CONSIDERATIONS**

4.1. The Accounts and Audit (Wales) (Amendment) Regulations 2018 sets fixed requirements on public bodies that operate partnership management arrangements through formal joint committees.

4.2. Section 5 requires the Joint Committee to review and approve annually a statement of internal control. To comply with this requirement the Annual Governance Statement has been prepared. The document has been produced to offer a framework to the Economic Ambition Board's operation.

**5. FINANCIAL IMPLICATIONS**

5.1. There are no financial implications arising from this report.

**6. LEGAL IMPLICATIONS**

6.1. There are no legal implications arising from this report.

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**APPENDICES:**

Appendix 1 Annual Governance Statement

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**STATUTORY OFFICERS RESPONSE:**

**i. Monitoring Officer – Host Authority:**

“I am content that the Annual Governance Statement constitutes an appropriate reflection of the position of the Ambition Board as a Joint-Committee.”

**ii. Statutory Finance Officer (the Host Authority’s Section 151 Officer):**

“I am satisfied that the Governance Statement is a fair reflection of the governance arrangements at Ambition North Wales in 2022/23, and that arrangements for accountability are appropriate. The statement meets the requirement to describe Ambition North Wales’s governance framework, and to assess how effective it is operating.”



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

# Ambition North Wales

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2022-2023

Annual Governance Statement

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# 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.

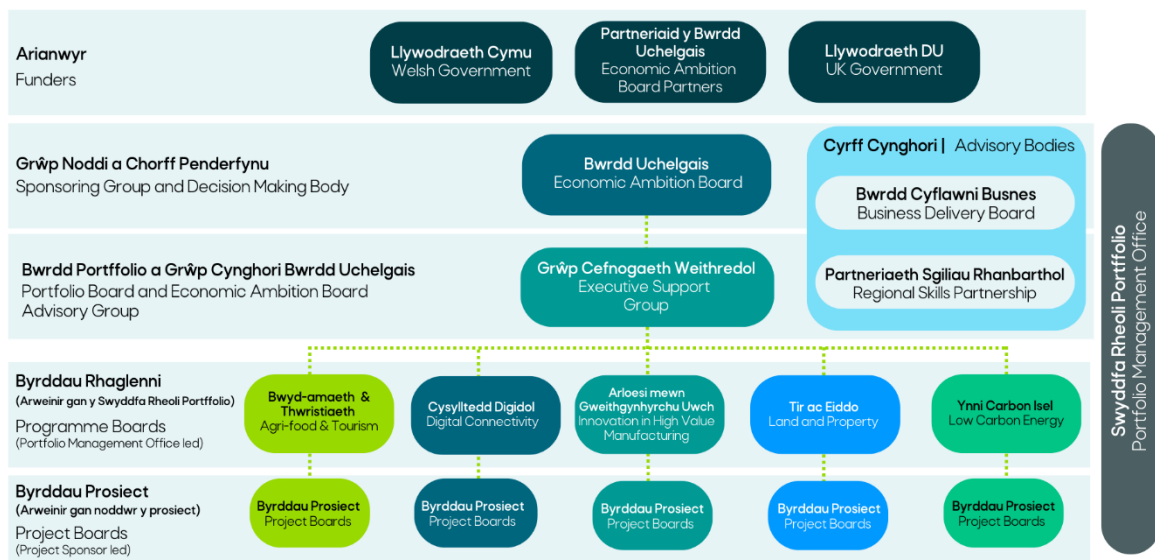
- The Portfolio Management Office has developed an Integrated Assurance and Approval Plan, Monitoring and Evaluation Plan and Portfolio Business Plan.
- The Economic Ambition Board meeting papers are published on the Host Authority website as well as Ambition North Wales' website. This includes quarterly 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

# 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.

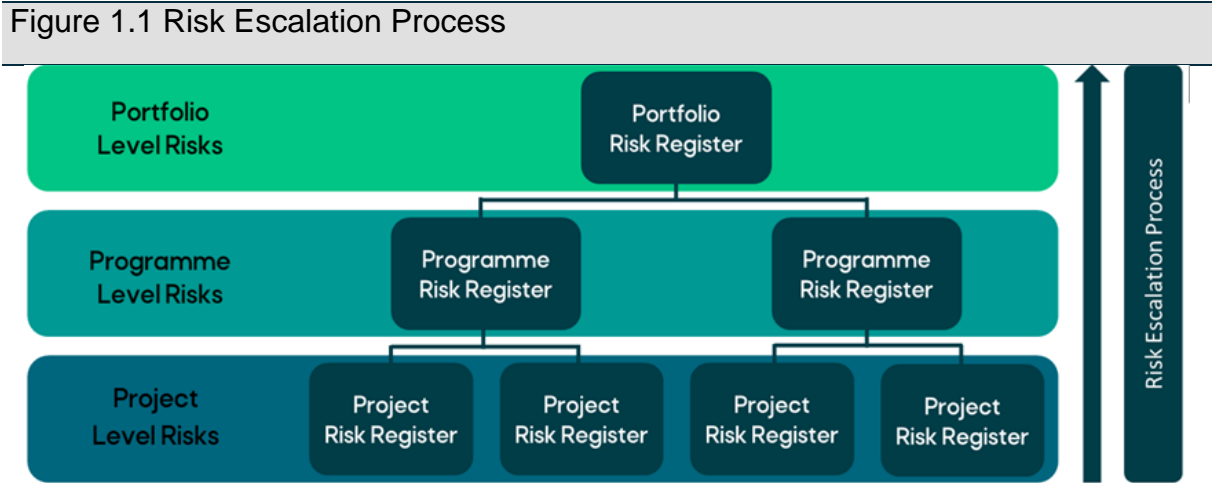
The Risk and Issues Management Strategy is owned by the Portfolio Management Office and stored in their document management system. Each project will be required to set out their risk management strategy as part of the project business cases.

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.