

NORTH WALES ECONOMIC AMBITION BOARD
19/07/2024

Present:

Voting Members – Councillors: - Jason McLellan (Denbighshire County Council), Gary Pritchard (Anglesey County Council), Ian Roberts (Flintshire County Council), Charlie McCoubrey (Conwy County Borough Council), and Dyfrig Siencyn (Cyngor Gwynedd) (Chair).

Advisors – Askar Sheibani (Business Delivery Board), Maria Hinfelaar (University of Wrexham) and Chris Drew (Bangor University).

Chief Officers – Dylan Williams (Anglesey County Council), Rhun ap Gareth (Conwy County Borough Council), Andrew Farrow (Flintshire County Council), Llyr Beaumont Jones (Cyngor Gwynedd), Ian Bancroft (Wrexham County Borough Council) and Graham Boase (Denbighshire County Council).

Officers in attendance -

Host Authority - Iwan G Evans (Monitoring Officer), Dewi Morgan (Statutory Finance Officer), Siân Pugh (Assistant Head of Finance) and Rhodri Jones (Democracy Services Officer).

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

Observers - Wendy Boddington (Observer, Welsh Government) and John Hawkins (UK Government).

1. APOLOGIES

Apologies were received from:-

- Councillor Mark Pritchard (Wrexham County Borough Council) (Vice Chair)
- Professor Edmund Burke (Bangor University) with Chris Drew deputising;
- Professor Joe Yates (University of Wrexham)
- Yana Williams (Coleg Cambria)
- Aled Jones-Griffith (Grŵp Llandrillo Menai)
- Neal Cockerton (Flintshire County Council) with Andrew Farrow deputising;
- Dafydd Gibbard (Cyngor Gwynedd) with Llyr Beaumont Jones deputising.
- **Gareth Ashman and Susan Concoran (UK Government Observers) with John Hawkins deputising.**

The Chair welcomed the deputies to the meeting.

Robyn Lovelock (Growth Deal Programme Manager) was thanked for her significant contribution to the work of the Ambition Board over several years, as she attended her last meeting. Good wishes were expressed to her for the future.

Expressions of good wishes were shared to Llinos Medi (former Leader of Anglesey County Council) after her recent success at the General Election. She was thanked for her

contribution to the Board during her tenure as Councillor and was wished every success in the future.

2. DECLARATION OF PERSONAL INTEREST

A declaration of personal interest was received from Chris Drew (Bangor University) for Item 11. It was noted that it was a prejudicial interest, and he withdrew from the meeting for the item.

3. URGENT ITEMS

No urgent matters were raised.

4. MINUTES OF THE PREVIOUS MEETING

The Chair signed the minutes of the previous meeting held on 14 June 2024 as a true record.

5. NORTH WALES GROWTH DEAL - QUARTER 1 PERFORMANCE AND RISK REPORT 2024/25

The report was presented by the Head of Operations with the support of Ambition North Wales officers.

RESOLVED

- 1. To consider and note the Quarter 1 Performance Report and the updated Portfolio Risk Register.**
- 2. To approve 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 Ambition Board, the reports will be shared with the Welsh Government, UK Government and the local authority scrutiny committees.

DISCUSSION

Members were guided through the Ambition North Wales updates and the following programmes were specifically highlighted:

The Digital Programme

Pride was expressed that an Outline Business Case for '4G+' Linked Sites and Corridors had been approved by the Board in March. It was explained that the development of a Full Business Case including preparations for market engagement has already begun.

It was noted that the Gateway 2 Review on the Outline Business Case of the Connected Campuses Advanced Wireless scheme had been completed in May. It was confirmed that the project had received an Amber rating, and it was stressed that work was under-way to address the recommendations prior to the presentation of the Outline Business Case to the Board in September.

Reference was made to a number of regional projects under way to support SMEs to research new technologies and improve broadband connectivity in local communities. It was noted that these projects were funded by the Shared Prosperity Fund.

Low Carbon Energy Programme

It was stated that the Bangor University-led 'Egni' project was making good progress. It was noted that RIBA Phase 3 was ready to be signed off and it was hoped that a Full Business Case would be presented to the Board in the spring. Similarly, it was confirmed that positive progress has been made to overcome key issues relating to the Deeside Anaerobic Digestion Project funding agreement, before submitting the Full Business case to the Board for consideration.

It was noted that there was positive co-operation with the Welsh Government to realise the Holyhead Hydrogen Hub project. It was explained that the project hoped to strengthen the offtake purchase position for Hydrogen before moving on to the next step.

It was confirmed that the Fund's Advisor tender documents attached to the Smart Local Energy project was currently being finalised, together with the timetable for the launch of the tender and review of submissions - these were currently being planned.

Land and Property Programme

Reference was made to several programme projects including Warren Hall, Western Gateway, Former North Wales Hospital, Parc Bryn Cegin, Wrexham Gateway and Holyhead Port.

It was explained that Stage Fifty Ltd, developers of the Kinmel Studios project, had been placed in administration in early April 2024 by their main funder. It was stressed that the proposed discussions had taken place between Ambition North Wales officers, Conwy County Borough Council and the key individuals involved in the original proposal. It was confirmed that decisions would be made to consider whether the revised application could be developed. It was trusted that the project could be delivered before the end of the year despite the risks. It was hoped that funding agreements for the project would be confirmed by the autumn.

Agri-Food and Tourism Programme

It was reported that the Responsible Adventures project was continuing to develop an Outline Business Case through site visits with stakeholders and preparation for pre-planning applications. It was noted that it was hoped that the Outline Business Case would be presented to the Board before the end of this year.

It was mentioned that the Tourism Talent Network team and the Portfolio Management Office were working together to complete the procurement and the Full Business Case. It was also made clear that work was under-way for a re-brand, a project funded by the Shared Prosperity Fund to boost student engagement. It was noted that work was ongoing to select the project's final sub-centre.

It was recognised that officers were considering alternatives to Glynllifon's Rural Economy Hub after receiving the environmental survey feedback from Natural Resources Wales.

The Committee was reminded that a task and finish group had been set up to explore the gaps in the agriculture and horticulture areas of the Growth Deal and that a draft research report had been received. It was confirmed that the group was working with the Programme Board and wider stakeholders to complete the report and share it regionally.

Advanced Manufacturing Innovation Programme

It was mentioned that the construction of the Optics Centre and Enterprise Engineering was progressing well and it was noted that further procurement for the project has been launched to refurbish optics, possess suitable equipment as well as develop its hydrogen component.

The details of the Portfolio Risk Register were then given and it was confirmed that the 'Planning and Statutory Consent' gross risk had increased during the quarter. This risk had been identified as high; however consent was managed at programme and project level within the Growth Deal to ensure it was managed effectively.

The members expressed their thanks for the report.

6. NWEAB'S STATEMENT OF ACCOUNTS FOR 2023/24

The report was presented by the Statutory Finance Officer.

RESOLVED

To accept and note the Ambition Board's Draft Statement of Accounts (subject to audit) for 2023/24.

REASONS FOR THE DECISION

The Board is not statutorily required to approve the draft version of the Joint-Committee's Statement of Accounts, but we consider that presenting the draft statement for information to be good practice to be followed.

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

DISCUSSION

Members were reminded that the information presented in the report had already been shared in an alternative form at a board meeting on 17 May this year when considering the Ambition Board's Revenue and Capital Out-turn position for 2023/24, and Members were reminded of the decisions made. It was stressed that the information presented in this Report was consistent with that information.

It was explained that the Report presented technical issues relating to accounting conventions. Reference was made to the various sections of the Departments detailing on capital expenditure, fund balances and total grants received up to 31 March 2024.

It was confirmed that the value of the pension assets continued to exceed the value of the commitments. It was elaborated that there was a net asset position of £404,000 at the end of the financial year. This was recognised as a decrease from the previous year where the net asset position of pensions assets was £572,000. It was explained that there was a reduction this year as actuary prices used UK corporate bonds. It was noted that the yield of the corporate bonds has been high as a result of high interest and high inflation, resulting in higher accounting discount rates which placed a significantly lower value on the asset as a result of high interest and inflation of pension additions. The value of the asset on the balance sheet was confirmed and shown as £0 as directed by the actuary.

It was reported that the Statutory Finance Officer signed the Statement on 21 June 2024 and testified that he considered it had been prepared in accordance with the code of practice laid down by the CIPFA Code of Practice on Accounting for Local Authorities. It was believed that the statement presented a true and fair picture of the financial position of the Ambition Board as of 31 March 2024 as well as the income and expenditure of the Joint-Committee for the year that ended on that date.

It was stressed that the Statement was currently being reviewed by Audit Wales and the Ambition Board's external auditors. It was elaborated that the final accounts as well as the auditors' report would be submitted to the Joint-Committee during the autumn.

It was considered that the level of reserves had doubled in recent years to fund an interest income fund. It was explained that this money would be spent in the future if interest rates remain high and should the need to borrow arises as the grant monies received was not sufficient to meet the expenditure needs. It was noted that this fund would be used to fund those interest rates. Plans to spend the reserves in the coming years were highlighted, such as funding the employment of Portfolio Office officers. It was emphasised that officers were keeping a constant eye on the funds and the situation but the Board at this time was considered to be in a comfortable position.

It was explained that the Joint-Committee was not statutorily required to approve the draft version of the accounts but submitting the draft Statement was considered to be good practice.

7. ANNUAL GOVERNANCE STATEMENT

The report was presented by the Head of Operations.

DECISION

To accept and approve the Annual Governance Statement.

REASONS FOR THE DECISION

The Accounting and Audit (Wales) Regulations (as amended) impose specific requirements on public bodies implementing partnership management through formal joint committees.

Regulation 5 requires the Joint Committee to review and approve annually a statement of internal control. The Annual Governance Statement had been prepared in compliance with this requirement. The document had been prepared to offer a framework to the Economic Ambition Board's operation.

DISCUSSION

The Report was submitted in its annual form confirming that small changes had been made this year in line with the comments and recommendations from the auditors.

It was made explained that the Report presented information on a number of issues to ensure that internal governance was robust and fit for purpose.

8. LPWAN (LOW-POWER, WIDE-AREA NETWORK) - BUSINESS JUSTIFICATION CASE

The report was presented by the Digital Programme Manager.

DECISION

- 1. To approve a Business Justification Case for the LPWAN project and authorise the Portfolio Director, in consultation with the Chair, the Vice Chair, the Section 151 Officer and the Monitoring Officer, to procure and establish the required frameworks to carry out the project, subject to the Portfolio Management Office dealing with the ongoing issues as set out in Section 7.1 of the report.**
- 2. That the Board note the process for accessing funding through the frameworks will involve the submission of a delivery plan for each local authority area and delegate authority to the Portfolio Director in consultation with the Lead Member for the Digital Programme and the Digital Programme Board to approve the delivery plans and delegate solely to the Portfolio Director the subsequent allocation of funding through the frameworks.**
- 3. Noting that the LPWAN Business Justification Case is a sub-series of the larger Connected Campuses project from which the funding will be allocated and agrees to the principle that any underspend in the LPWAN project budget is earmarked to the Connected Campuses project in the first instance.**

REASONS FOR THE DECISION

To seek the Board's approval of the Business Justification Case for the LPWAN Project.

As a project delivered by Ambition North Wales, approval was required by the Board to establish the frameworks that will deliver the project. Due to the nature and value of the project, in line with the Better Business Case guidance, a Business Justification Case is presented that requires only a single approval from the Board.

DISCUSSION

It was explained that the use of the Internet of Things (IoT) - a network of devices and sensors that can collect and share data with people or other devices, and operate in accordance with the information - had grown rapidly in use and diversity since 1999. It was confirmed that there were around 950 gateways to the Internet of Things over Britain. It was elaborated that these advances in high-quality data collection allow users to make informed decisions. Details were given that this was possible as users received detailed information about an asset at different scales, distances and frequencies, through a medium that disposes of the overall challenges of data collection. It was explained that a number of private Internet of Things Networks already exist in Britain such as smart meters and environmental monitoring systems.

It was noted that the Internet of Things were used in Britain and globally to deliver economic benefits across the public and private sectors. It was confirmed that the aim of this project was to expand the use of the Internet of Things, which had wide applications in the region, using the public sector as an anchor user to support wider accessibility to the private sector.

It was reported that the LPWAN project had four main expenditure objectives, namely:

1. Delivering affordable and easy-to-use, LPWAN connectivity to priority locations in the region's counties by 2027 (enabling efficiency across public services and supporting innovation in both the private and public sectors).
2. Supporting the adoption of the new 10-20 LPWAN technology programmes across the public and private sectors in the region by 2032.
3. Supporting between £0.1m and £0.5m investment in the region by 2032.
4. Supporting the creation of 20 jobs in the region by 2032.

It was confirmed that LPWAN networks were designed for Internet of Things applications and servicing with low data rates, long-life batteries and can operate in remote and hard-to-reach locations.

It was explained that several technologies were to be used as part of the LPWAN scheme, including LTE-M and NB-IoT. It was noted that these are used in association with mobile phone networks and detailing that it would be possible to integrate the LPWAN network with existing mobile base stations (telephone masts). Using these as part of the network was considered suitable as they had been optimised for very long battery life and could cope with higher data rates because they are usually allowed to provide a service to users for a monthly fee in accordance with the provider company's management.

It was elaborated that LoRa technology was also used within the LPWAN scheme. It was explained that this was an open-source technology using a **spectrum-free licence**. It was noted that it was an effective method of providing a good service with very low transmission power while also allowing the construction of an end-to-end private solution.

It was recognised that receiving access to the LPWAN network could be challenging for small businesses due to the required initial investment, particularly where they had not trialled the network's use to their business before committing financially. However, attention was drawn to areas where the use of the LPWAN network had been a success such as: improving fertiliser use and monitoring soil conditions in the agricultural area as well as monitoring parking bay use and visitor numbers in buildings within the tourism area.

It was declared that there were currently around 100 gateways to the network over the North Wales region and it was noted that the project would fill the gaps currently seen in the system by developing more gateways to the network. It was hoped there would be around 250 gateways to the network as the project develops. Conwy County Borough Council was congratulated on successfully implementing LPWAN over a large portion of the County, but it was explained that these gateways will ensure network access across the region in line with requirements to fill in the gaps.

It was mentioned that the first phase of the scheme would be to develop the initial mapping of the best possible gateway locations. It was explained that Ambition North Wales will acquire the portals giving local authorities the opportunity to invest in those portals. It was confirmed this will ensure that the framework remains intact and has the same management across the region. It was elaborated that the second phase of the scheme secured the use of sensors to show applications and benefits across the services. It was explained that this would lead to the third phase of the scheme calling on local authority Leaders to promote it and stimulate the ability to add additional users to the network.

It was stressed that set dates for joining the network would be given for a period of three years once the local authorities had provided a list of sites for the required gateways. It was elaborated that the authorities would be asked to report on the benefits they had seen after they use the network as well as monitoring the numbers who adopt the network from the private sector.

It was stated that the business justification case had been reviewed and that strategic, economic, commercial, and financial feedback had been received. Further details were given of the managerial feedback received and it was confirmed that a part-time project manager would be appointed in September to oversee the updates. It was noted that officers would also update the risk register and keeping in constant contact with local authorities to be aware of their network requirements.

It was recognised that there were some risks to the scheme including:

- **Revenue Funding** - It was noted that the local authorities were meeting the revenue costs in supporting the additional capacity and carrying out activities to promote moderate demand over a three-year period. It was noted the councils' local delivery plans would confirm the use levels that can be coped with, and it was stressed that the authorities had provided positive feedback that the increase in use costs was not a cause for concern.
- **Public sector adoption** - It was mentioned that if councils fail to identify productive programmes that could lead to benefits, there was a risk that extended gateway services could become unsustainable. It was explained that the risk could be managed through local use plans to commit the councils to an acceptable level of capable use and the network would grow in response to demand. It was emphasised that the key mitigation approach was intensive promotion and reviewing opportunities within local authorities and public bodies before and while it is in use.
- **Private sector adoption** – It was confirmed that should the level of commitment from the private sector be limited, the wider indirect benefits associated with innovation, growth and employment would not be realised. The importance of local promotion activities was stressed. It was noted that Ambition North Wales will also work with stakeholders already promoting the Internet of Things to raise awareness and receive further funding to extend engagement.

Promoting the network with the private sector was seen as key to the success of the scheme within the region. It was hoped that a bespoke promotional programme would be developed to ensure that this risk was addressed as well as promotion activities. The details of the anticipated promotion scheme were given and it was noted that it included workshops, seminars and sharing information on the internet. It was emphasised this would be the responsibility of the local authorities and the project manager.

It was reported that it was hoped that Local Use Plans would be approved within the local authorities by March 2025 with the first activities to promote demand taking place in spring 2025. Project spending had been confirmed to be approximately £1.1m.

9. EXCLUSION OF PRESS AND PUBLIC

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

There was an acknowledged public interest in being open about the use of public resources and related financial issues. It is recognised, however, that there were occasions in order to protect public financial and commercial interests, where such information must be discussed without being publicised. The reports related specifically to financial and business matters and related discussions. Publication of such commercially sensitive information could adversely affect the interests of the bodies and the Councils and undermine the confidence of other Growth Deal participants in sharing sensitive information for consideration. This would be contrary to the wider public interest of securing the best overall outcome.

10. CYDNERTH OUTLINE BUSINESS CASE

The report was presented by the Low Carbon Energy Programme Manager.

DECISION

- 1. To approve the Outline Business Case for the Cydnerth project, subject to Menter Môn Morlais Cyf, addressing the matters noted in the report, as described in Section 7.1, and requesting a Full Business Case to be prepared for the Board's consideration.**
- 2. To authorise the Portfolio Director, in consultation with the Host Authority's Section 151 Officer and the Monitoring Officer, to agree on draft terms in accordance with the Report as a basis for the final financial arrangements for the project, which will determine the funding to be agreed by the Board at the Full Business Case stage.**
- 3. To note that the proposed funding model for the project is 100% commercial loan, subject to confirmation of the subsidy control position on approval of the Full Business Case and approves in principle that the interest from the loan once the cost of borrowing payments for the loan element have been paid, is allocated to a reserve to be used to fund the Portfolio Management Office in future years.**

REASONS FOR THE DECISION

To seek the Board's approval of the Outline Business Case for the Cydnerth project.

DISCUSSION

The report was discussed.

11. ENVIRONMENTAL BIOTECHNOLOGY CENTRE - BUSINESS JUSTIFICATION CASE

The report was presented by the Growth Deal Programme Manager.

DECISION

- 1. To approve the Business Justification Case for the Environmental Biotechnology Centre and to authorise the Portfolio Director, in consultation with the chair, the Section 151 Officer and the Monitoring Officer, to agree and enter into a funding agreement with Bangor University for the delivery of the project, subject to Bangor University addressing the outstanding issues noted in Section 7 of the Report and securing all necessary internal approvals for the project.**
- 2. To note that there will be two further procurement steps to deliver the project and to delegate to the Portfolio Director, in consultation with the Chair, Vice-chair, Section 151 Officer and the Monitoring Officer to approve procurement details and allocate prior to releasing funding for these steps.**

REASONS FOR THE DECISION

To seek the Board's approval for Full Business Justification Case for Environmental Biotechnology Centre Project.

Bangor University has completed the procurement work for the project with a plan to buy equipment. The Business Justification Case will be submitted to the Board for a final Investment decision. Due to the nature and value of the project, in line with the Better Business Case guidance, a Business Justification Case is presented that requires only a single approval from the Board.

DISCUSSION

The report was discussed.

The meeting commenced at 09:30am and concluded at 10:40am.

Chair