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**NORTH WALES ECONOMIC AMBITION BOARD**  
**02/02/2024**

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Present:

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

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

Chief Officers – Dylan Williams (Anglesey County Council), Rhun ap Gareth (Conwy County Borough Council), Neil Cockerton (Flintshire County Council), Ian Bancroft (Wrexham County Borough Council) and Graham Boase (Denbighshire County Council).

Officers in attendance -

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

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

Observers – Bryn Richards (UK Government).

## **1. APOLOGIES**

Apologies were received from:-

- Cllr Llinos Medi Huws (Anglesey County Council) with Cllr Robin Williams deputising;
- Yana Williams (Coleg Cambria);
- Professor Edmund Burke (Bangor University) with Paul Spencer deputising;
- Dafydd Gibbard (Cyngor Gwynedd);
- Wendy Boddington (Observer, Welsh Government) with Bryn Richards deputising.

The Chairman welcomed the deputies to the meeting.

## **2. DECLARATION OF PERSONAL INTEREST**

There were no declarations of personal interest.

## **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 17 November, 2023 as a true record.

## **5. FINAL ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2023 AND THE RELEVANT AUDIT**

The report was submitted by the Finance Officer.

### **RESOLVED**

- 1. To approve the 'ISA260' report by Audit Wales in respect of NWEAB**
- 2. To approve NWEAB's final Statement of Accounts for 2022/23 (post-audit)**

### **REASONS FOR THE DECISION**

The Chair, together with the Head of Finance, are required to certify the Letter of Representation, electronically (Appendix 1) after the NWEAB approve the above. The Auditor General for Wales (Adrian Crompton) will issue the Certificate on the accounts.

### **DISCUSSION**

It has been confirmed that the annual Statement of Accounts has been prepared in accordance with the Code of Practice on Local Authority Accounting, and has been verified by Audit Wales. It was noted that Audit Wales were the external auditors of NWEAB, and had reviewed the statements. Attention was drawn to the fact that Audit Wales intended to publish an unqualified audit opinion on this year's accounts, when the Board will have issued a Letter of Representation based on what is set out in Appendix 1. The need for the Chair and the Statutory Finance Officer to sign that letter before forwarding it was explained.

It was explained that Appendix 3 referred to corrections he made to the accounts during the audit. One correction was detailed as the result of correcting information received by the actuary from the perspective of information about the pension commitment. It was explained that the second correction related to an item which had been included in the cash flow statement where it should not. It was confirmed there was no impact on Total Comprehensive Income and Expenditure or the pension reserve fund closure situation.

The relevant officers of Audit Wales and Cyngor Gwynedd's Finance Department were thanked for their work.

## **6. REVENUE AND CAPITAL BUDGET 2023/24 - END OF DECEMBER REVIEW 2023**

The report was submitted by the Assistant Head of Finance.

### **RESOLVED**

- 1. To note and accept the NWEAB's end of December 2023 revenue review (Appendix 1).**
- 2. To note and accept the NWEAB's reserves update (Appendix 2).**
- 3. To agree the NWEAB's revised capital expenditure profile (Appendix 3).**

### **REASONS FOR THE DECISION**

An underspend of £340,768 was forecast against the revenue budget in 2023/24. Any underspend at the end of the financial year may be transferred to reduce the amount used from the North Wales Growth Deal Grant.

To note a further slippage on the capital programme, with an estimate of £3.36m expenditure in 2023/24 compared with the approved budget of £11.25m for the year.

## **DISCUSSION**

Members were guided through the end of December 2023 financial review, referring to Appendix 1 which set out the true revenue position to the end of December and the projected position to the end of the financial year. Attention was drawn to the following main points:

- That there was a net overspend of £33,000 on the Portfolio Management Office, with the main overspend on employees. It was noted that this would be funded from income from the Shared Prosperity Fund and the Corporate Joint Committee (noted as income).
- There was an underspend of £35,000 on Support Services. It was explained that this money would be used to fund the external financial support expenditure.
- That there was an underspend of £39,000 on the CJC due to underspending within the fields of 'external legal support', 'financial fees' and the 'Business Delivery Board'.
- That there was a net underspend of £109,000 on Projects due mainly to underexpenditure on developing the projects' business cases.

Sources of income for 2023/24 were reported upon and Members were reminded that an underexpenditure of £267,000 had been predicted in the August 2023 review. It was explained that this underspend had now increased to £341,000 and therefore it was suggested that a smaller amount of the growth deal be used in order to leave the Board in a neutral position for the year. It was confirmed that this figure would be confirmed at the end of the financial year.

The fund balances were confirmed as follows:

- The General Reserve Fund balance at 31 March 2023 was £552,000. It was noted that £274,000 had been allocated in this year's budget which left a balance of £278,000.
- The Balance of the Projects Fund as at 31 March 2023 was £152,000 and there was likely to be no movement on the fund this year.
- The Interest Fund Balance as at 31 March 2023 was £1.7million. It was explained that a balance of around £4.4million was forecast by the end of the financial year with the addition of the partners' interest contributions of £251,000 for 2023/24 together with around £2.5million interest on the balances (including the Growth Deal Fund) for this year being added to the fund.

It was reported that there was a £7.89million reduction in expected spending in the capital programme for 2023/24, compared to the budget approved in March 2023. It was explained that this was due to a further reduction of £3.77million to what was envisaged in the August 2023 review following a reduction on four projects.

It was noted that the Board was unlikely to receive a £20million annual grant contribution this year but confirmed that officials had been in discussion with the UK Government to work on a capital re-profile. It was explained that if this was successful, it could mean

receiving a UK Government grant allocation in line with expenditure rather than as a flat rate over 10 years. It was recognised that this would reduce the Board's borrowing costs but borrowing costs would still exist for the Welsh Government funded element. It was confirmed that borrowing costs would result as the grant payment would be received at the end of the financial year rather than during the year as the expenditure took place.

The Officers were thanked for their work and the report.

## **7. NORTH WALES GROWTH DEAL - QUARTER 3 PERFORMANCE AND RISK REPORT**

The report was submitted by the Head of Operations with support from the Digital Programme Manager, Land and Property Programme Manager and the Energy Programme Manager.

### **RESOLVED**

- 1. To consider and note the Quarter 3 Performance Report and updated Portfolio Risk Register.**
- 2. To approve the submission of the Quarter 3 Performance Report to 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 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**

There was a presentation on a number of Quarter 3 highlights including:

It was reported that a Gateway 2 review for the '4G+' Key Sites and Connected Corridors project had been carried out in November with inspectors providing an 'Amber-Green' assessment with several recommendations as usual. It was noted that the Digital Programme Manager was working to address these recommendations before submitting the outline business case for consideration by the Portfolio Board and the Economic Ambition Board this year.

It was explained that three Shared Prosperity Fund projects were due to run this year so that Local Authorities could find ways to improve 4G mobile coverage in their regions. It was noted that the work also offered support for local businesses to understand options for adopting new digital technologies for the future.

It was discussed that a number of outline business cases were currently underway and the full business cases would be submitted to the Board when timely.

Pride was shown that two new members of staff had been appointed to assist as Energy Project Officer and Energy Project Manager. These appointments would help to ensure projects continued to be delivered in a timely manner.

An update was provided on a number of Land and Property projects including Warren Hall, Western Gateway, Holyhead Gate, Parc Bryn Cegin, Kinmel Studios and Wrexham Gateway.

It was recognised that planning issues remained a significant risk to Agri-food and Tourism projects at the moment. It was also noted that a Task and Finish group had been set up to examine the agriculture and horticulture gap in the Growth Deal. It was explained that they had commissioned research looking at food supply and demand in the region through collaboration with Local Authorities and the Welsh Government.

Reference was made to the Portfolio Risk Register stating that the risk of the Economic Context had increased this quarter. It was explained that the risk had been updated following the wars in the Middle East at present, as it could affect the costs of supplying goods. It was also explained that Delay risk had reduced this quarter as a number of outline and full business cases had been approved by the Board. Despite this, it was noted, that it was still a significant risk and was being overseen.

Following a question about a project it was highlighted that it was necessary to refer to commercially sensitive information in order to provide an answer. On legal advice it was proposed and seconded to remain closed for this particular aspect and it was agreed to approve the decisions sought.

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

**RESOLVED to exclude the press and public from the meeting during the discussion on the remainder of Item 7 and 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 was an acknowledged public interest in openness in relation to the use of public resources and related financial issues. It is recognised, however, that there are occasions in order to protect public financial and commercial interests, where such information must be discussed without being publicised. The reports relate 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.**

## **9. FORMER NORTH WALES HOSPITAL, DENBIGH - OUTLINE BUSINESS CASE**

The report was submitted by the Land and Property Programme Manager.

### **RESOLVED**

- 1. That the Board approve the Outline Business Case for the Former North Wales Hospital project subject to Welsh and UK Governments' approval of the assurance process, and Jones Bros Civil Engineering UK Ltd addressing the matters set out in the report, as described in Section 7, and recommend to the NWEAB that a Full Business Case is prepared for the Board to consider.**
- 2. To note that as Jones Bros have been procured already by Denbighshire County Council as the developer for the site, there is no main procurement that needs to be completed before the FBC is approved. The Commercial Case sets out how Jones Bros will meet the Ambition North Wales Procurement Principles themselves and through their use of sub-contractors. The Funding Agreement to be developed will need to include provisions to cover this arrangement.**

- 3. To authorise the Portfolio Director in consultation with the Host Authority Section 151 Officer and Monitoring Officer to agree draft terms in accordance with this report for approval by the NWEAB as a basis for the final funding arrangements for the project which will form the basis of the Grant Offer Letter which will be agreed by the Board at the Full Business Case stage.**

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

To seek the Portfolio Board's approval of the Outline Business Case for the Former North Wales Hospital project.

#### **DISCUSSION**

The report was discussed.

The meeting commenced at 2.00pm and concluded at 3.15pm.

Chair