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**NORTH WALES ECONOMIC AMBITION BOARD**  
**17/05/2024**

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Present:

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

Advisors – Dafydd Evans (Grŵp Llandrillo-Menai), Askar Sheibani (Business Delivery Board) and Chris Drew (Bangor University).

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

Officers in attendance -

Host Authority - Iwan G Evans (Monitoring Officer), Sian Pugh (Assistant Head of Finance) and Sioned Mai Jones (Democratic 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) and Elgan Roberts (Energy Programme Manager).

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

## **1. APOLOGIES**

Apologies were received from:-

- Councillor Ian B. Roberts (Flintshire Council);
- Professor Edmund Burke (Bangor University) with Chris Drew deputising;
- Ian Bancroft (Wrexham County Borough Council) with David Fitzsimon deputising;
- Dr Maria Hinfelaar (Wrexham University);
- Dewi A. Morgan (Statutory Finance Officer) with Sian Pugh deputising;
- Dafydd Gibbard (Cyngor Gwynedd) with Sioned Williams deputising.

The Chair welcomed the deputies to the meeting.

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

No declarations of personal interest were received.

## **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 15 March 2024, as a true record.

#### **5. THE AMBITION BOARD'S REVENUE AND CAPITAL OUT-TURN POSITION FOR 2023/24**

The report was presented by the Host Authority's Head of Finance Department.

#### **RESOLVED**

##### **Noted and accepted:**

- 1. The Ambition Board's revenue out-turn report for 2023/24 (Appendix 1) which includes using £561,454 from the North Wales Growth Deal grant to show a neutral position for the year.**
- 2. The Ambition Board's reserves position (Appendix 2).**
- 3. Capital End of Year Review on 31 March 2024 (Appendix 3).**

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

To inform the Ambition Board of its financial position for both revenue and capital in 2023/24.

#### **DISCUSSION**

Members were guided through the report which provided an overview of the revenue and capital out-turn position for 2023/24. Reference was made to Appendix 1 drawing attention to the last column in the table which showed the overspend / underspend for each heading. It was noted that the final underspend on the Portfolio Management Office heading was £75,000 which was mainly due to staff turnover during the year. It was reported that the Support Services heading showed an underspend of £39,000.

It was noted that the final underspend on the CJC heading was £41,000 and was due to underspend on the External Legal Support, External Financial Fees and the Business Delivery Board headings. It was expressed that the final underspend on the Projects heading was £129,000. It was explained that the expenditure under the Grants heading included schemes that were funded by certain grants from Welsh Government. It was added that the Transfers to Reserves section showed the partners' interest contributions for 2023/24.

Members were referred to the second page of Appendix 1 where the main income streams for 2023/24 were listed and the final net out-turn position for 2023/24 was shown, namely an underspend of £460,000. It was explained that this demonstrated an increase in the underspend from the £341,000 that had been forecast in the end of December review. It was noted that the underspend derived from the success of the Portfolio Management Office with its regional application to the Shared Prosperity Fund along with a reduction in spending on several headings in the budget.

The Board was asked to approve a reduced amount of £561,000, compared with the original budget of £1,000,000 from the Growth Deal grant to be used to fund revenue expenditure in 2023/24 in order to leave a neutral position for the year.

Reference was made to Appendix 2 which showed the movements in the funds during the year and the balances on 31 March 2024. It was noted that the total of the reserve fund on 31 March 2024 was £278,000 and that £67,000 had been allocated for the 2024/25 budget

and a further £61,000 for the 2025/26 budget. It was reported that the balance of the projects fund on 31 March 2024 was £152,000 and the balance of the interest fund on 31 March 2024 was £4.7 million. It was noted there had been a significant increase here due to the interest received on the Growth Deal grant during the year.

To close, reference was made to the capital position of the Growth Deal Grant for 2023/24. It was noted that the main difference between the Capital budget approved by the Board in March was the expenditure of £0.75m on the Enterprise Engineering and Optics Centre and the budget of 2.15% for revenue funding in 2023/24 had been reduced to £0.56m to reflect the final revenue out-turn figures. It was added that an additional capital grant of £423,000 had been received from Welsh Government for Local Fibre Broadband Upgrades.

An observation was made that the Ambition Board had benefited from shared prosperity fund money and it was asked what the outcome would have been for budgets had this money not been received.

- In response, it was noted that income from the shared prosperity fund had been included in the budget for 2024/25, up to the end of December 2024 and that the budget had been based on these receipts until the end of the calendar year. It was added, in terms of funding resources and staffing, there was certainty here until March 2026; but it was not possible to say any further than that without knowing the future of the fund.

Further explanation was requested on the Training and Travelling figures expressing that the Ambition Board should do its best to keep these costs to a minimum by holding as many virtual events as possible.

- In response it was explained that the Training, Travelling and Subsistence figures related to the Ambition Board staff during the year. It was highlighted that the Ambition Board staff were seeking to travel as little as possible but that sites were located across North Wales and they were required to attend them from time to time.
- The Portfolio Director added that the Ambition Board was a regional team and that it was expected for the Ambition Board to be visible at events in Cardiff or London meaning they had to travel to these locations.
- It was believed that it was crucial to represent North Wales and influence the business sector at such events and it was felt that the Ambition Board should be visible outside the region.

Reference was made to page 22 of the Agenda asking for further explanation on the Holyhead Port project and its cost of £34.47 million between 2024 and 2027.

- In response it was explained that the £34.47 million was the expenditure profile for the period noting that there was no full guarantee for this project.
- In response to the question whether the figure would increase further it was noted that the figures were projections of the spending but that the funding available for the project could not increase. It was noted that should there be an increase in the value of the projects it was expected that the project funders would fund those additional costs.
- A request was made for copies of the figure if the Ambition Board had committed £34.47 million for the Holyhead Port project. It was noted that every project was subject to submitting and completing a successful business case. It was added that no decisions would be made on spending or finance until a full business case was received.
- It was explained that the business case had not been received yet for the Holyhead Port project. Nevertheless, it was confirmed that the Portfolio Director would be happy to provide more information to the member.

Enquiries were made regarding the Kinmel Studio project referred to in Appendix 3, noting that the situation had now changed. An update was requested via e-mail.

- It was expressed that the new projects would be discussed as part of the Quarter 4 Performance and Risk Report which was included on the Agenda for this meeting and this project would be discussed under the next item.

## **6. NORTH WALES GROWTH DEAL - QUARTER 4 PERFORMANCE AND RISK REPORT**

The report was submitted by the Head of Operations and the Programme Managers elaborated on the highlights of individual programmes.

### **RESOLVED**

**To note the Quarter 4 Performance Report and updated Portfolio Risk Register.**

**To approve the submission of the Quarter 4 Performance Report to Welsh Government and UK Government as well as the local authority scrutiny committees,**

### **REASONS FOR THE DECISION**

To submit the Growth Deal's Quarter 4 Report (January to March) and updated Portfolio Risk Register.

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

### **DISCUSSION**

The Growth Deal's Quarter 4 Performance and Risk Report was outlined and a presentation was given by the programme managers who provided a summary of the progress in relation to their individual programmes. An update was provided on the Digital Programme where it was noted that the outline business case for the 4G Connected Key Sites and Corridors had now been approved by the Economic Ambition Board. There was reference to the LPWAN project noting the need to carry out more work on the economic case before mentioning the appointment of Annog Cyf. by the Economic Ambition Board.

- Members asked about the appointment of Annog Cyf. and whether there was an announcement or a launch in the pipeline. It was confirmed that the company would hold a public launch the following week and that they were working on the messages and regional balance. It was reported that social media would publicise it and there would be direct contact with the rural communities. It was noted that the Project Management Office would update the Board on any developments.

An update was provided on the Low Carbon Energy Programme which explained the position of each project such as the Hydrogen Hub and Cydnerth amongst others up to the end of quarter 4. It was noted that the Trawsfynydd project had not been included as there was not much to report on up to the end of Quarter 4. It was added that this project remained under red status due to the uncertainty whether the project would be realised within the Growth Deal period. It was noted that the Project Management Office was in discussions with Cwmni Eginio and would ask for an explanation from the Government as it began mapping potential options for the Board to consider should the project be withdrawn from the Growth Deal.

- Disappointment was expressed in relation to the Trawsfynydd project and there was concern that the Government was making political decisions rather than decisions based on fact or technology. It was noted there would be further considerations on what would replace the Trawsfynydd project should it be withdrawn.

A report was provided on the Land and Property Programme and an update was provided on projects such as Parc Bryn Cegin, Bangor and Kinmel Studio. It was noted that the Ambition Board was still waiting for a face-to-face meeting with Kinmel Studio since the company had been placed in the hands of administrators at the beginning of April, they had been in contact via e-mail with the Company after the announcement was made to ascertain what the next steps would be.

The following observations were made:

- A desire to meet with Kinmel Studio as soon as possible was expressed in order to obtain an explanation of their position and to find a way forward. It was emphasised that the situation regarding the company's dissolution needed to be clarified.
- It was confirmed that the Project Management Office was pressing for a meeting and it would update the Board on any developments.
- An update on Wrexham Gateway was requested, specifically regarding the traffic assessment and the details relating to this project. It was expressed that it would be good to receive the latest information as board members had not been updated.
- It was believed that the WelTAG 0 report had been completed and the funding had been provided by Welsh Government through Transport for Wales. It was noted that the initial assessments had been completed but there was no further update for the time being.
- Confusion was expressed as to whether or not the work had been completed. It was believed there was a lack of understanding of what was happening exactly. It was acknowledged that it was a matter that involved Wrexham Council, the Ambition Board and Welsh Government.
- It was asked that if the work had been completed, that it be sent to the Leader of Wrexham Council. It was emphasised that it was important for the Board to be briefed and to receive information. The Board was assured that work was ongoing and that David Fitzsimon would update the Leader of Wrexham Council after the meeting.
- A request was made for a written update on the Kinmel Studio situation. It was believed that it was important for members to receive timely information on any developments and actions rather than waiting until the next meeting of the Economic Ambition Board to receive an update.
- It was confirmed that the Board would be updated before the next meeting and information would be provided on e-mail should a meeting be held with Kinmel Studios.
- It was asked what the process was with such projects when there was uncertainty about their future and at what point would the Board be notified of the situation.
- It was noted that the Project Management Office was trying to ascertain what the implications would be to the project in moving forward. It was reiterated that should the original proposal that the Board had committed to changed, then it would be a matter for the Board to determine whether or not the amended proposal should be supported. It was added that the Project Management Office was currently trying to ascertain the issues and how they could affect the project.

An update was provided on the Agri-food and Tourism Programme and the Innovation in High Value Manufacturing Programme which included an update on the Enterprise Engineering and Optics Centre which was now on track and under construction. To close, an update was provided by the Digital Programme Manager on the Portfolio's risk register

which referred to three risks. The first risk related to capacity and it was reported that this risk had reduced since the last Quarter after recruiting staff to the Project Management Office team.

It was noted that the next two risks, namely Subsidy Control and moving to the Corporate Joint Committee, were new risks that had been identified for the risk register. It was elaborated that the Moving to the CJC was a potential risk which could affect resources. It was noted that the Project Management Office was keeping an eye on this risk which was relatively low at present.

A member observed that the move from the Economic Ambition Board to the CJC was not clear to some Bodies that were part of the Board. A request was made to arrange a presentation for the Partners who were outside Local Government to receive more information on the CJC and the implications to partners involved with the Growth Deal. It was suggested that a presentation be given to a meeting of the Economic Ambition Board to provide an update on the move and the implications of establishing the Corporate Joint Committee. This suggestion was welcomed and it was agreed for the Portfolio Director to schedule it.

Concern was expressed by the representative for Bangor University regarding the governance process for renewing contracts that took several months and there was concern that the governance requirements would hinder the transfer process. The Monitoring Officer reported that a request had been sent to the partners asking for information on their decision-making processes. It was highlighted that the project group was planning how to communicate CJC matters and the process of transferring and the possible implications. It was noted that there was work afoot to brief and consult on the process and that there was detailed work on communication and engagement taking place at the moment. It was acknowledged that the level of awareness about the CJC varied across the sectors and there was a need to address this.

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

**RESOLVED to exclude the press and public from the meeting during the discussion on the following item for the reasons stated below:**

- **Item 10:** 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)). This item contains confidential and commercially sensitive information about the Former North Wales Hospital project including information about the project's risks. This is relevant to Jones Bros.

## **8. FORMER NORTH WALES HOSPITAL, DENBIGH - FULL BUSINESS CASE**

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

### **RESOLVED**

**The Full Business Case for the Former North Wales Hospital project was approved.**

**The Portfolio Director was authorised, in consultation with the Section 151 Officer and the Monitoring Officer to agree and enter into a funding agreement with Jones Brothers Ruthin Development Holdings Ltd to deliver the Project.**

**It was noted that the funding agreement will be carried out following completion of the steps in paragraph 7.7 satisfactorily in consultation with the Chair, Vice-chair, Section 151 Officer and the Monitoring Officer.**

**Gratitude was expressed to everyone who has contributed to the success of this project.**

## **REASONS FOR THE DECISION**

To seek the Board's approval to the Full Business Case for the Former North Wales Hospital project.

The Board had approved the Outline Business Case for the project on 2 February 2024. The project had undertaken a Gateway 3 Review in April 2024 and received an Amber rating from the review team with 9 recommendations. These recommendations were currently being reviewed by Ambition North Wales, Denbighshire Council and Jones Bros, with a view to agreeing on actions between the parties.

Jones Brothers Ruthin Development Holdings Ltd would be the grant recipient and would commission Jones Brothers Ruthin Civil Engineering Limited to undertake the Phase 1 works using their approved sub-contractors when required. The company was now publishing a Full Business Case for the Board to make a final investment decision.

## **DISCUSSION**

The report was discussed.

The meeting commenced at 09.30am and concluded at 11:15am.

**Chair**