



Uchelgais Gogledd Cymru
Ambition North Wales

Ambition North Wales

2023-2024

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 2024 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. Portfolio Management Office staff and representatives on the Economic Ambition Board, Portfolio Board, Business Delivery Board, Programme and Project Boards are all required to complete a Conflict of Interest form annually. Individual and organisational interest should be declared. Declarations of interest is a standing item on the agenda of the Economic Ambition Board, Portfolio Board, Business Delivery 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 are 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.

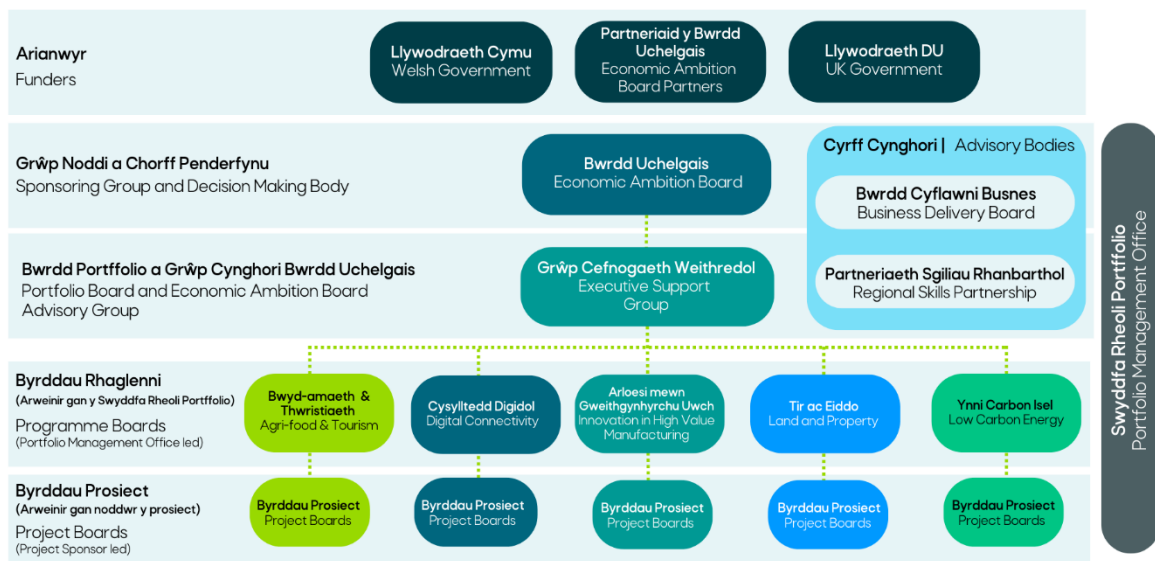
- The Portfolio Management Office has developed an Integrated Assurance and Approval Plan, Monitoring and Evaluation Plan and Portfolio Business Plan.
- The Economic Ambition Board meeting papers are published on the Host Authority website as well as Ambition North Wales' website. This includes quarterly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

Significant Governance Issues

There were no significant governance issues within the year.

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
Portfolio and Programme Reviews			
North Wales Growth Deal	Portfolio and Programme PAR	September 2023	AMBR/GOCH
North Wales Growth Deal	Assurance of Action Plan Review	December 2023	AMBER/GREEN
Project Reviews			
Holyhead Gateway	Gateway 2	June 2023	AMBER**
Centre for Environmental Biotechnology	Gateway 2 PAR	September 2023	TBC
Cydnherth (Morlais)	Gateway 2	September 2023	TBC
Deeside Anaerobic Digestion Plant	Gateway 2/3	November 2023	AMBER
Connected Key Sites and Corridors	Gateway 2	November 2023	AMBER
Holyhead Hydrogen Hub	Gateway 2	March 2024	AMBER/GREEN
Former North Wales Hospital	Gateway 3	April 2024	AMBER
Connected Campuses	Gateway 2	May 2024	AMBER

* AAP - Assurance of Action Plan Review. This is a follow up review to confirm sufficient progress has been made addressing the recommendations of the initial review where a Red or Amber-Red rating was given.

** The review team highlighted a significant consenting risk outside the projects control relating to the Harbour Revision Order. This has since been approved by Welsh Government, removing the risk.

Audit

Internal and External Audit Arrangements

Cyngor Gwynedd 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.

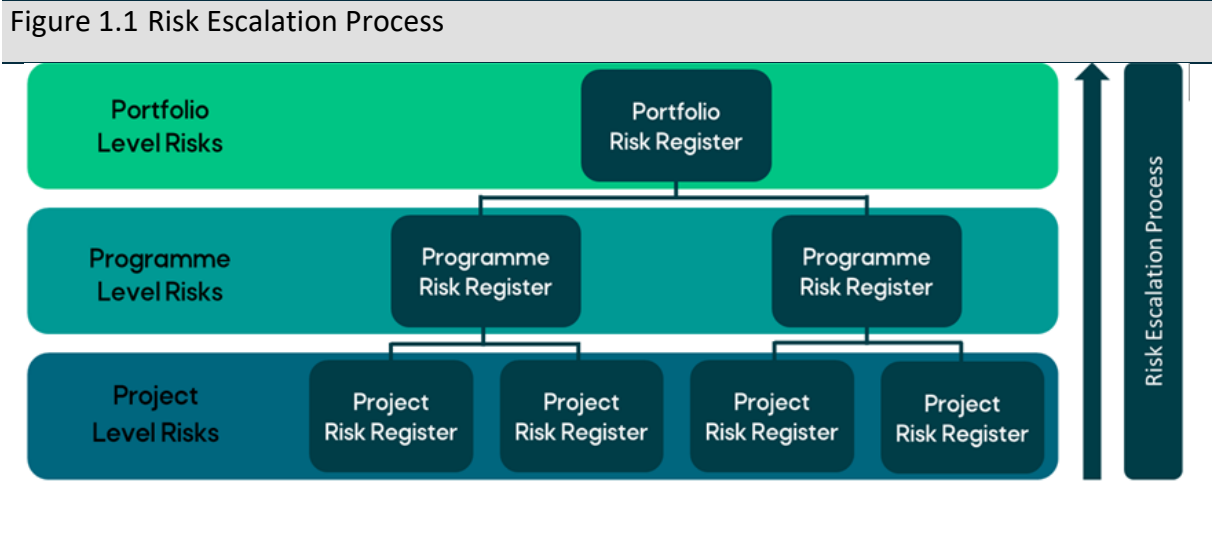
The Risk and Issues Management Strategy is owned by the Portfolio Management Office and stored in their document management system. Each project will be required to set out their risk management strategy as part of the project business cases.

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.

Signed on behalf of Ambition North Wales

Councillor Dyfrig Siencyn
Chair of the Economic Ambition Board

Alwen Williams
Portfolio Director

