



Uchelgais Gogledd Cymru
Ambition North Wales

Statement of Accounts 2023/24 –
North Wales Economic Ambition Board Joint
Committee

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NARRATIVE REPORT

INTRODUCTION

The North Wales Economic Ambition Board's (NWEAB) Joint Committee was established on 1 February 2019 to develop a regional approach to economic growth and to address the challenges and barriers facing the North Wales economy. It covers the six local authority administrative areas of North Wales comprising Gwynedd, Anglesey, Conwy, Denbighshire, Wrexham and Flintshire councils. The Joint Committee also includes the University of Bangor, Wrexham University, Coleg Cambria and Grŵp Llandrillo Menai. In December 2020, the Joint Committee agreed the North Wales Growth Deal with UK Government and Welsh Government securing an investment of £240 million into the North Wales economy as part of the Deal. A Portfolio Management Office has been established to deliver the Growth Deal and the full business case of the first project was approved in December 2021 and is now in its third year of delivery. Work is currently ongoing to prepare for the transfer of the Growth Deal, its funding and the Portfolio Management Office to the North Wales Corporate Joint Committee.

Cyngor Gwynedd has been appointed as host authority for the NWEAB.

The NWEAB's accounts for the year 2023/24 are presented here on pages 7 to 37. The Statements of Accounts are prepared in accordance with CIPFA's *Code of Practice on Local Authority Accounting in the United Kingdom 2023/24*.

The Statement of Accounts consist of:

- **Expenditure and Funding Analysis** - Whilst this is not a statutory statement, it shows how annual expenditure is used and funded in accordance with generally accepted accounting practices.
- **Comprehensive Income and Expenditure Statement** - This statement shows the accounting cost in the year of providing services in accordance with generally accepted accounting practices.
- **Movement in Reserves Statement** - This statement shows the movement in year on the different reserves held by the Joint Committee, analysed into 'usable reserves' and 'unusable reserves'.
- **The Balance Sheet** - Sets out the financial position of the Joint Committee on 31 March 2024.
- **The Cash Flow Statement** - This statement summarises the flow of cash to and from the Joint Committee during 2023/24 for revenue and capital purposes.

These accounts have been prepared on a going concern basis and are supported by this Narrative Report, the Accounting Policies and various notes to the accounts.

NWEAB'S ambition

The NWEAB'S ambition is to build a more vibrant, sustainable and resilient economy for North Wales to:

- Focus on improving the region's economic, social and environmental well-being.
- See the region develop in a sustainable way, with opportunities for people to gain new skills for the future and develop rewarding careers, seeing businesses grow and communities prosper.
- Champion our language, culture and heritage, in line with the well-being goals for Wales.

North Wales Growth Deal

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 Gross Value Added (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

The five programmes are:-

- Low Carbon Energy
- Agri-food and Tourism
- Innovation in High-Value Manufacturing
- Digital Connectivity
- Land and Property.

2023/24 Budget

The Joint Committee adopted its budget for 2023/24 at its meeting on 24 March 2023 and is available at: [Agenda for North Wales Economic Ambition Board on Friday, 24th March, 2023, 10.00 am \(llyw.cymru\)](#)

A number of factors have contributed to the slippage of the North Wales Growth Deal’s capital portfolio including the impact of Covid-19 on some sectors, cost inflation and planning and consent issues. The Joint Committee works closely with the Welsh Government and the UK Government on these issues.

2023/24 Performance

The NWEAB reports quarterly on the progress against the North Wales Growth Deal, and the Annual Report is available at:

[Agenda for North Wales Economic Ambition Board on Friday, 14th June, 2024, 9.30 am \(llyw.cymru\)](#)

2023/24 Financial Performance

- The Comprehensive Income and Expenditure Statement on page 8 shows that the Joint Committee’s gross revenue expenditure on ‘cost of services’ level was £4,159k during 2023/24, with a net position of (£5k).
- The financial out-turn position for 2023/24 was reported to the Joint Committee at its meeting on 17 May 2024 and is available at: [Agenda for North Wales Economic Ambition Board on Friday, 17th May, 2024, 9.30 am \(llyw.cymru\)](#)
- The Comprehensive Income and Expenditure Statement and the Movement in Reserves Statement on pages 8 and 9 detail the analysis in movements for the year.

TABLE I - Budget and Actual Comparison Summary (Net)

Table I provides a budgetary performance comparison at a summary level, which is detailed further in Table 2.

	Budget	Actual	Variance
	£'000	£'000	£'000
Expenditure on Operations	3,368	5,718	2,350
Financed by-			
Partners' Contributions	(934)	(934)	0
Grants, contributions and other income	(2,160)	(4,971)	(2,811)
Contribution from the General Fund	(274)	(274)	0
Net (Underspend)/Overspend	0	(461)	(461)

TABLE 2 –Transposition movement between ‘Budget and Actual Comparison Summary (Net)’ (Table I) to the Income and Expenditure format

	Performance Report (Out-turn) £'000	Transposition Adjustment £'000	Net Position to be funded by / (transferred to) the General Fund £'000	Adjustments between Funding and Accounting Basis £'000	Income & Expenditure Statement £'000
Expenditure	5,718	(3,067)	2,651	1,508	4,159
Income	(6,179)	3,562	(2,617)	(1,547)	(4,164)
Net Cost of Services	(461)	495	34	(39)	(5)

Transposition Adjustment - Adjustments in the transposition column relate to the net contribution to and from reserves, the interest on balances received during the financial year and the reduction to the Growth Deal Grant required in year.

Material Items of Income and Expenditure

Related Items include :-

- £2,826k in interest receivable and similar income (Note 11).
- £4,164k in grants and contributions and equivalent expenditure (Note 20).

Other Issues

- There are financial risks with the global economy and the Joint Committee has taken the circumstances into account in its financial plans, whilst maintaining a prudent level of reserves.
- Continued economic uncertainty following the termination of the UK’s membership of the European Union and this may effect some factors and financial decisions by the Joint Committee.
- Cost inflation is a risk for the North Wales Growth Deal's capital projects and the Joint Committee has allocated additional funding for the most mature projects to reduce this risk.

Capital Expenditure in 2023/24

Capital expenditure for 2023/24 amounted to £1.5m. The following table gives an analysis of this expenditure and the way it was financed.

TABLE 3 - SUMMARY OF CAPITAL EXPENDITURE AND FINANCING

2022/23 £'000		2023/24 £'000
1,656	Projects	1,547
1,656		1,547
FINANCED BY -		
1,656	Grants and Contributions	1,547
1,656		1,547

The £1,547k in the above table is Revenue Expenditure Funded from Capital under Statute and has been charged to the Income and Expenditure Statement in the year. It has been spent on the Digital Signal Processing (DSP) Centre project by Bangor University, the Enterprise Engineering & Optics Centre (EEOC) project by Wrexham University

(both funded by the Growth Deal Grant) and Local Full Fibre Upgrades (funded by Welsh Government).

Reserves

The Joint Committee has usable reserve of £5,164k. These are detailed in the Balance Sheet, Movement in Reserves Statement and in Note 10.

Pension Fund

An assessment has been carried out by Gwynedd Pension Fund's Actuary, Hymans Robertson, of the Joint Committee's actuarial position. In order to comply with International Accounting Standard 19, the Joint Committee has shown a nil net liability as at 31 March 2024 on its Balance Sheet. Refer to Note 24 for further information.

The net pension liability is a position at one point in time. Market prices can move substantially up or down in the short-term and it is therefore not possible to quantify the long-term effect such movements in market prices will have on the Pension Fund. The last valuation was at 31 March 2022, with the next to be held 31 March 2025.

Governance

The NWEAB is responsible for putting in place proper arrangements for the governance of its affairs, facilitating the effective exercise of its functions, which includes arrangements for the management of risk. Further information is included within the Annual Governance Statement.

Accounting Policies

The accounting policies adopted on behalf of the Joint Committee comply with all relevant recommended accounting practices and are fully explained in the Accounting Policies set out in Note 1 of the Accounts commencing on page 12.

Changes in Accounting Policies and to the Accounts

The Joint Committee's existing accounting policies have been amended to reflect only the changes required in accordance with proper accounting practices, following adjustments for the 2023/24 financial year to the Code of Practice on Local Authority Accounting in the United Kingdom.

Further Information

The Statement of Accounts is available on Cyngor Gwynedd's website www.gwynedd.llyw.cymru.

Further information relating to the accounts is available from:

Sian Pugh
Assistant Head of Finance -
Sustainability and Developments
01286 679134

Finance Department
Cyngor Gwynedd
Council Offices
Caernarfon
Gwynedd
LL55 1SH

This is part of the Council's policy of providing full information relating to the Council and the Joint Committees' affairs. In addition, interested members of the public have a statutory right to inspect the accounts before the audit is completed. The availability of the accounts for inspection is advertised on the Council's website at the appropriate time.

NORTH WALES ECONOMIC AMBITION BOARD

STATEMENT OF ACCOUNTS

STATEMENT OF RESPONSIBILITIES FOR THE STATEMENT OF ACCOUNTS

THE JOINT COMMITTEE'S RESPONSIBILITIES

Cyngor Gwynedd as host authority bears the responsibility for the arrangements and administration of the Joint Committee's financial affairs.

Cyngor Gwynedd is required to make arrangements for the proper administration of its financial affairs and to secure that one of its officers has the responsibility for the administration of those affairs. In Cyngor Gwynedd, that "Section 151 Officer" is the Head of Finance. It is the Joint Committee's responsibility to manage its affairs to secure economic, efficient and effective use of its resources, to safeguard its assets, and to approve the Statement of Accounts.

Councillor Mark Pritchard
NWEAB Joint Committee Vice-Chair

8 November 2024

THE HEAD OF FINANCE'S RESPONSIBILITIES

Cyngor Gwynedd's Head of Finance is responsible for the preparation of the North Wales Economic Ambition Board's Joint Committee Statement of Accounts in accordance with proper practices as set out in the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom ("the Code").

In preparing the statement of accounts, the Head of Finance has selected suitable accounting policies and then applied them consistently; has made judgements and estimates that were reasonable and prudent and complied with the Code.

The Head of Finance has also kept proper accounting records which were up to date, and has taken reasonable steps for the prevention and detection of fraud and other irregularities.

RESPONSIBLE FINANCIAL OFFICER'S CERTIFICATE

I certify that the Statement of Accounts has been prepared in accordance with the arrangements set out above, and presents a true and fair view of the financial position of the North Wales Economic Ambition Board's Joint Committee at 31 March 2024 and the Joint Committee's income and expenditure for the year then ended.



Dewi Aeron Morgan CPFA
Head of Finance, Cyngor Gwynedd

29 October 2024

EXPENDITURE AND FUNDING ANALYSIS

The Expenditure and Funding Analysis shows how annual expenditure is used and funded from resources in accordance with generally accepted accounting practices. Income and expenditure accounted for under generally accepted accounting practices is presented more fully in the Comprehensive Income and Expenditure Statement.

2022/23				2023/24		
Net Expenditure Chargeable to the General Fund £'000	Adjustments between the Funding and Accounting Basis (Note 8) £'000	Net Expenditure in the Comprehensive Income and Expenditure Statement £'000		Net Expenditure Chargeable to the General Fund £'000	Adjustments between the Funding and Accounting Basis (Note 8) £'000	Net Expenditure in the Comprehensive Income and Expenditure Statement £'000
1,504	226	1,730	Programme Management Office	1,380	(39)	1,341
143	0	143	Accountable Body Support Services	162	0	162
20	0	20	Joint Committee	45	0	45
493	1,656	2,149	Projects	456	1,547	2,003
449	0	449	Grant Schemes	608	0	608
(2,689)	(1,656)	(4,345)	Income	(2,617)	(1,547)	(4,164)
(80)	226	146	Cost of Services	34	(39)	(5)
(761)	29	(732)	Financing and Investment Income and Expenditure	(2,826)	(1)	(2,827)
(841)	255	(586)	(Surplus)/ Deficit on Provision of Services	(2,792)	(40)	(2,832)
(1,531)			Opening Balance	(2,372)		
(841)			(Surplus)/ Deficit in Year	(2,792)		
(2,372)			Closing Balance	(5,164)		

COMPREHENSIVE INCOME AND EXPENDITURE STATEMENT

This statement shows the accounting cost in the year of providing the Joint Committee service in accordance with generally accepted accounting practices.

2022/23				2023/24		
Gross Expenditure	Gross Income	Net Expenditure		Gross Expenditure	Gross Income	Net Expenditure
£'000	£'000	£'000	Note	£'000	£'000	£'000
1,730	0	1,730	Programme Management Office	1,341	0	1,341
143	0	143	Accountable Body Support Services	162	0	162
20	0	20	Joint Committee	45	0	45
2,149	0	2,149	Projects	2,003	0	2,003
449	0	449	Grant Schemes	608	0	608
0	(4,345)	(4,345)	Income	0	(4,164)	(4,164)
4,491	(4,345)	146	Cost of Services	4,159	(4,164)	(5)
29	(761)	(732)	Financing and Investment Income and Expenditure	0	(2,827)	(2,827)
4,520	(5,106)	(586)	(Surplus) / Deficit on Provision of Services	4,159	(6,991)	(2,832)
		(1,204)	Remeasurement of the net pension defined benefit liability/(asset)			36
		(1,204)	Other Comprehensive Income and Expenditure			36
		(1,790)	Total Comprehensive Income and Expenditure			(2,796)

MOVEMENT IN RESERVES STATEMENT

The Movement in Reserves Statement shows the movement from the start of the year to the end on the different reserves held by the Joint Committee, analysed into 'usable reserves' (i.e. those that can be applied to fund expenditure) and other 'unusable reserves'. The Statement shows how the movements in year of the Joint Committee's reserves are broken down between gains and losses incurred in accordance with generally accepted accounting practices and the statutory adjustments required to return to the amounts chargeable to council tax (via the Councils' contributions). The Net Increase/Decrease line shows the statutory General Fund Balance movements in the year following those adjustments.

		Movement in Reserves Statement		
		Total Usable Reserves	Unusable Reserves	Total Joint Committee's Reserves
		£'000	£'000	£'000
	Note	(1,531)	983	(548)
Balance 31 March 2022 carried forward				
<u>Movement in reserves during 2022/23</u>				
(Surplus)/Deficit on provision of services		(586)	0	(586)
Other Comprehensive Income and Expenditure		0	(1,204)	(1,204)
Total Comprehensive Income and Expenditure		(586)	(1,204)	(1,790)
Adjustments between accounting basis and funding basis under regulations		(255)	255	0
		9		
Net (Increase)/Decrease before Transfers to Earmarked Reserves		(841)	(949)	(1,790)
(Increase)/Decrease in 2022/23		(841)	(949)	(1,790)
Balance 31 March 2023 carried forward		(2,372)	34	(2,338)
		10 & 15		
<u>Movement in reserves during 2023/24</u>				
(Surplus)/Deficit on provision of services		(2,832)	0	(2,832)
Other Comprehensive Income and Expenditure		0	36	36
Total Comprehensive Income and Expenditure		(2,832)	36	(2,796)
Adjustments between accounting basis and funding basis under regulations		40	(40)	0
		9		
Net (Increase)/Decrease before Transfers to Earmarked Reserves		(2,792)	(4)	(2,796)
(Increase)/Decrease in 2023/24		(2,792)	(4)	(2,796)
		10 & 15		
Balance 31 March 2024 carried forward		(5,164)	30	(5,134)

BALANCE SHEET

The Balance Sheet shows the value as at the Balance Sheet date of the assets and liabilities recognised by the Joint Committee. The net assets of the Joint Committee (assets less liabilities) are matched by the reserves held by the Joint Committee. Reserves are reported in two categories. The first category of reserves is usable reserves, i.e. those reserves that the Joint Committee may use to provide services, subject to the need to maintain a prudent level of reserves and any statutory limitations on their use. The second category of reserves is those that the Joint Committee is not able to use to provide services. This category of reserves includes reserves that hold unrealised gains and losses (for example the Revaluation Reserve), where amounts would only become available to provide services if the assets are sold; and reserves that hold timing differences shown in the Movement in Reserves Statement line 'Adjustments between accounting basis and funding basis under regulations'.

31 March 2023 £'000		Note	31 March 2024 £'000
	I Long-term Debtors		0
	I Long-term Assets		0
480	Short-term Debtors	12	325
56,980	Cash and Cash Equivalents	13	58,916
57,460	Current Assets		59,241
(517)	Short-term Creditors	14	(1,157)
(11,400)	Capital and Revenue Grants Receipts in Advance	20b	(23,949)
(11,917)	Current Liabilities		(25,106)
0	Pension Liability	24	0
(43,206)	Capital and Revenue Grants Receipts in Advance	20b	(29,001)
(43,206)	Long-term Liabilities		(29,001)
2,338	Net Assets		5,134
(2,372)	Usable Reserves	10	(5,164)
34	Unusable Reserves	15	30
(2,338)	Total Reserves		(5,134)

CASH FLOW STATEMENT

The Cash Flow Statement shows the changes in cash and cash equivalents of the Joint Committee during the reporting period. The statement shows how the Joint Committee generates and uses cash and cash equivalents by classifying cash flows as operating and investing activities. The amount of net cash flows arising from operating activities is a key indicator of the extent to which the operations of the Joint Committee are funded by way of grant income or from the recipients of services provided by the Joint Committee. Investing Activities represent the extent to which cash outflows have been made for resources which are intended to contribute to the Joint Committee's future service delivery.

2022/23	Note	2023/24
£'000		£'000
(586) Net (Surplus) / Deficit on the Provision of Services		(2,832)
(39,626) Adjustments to net surplus or deficit on the provision of services for non-cash movements	<i>16a</i>	896
(40,212) Net cash flows from Operating Activities		(1,936)
0 Investing Activities		0
0 Financing Activities		0
(40,212) Net (Increase)/Decrease in cash and cash equivalents		(1,936)
(16,768) Cash and cash equivalents at the beginning of the reporting period	<i>13</i>	(56,980)
(56,980) Cash and cash equivalents at the end of the reporting period	<i>13</i>	(58,916)

NOTES TO THE ACCOUNTS

NOTE I – ACCOUNTING POLICIES

1.1 General Principles

The Statement of Accounts summarises the Joint Committee's transactions for the 2023/24 financial year and its position at the year-end of 31 March 2024. The Joint Committee is required to prepare an annual Statement of Accounts by the Accounts and Audit (Wales) Regulations 2014 (as amended), in accordance with proper accounting practices. These practices primarily comprise the *Code of Practice on Local Authority Accounting in the United Kingdom 2023/24*, supported by International Financial Reporting Standards (IFRS).

The accounting convention adopted in the Statement of Accounts is historical cost. The accounts have been prepared on a going concern basis.

The nature of the Joint Committee's transactions is limited and only the relevant policies can be seen below.

1.2 Accruals of Expenditure and Income

Activity is accounted for in the year that it takes place, not simply when cash payments are made or received.

- Revenue from contracts with service recipients, whether for services or the provision of goods, is recognised when (or as) the goods or services are transferred to the service recipient in accordance with the performance obligations in the contract.
- Supplies are recorded as expenditure when they are consumed – where there is a gap between the date supplies are received and their consumption, they are carried as inventories on the Balance Sheet.
- Expenses in relation to services received (including services provided by employees) are recorded as expenditure when the services are received rather than when payments are made.
- Where revenue and expenditure have been recognised but cash has not been received or paid, a debtor or creditor for the relevant amount is recorded in the Balance Sheet. Where debts may not be settled, the balance of debtors is written down and a charge made to revenue for the income that might not be collected.

1.3 Cash and Cash Equivalents

The Joint Committee does not have its own bank account and cash is administered by Cyngor Gwynedd within its own accounts.

1.4 Employee Benefits

1.4.1 Benefits Payable during Employment

Short-term employee benefits are those due to be settled within 12 months of the year-end. They include such benefits as wages and salaries, paid annual leave and paid sick leave for current employees and are recognised as an expense for services in the year in which the employee renders service to the Joint Committee. An accrual is made for the cost of holiday entitlements (or any form of leave, e.g. time off in lieu) earned by employees but not taken before the year-end that employees can carry forward into the next financial year. The accrual is charged to the Surplus or Deficit on the Provision of Services, but then reversed out through the Movement in Reserves Statement to the accumulated absences account so that holiday benefits are charged to revenue in the financial year in which the holiday absence occurs.

1.4.2 Termination Benefits

Termination benefits are amounts payable as a result of a decision by the Joint Committee to terminate an officer's employment before the normal retirement date or an officer's decision to accept redundancy voluntarily and are charged on an accruals basis to the service in the Comprehensive Income and Expenditure Statement at the earlier of when the Joint Committee can no longer withdraw the offer of those benefits or when the Joint Committee recognises costs for a restructuring.

Where termination benefits involve the enhancement of pensions, statutory provisions require the Joint Committee fund balance to be charged with the amount payable by the Joint Committee to the Pension Fund or pensioner in the year, not the amount calculated according to the relevant accounting standards. In the Movement in Reserves Statement, appropriations are required to and from the Pensions Reserve to remove the notional debits and credits

NOTE I – ACCOUNTING POLICIES (continued)

for pension enhancement termination benefits and replace them with debits for the cash paid to the Pension Fund and pensioners and any such amounts payable but unpaid at the year-end.

1.4.3 Post-employment Benefits

Employees of the Joint Committee are members of one pension scheme:

- The Local Government Pensions Scheme, administered by the Gwynedd Pension Fund at Cyngor Gwynedd.

The scheme provides defined benefits to members (retirement lump sums and pensions), earned as employees when they worked for the Joint Committee and their previous employers.

1.4.4 The Local Government Pension Scheme

All other staff, subject to certain qualifying criteria, are entitled to become members of the Local Government Pension Scheme. The pension costs charged to the Joint Committee's accounts in respect of this group of employees is determined by the fund administrators and represent a fixed proportion of employees' contributions to this funded pension scheme.

The Local Government Scheme is accounted for as a defined benefit scheme.

The liabilities of the Gwynedd Pension Fund attributable to the Joint Committee are included in the Balance Sheet on an actuarial basis using the projected unit method - i.e. an assessment of the future payments that will be made in relation to retirement benefits earned to date by employees, based on assumptions such as mortality rates, employee turnover rates, etc., and projections of earnings for current employees.

Liabilities are discounted to their value at current prices, using a discount rate of 4.85% calculated as a weighted average of 'spot yields' on AA rated corporate bonds.

The assets of the Gwynedd Pension Fund attributable to the Joint Committee are included in the Balance Sheet at their fair value as determined by the Fund's Actuary.

When the calculation results in a net asset for the Joint Committee, the net asset must be recognised at the lower of that net asset and the asset ceiling, which is calculated as the net present value of future service costs less net present value of future contributions over the future working lifetime. Where the asset ceiling is the lower, an adjustment will be required which is included as a remeasurement.

The change in the net pensions liability is analysed into the following components:

Service cost comprising:

- Current service cost – the increase in liabilities as a result of years of service earned this year – allocated in the Comprehensive Income and Expenditure Statement to the service for which the employees worked.
- Past service cost – the increase in liabilities arising from current year decisions whose effect relates to years of service earned in earlier years – debited to the Surplus or Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement as part of Non-distributed Costs.
- Net interest on the net defined benefit liability/(asset), i.e. the net interest expense for the Joint Committee – the change during the period in the net defined benefit liability/(asset) that arises from the passage of time charged to the Financing and Investment Income and Expenditure line of the Comprehensive Income and Expenditure Statement – this is calculated by applying the discount rate used to measure the defined benefit obligation at the beginning of the period to the net defined benefit liability/(asset) at the beginning of the period – taking into account any changes in the net defined benefit liability/(asset) during the period as a result of contributions and benefit payments.

Remeasurements comprising:

- The return on Plan assets – excluding amounts included in net interest on the net defined benefit liability/(asset) – charged to the Pensions Reserve as Other Comprehensive Income and Expenditure.

NOTE I – ACCOUNTING POLICIES (continued)

- Actuarial gains and losses – changes in the net pensions liability that arise because events have not coincided with assumptions made at the last actuarial valuation or because the actuaries have updated their assumptions – charged to the Pensions Reserve as Other Comprehensive Income and Expenditure.
- Asset ceiling adjustment – reduces to the calculated asset ceiling if this is lower than the asset position.
- Contributions paid to the Gwynedd Pension Fund – cash paid as employer’s contributions to the Pension Fund in settlement of liabilities; not accounted for as an expense.

In relation to retirement benefits, statutory provisions require the General Fund balance to be charged with the amount payable by the Joint Committee to the Pension Fund or directly to pensioners in the year, not the amount calculated according to the relevant accounting standards. In the Movement in Reserves Statement, this means that there are appropriations to and from the Pensions Reserve to remove the notional debits and credits for retirement benefits and replace them with debits for the cash paid to the Pension Fund and pensioners and any such amounts payable but unpaid at the year-end. The balance that arises on the Pensions Reserve thereby measures the impact to the Joint Committee of being required to account for retirement benefits on the basis of cash flows rather than as benefits are earned by employees.

International Accounting Standard (IAS) 19 governs how the long-term liabilities which exist in relation to pension costs should be reported. Local Councils (including Joint Committees) in Wales and England are required to produce their financial statements in accordance with IAS 19.

1.4.5 Discretionary Benefits

The Joint Committee also has restricted powers to make discretionary awards of retirement benefits in the event of early retirements. Any liabilities estimated to arise as a result of an award to any member of staff are accrued in the year of the decision to make the award and accounted for using the same policies as are applied to the Local Government Pension Scheme.

1.5 Events after the Reporting Period

Events after the balance sheet date are those events, both favourable and unfavourable, that occur between the end of the reporting period and the date when the Statement of Accounts is authorised for issue. Two types of events can be identified:

- those that provide evidence of conditions that existed at the end of the reporting period – the Statement of Accounts is adjusted to reflect such events; and
- those that are indicative of conditions that arose after the reporting period – the Statement of Accounts is not adjusted to reflect such events, but where a category of events would have a material effect, disclosure is made in the notes of the nature of the events and their estimated financial effect.

Events taking place after the date of authorisation for issue are not reflected in the Statement of Accounts.

1.6 Prior Period Adjustments, Changes in Accounting Policies, Estimates and Errors

Prior period adjustments may arise as a result of a change in accounting policies or to correct a material error. Changes in accounting estimates are accounted for prospectively, i.e. in the current and future years affected by the change and do not give rise to a prior period adjustment.

Changes in accounting policies are only made when required by proper accounting practices or the change provides more reliable or relevant information about the effect of transactions, other events and conditions on the Joint Committee’s financial position or financial performance. Where a change is made, it is applied retrospectively (unless not material or stated otherwise) by adjusting opening balances and comparative amounts for the prior period as if the new policy had always been applied.

Material errors discovered in prior period figures are corrected retrospectively by amending opening balances and comparative amounts for the prior period.

NOTE I – ACCOUNTING POLICIES (continued)

1.7 Government Grants and Other Contributions

Grants and contributions relating to capital and revenue expenditure are accounted for on an accruals basis, and recognised immediately in the relevant service line in the Comprehensive Income and Expenditure Statement as income, except to the extent that the grant or contribution has a condition that the Joint Committee has not satisfied.

Grants and contributions funding capital expenditure that have been credited to the Comprehensive Income and Expenditure Statement are not proper income charges due to the capital control regime requirements to finance capital expenditure as part of the Capital Financing Requirement. Therefore, the Joint Committee accounts for these amounts as follows:

- Where a capital grant or contribution has been received, and conditions remain outstanding at the Balance Sheet date, the grant is recognised as a Capital Grant Receipt in Advance on the Balance Sheet. Once the condition has been met, the grant or contribution is transferred to the Comprehensive Income and Expenditure Statement.
- Where a capital grant or contribution has been recognised as income in the Comprehensive Income and Expenditure Statement, and the expenditure to be financed from that grant or contribution has been incurred at the Balance Sheet date, the grant or contribution is transferred from the General Fund to the Capital Adjustment Account, reflecting the application of capital resources to finance expenditure. This transfer is reported in the Movement in Reserves Statement.

1.8 Overheads and Support Services

Charges for services provided by the Central Support Departments within Cyngor Gwynedd are derived from a combination of pre-determined fixed charges, actual recorded staff time, transaction logging and pre-determined formulae.

1.9 Reserves

Specific reserves are created to set aside amounts for future spending schemes. This is done through transfers out of the General Fund Balance in the Movement in Reserves Statement.

Certain reserves, namely “unusable reserves”, are kept for the technical purpose of managing the accounting processes for non-current assets and employee benefits. These do not represent the usable resources of the Joint Committee.

1.10 Revenue Expenditure Funded from Capital Under Statute

Legislation allows some expenditure to be classified as capital for funding purposes when it does not result in the expenditure being carried on the Balance Sheet as an asset. The purpose of this is to enable it to be funded from capital resources rather than be charged to the General Fund. This type of expenditure is valued at historical cost and written down over a year.

1.11 Value Added Tax

Only in a situation when VAT is irrecoverable will VAT be included or charged as ‘irrecoverable VAT’. Since the Joint Committee has not registered for VAT, the VAT is recovered through Cyngor Gwynedd’s VAT registration.

1.12 Debtors and Creditors

The Joint Committee’s Accounts are maintained on an accruals basis in accordance with the Code of Accounting Practice. The accounts reflect actual expenditure and income relating to the year in question irrespective of whether the payments or receipts have actually been paid or received in the year.

1.13 Long-Term Contracts

Long-term contracts are accounted for on the basis of charging the Surplus or Deficit on the Provision of Services with the consideration allocated to the performance obligations satisfied based on the goods or services transferred to the service recipient during the financial year.

NOTE 1 – ACCOUNTING POLICIES (continued)

1.14 Joint Operations

Joint operations are arrangements where the parties that have joint control of the arrangement have rights to the assets and obligations for the liabilities relating to the arrangements. The activities undertaken by the Joint Committee in conjunction with other joint operators involve the use of the assets and resources of those joint operators. In relation to its interest in a joint operation, the Joint Committee as a joint operator recognises its share of assets, liabilities, revenue and expenses.

The NWEAB Joint Committee has been categorised as a Joint Operation, making use of the assets and resources of the operators rather than the establishment of a separate entity.

NOTE 2 - CHANGE IN ACCOUNTING POLICY

The Joint Committee's existing accounting policies are amended only insofar as to reflect the guidance in the 2023/24 CIPFA Code of Practice on Local Authority Accounting in the United Kingdom.

NOTE 3 - PRIOR PERIOD ADJUSTMENTS

There are no prior period adjustments during 2023/24.

NOTE 4 - ACCOUNTING STANDARDS THAT HAVE BEEN ISSUED BUT HAVE NOT YET BEEN ADOPTED

The CIPFA Code of Practice on Local Authority Accounting in the United Kingdom requires the expected impact of any accounting standards that have been issued but not yet adopted to be disclosed. This applies to the following new or amended standards within the 2024/25 Code:

- IFRS 16 Leases issued in January 2016.
- Classification of Liabilities as Current or Non-current (Amendments to IAS 1) issued in January 2020.
- Lease Liability in a Sale and Leaseback (Amendments to IFRS 16) issued in September 2022.
- Non-current Liabilities with Covenants (Amendments to IAS 1) issued in October 2022.
- International Tax Reform: Pillar Two Model Rules (Amendments to IAS 12) issued in May 2023.
- Supplier Finance Arrangements (Amendments to IAS 7 and IFRS 7) issued in May 2023.

The Code requires implementation from 1 April 2024 and therefore there is no impact on the 2023/24 Statement of Accounts, and none of the new or amended standards within the 2024/25 Code are expected to have a material impact on the information provided in the financial statements.

NOTE 5 – CRITICAL JUDGEMENTS IN APPLYING ACCOUNTING POLICIES

In applying the accounting policies set out in Note 1, the Joint Committee has had to make judgements, estimates and assumptions relating to complex transactions, those involving uncertainty about future events and also the carrying amounts of assets and liabilities that are not readily apparent from other sources.

The judgements, estimates and associated assumptions applied are based on current proper practices, historical experience and other factors that include historical and current assumptions and projections, and actual future projections, professional assessment, current trends, and local factors that are considered to be relevant.

All available and related information is sourced and applied in assessing and determining the position, which is particularly critical when considering such matters as actuarial valuation of pension fund assets and liabilities, earmarked reserves, provisions and contingent liability. However, because these issues cannot be determined with certainty, actual results may subsequently differ from those estimates. The estimates and underlying assumptions are continually reviewed.

NOTE 6 – ASSUMPTIONS MADE ABOUT FUTURE AND OTHER MAJOR SOURCES OF ESTIMATION UNCERTAINTY

The Statement of Accounts contains estimated figures that are based on assumptions made by the Joint Committee about the future or that are otherwise uncertain. Estimates are made taking into account historical experience, current trends and other relevant factors. However, because certain balances cannot be determined with certainty, actual results could be different from the assumptions and estimates.

The following item in the Joint Committee’s Balance Sheet at 31 March 2024 may be considered to be a significant risk (in terms of certainty in estimation of value), with the possibility of material adjustment in the forthcoming financial year:

Item	Uncertainties	Effect if actual results differ from assumptions
Pensions liability	<p>Estimation of the net liability to pay pensions depends on a number of complex judgements relating to the discount rate used, the rate at which salaries are projected to increase, changes in retirement ages, mortality rates and expected returns on pension fund assets. A firm of consulting actuaries is engaged to provide the Joint Committee with expert advice about the assumptions to be applied.</p> <p>Brexit and Covid had negative effects on the UK economy and pension asset values, and currently there are high inflation and interest rates, but the market seems to be improving and stabilizing. However, a pandemic or other global crisis could have a detrimental effect on asset returns, as well as an increase in interest rates to curb the rise of inflation as a result of the recovery.</p>	The effects on the net pension liability of changes in individual assumptions are set out in Note 24.

NOTE 7 – MATERIAL ITEMS OF INCOME AND EXPENSE

Related items include:-

- £2,826k in interest and similar income (Note 11).
- £4,164k in grants and contributions and equivalent expenditure (Note 20).

NOTE 8 – NOTE TO THE EXPENDITURE AND FUNDING ANALYSIS

ADJUSTMENTS BETWEEN FUNDING AND ACCOUNTING BASIS				
2023/24	Adjustments for Capital Purposes (i)	Net change for the Pensions Adjustments (ii)	Other Differences (iii)	Total Adjustments
	£'000	£'000	£'000	£'000
Adjustments from General Fund to arrive at the Comprehensive Income and Expenditure Statement amounts				
Programme Management Office	0	(35)	(4)	(39)
Accountable Body Support Services	0	0	0	0
Joint Committee	0	0	0	0
Projects	1,547	0	0	1,547
Grant Schemes	0	0	0	0
Income	(1,547)	0	0	(1,547)
Cost of Services	0	(35)	(4)	(39)
Financing and Investment Income and Expenditure	0	(1)	0	(1)
(Surplus) / Deficit on Provision of Services	0	(36)	(4)	(40)

ADJUSTMENTS BETWEEN FUNDING AND ACCOUNTING BASIS				
2022/23	Adjustments for Capital Purposes (i)	Net change for the Pensions Adjustments (ii)	Other Differences (iii)	Total Adjustments
	£'000	£'000	£'000	£'000
Adjustments from General Fund to arrive at the Comprehensive Income and Expenditure Statement amounts				
Programme Management Office	0	233	(7)	226
Accountable Body Support Services	0	0	0	0
Joint Committee	0	0	0	0
Projects	1,656	0	0	1,656
Grant Schemes	0	0	0	0
Income	(1,656)	0	0	(1,656)
Cost of Services	0	233	(7)	226
Financing and Investment Income and Expenditure	0	29	0	29
(Surplus) / Deficit on Provision of Services	0	262	(7)	255

NOTE 8 – NOTE TO THE EXPENDITURE AND FUNDING ANALYSIS (continued)

(i) Adjustments for Capital Purposes

- For **Services**, this column adds in revenue expenditure funded from capital under statute.

(ii) Net Change for the Pensions Adjustments

Net change for the removal of pension contributions and the addition of IAS 19 *Employee Benefits* for pension-related expenditure and income:

- For **Services**, this represents the removal of the employer pension contributions made by the Joint Committee as allowed by statute and the replacement with current service costs and past service costs.
- For **Financing and Investment Income and Expenditure**, the net interest on the defined benefit liability is charged to the Comprehensive Income and Expenditure Statement.

(iii) Other Differences

Other differences between amounts debited/credited to the Comprehensive Income and Expenditure Statement and amounts payable/receivable to be recognised under statute:

- For **Services**, this represents an adjustment for accumulated absences earned but not taken during the year.
- For **Financing and Investment Income and Expenditure**, the other differences column recognises adjustments to the General Fund for the timing differences for premiums and discounts.

NOTE 9 – ADJUSTMENTS BETWEEN ACCOUNTING BASIS AND FUNDING BASIS UNDER REGULATIONS

This note details the adjustments that are made to the total comprehensive income and expenditure recognised by the Joint Committee in the year in accordance with proper accounting practice to the resources that are specified by statutory provisions as being available to the Joint Committee to meet future expenditure.

2023/24	Usable Reserve General Fund Balance	Movement in Unusable Reserves
ADJUSTMENTS BETWEEN ACCOUNTING BASIS AND FUNDING BASIS UNDER REGULATIONS	£'000	£'000
Adjustments involving the Capital Adjustment Account		
Capital grants and contributions applied	1,547	(1,547)
Revenue expenditure funded from capital under statute	(1,547)	1,547
Adjustments primarily involving the Pensions Reserve		
Reversal of items relating to retirement benefits debited/credited to the Comprehensive Income and Expenditure Statement (Note 24)	(142)	142
Employer's pensions contributions and direct payments to pensioners payable in the year	178	(178)
Adjustment primarily involving the Accumulated Absences Account		
Amount by which officer remuneration charged to the Comprehensive Income and Expenditure Statement on an accruals basis is different from remuneration chargeable in the year in accordance with statutory requirements	4	(4)
Total Adjustments	40	(40)

2022/23	Usable Reserve General Fund Balance	Movement in Unusable Reserves
ADJUSTMENTS BETWEEN ACCOUNTING BASIS AND FUNDING BASIS UNDER REGULATIONS	£'000	£'000
Adjustments involving the Capital Adjustment Account		
Capital grants and contributions applied	1,656	(1,656)
Revenue expenditure funded from capital under statute	(1,656)	1,656
Adjustments primarily involving the Pensions Reserve		
Reversal of items relating to retirement benefits debited/credited to the Comprehensive Income and Expenditure Statement (Note 24)	(449)	449
Employer's pensions contributions and direct payments to pensioners payable in the year	187	(187)
Adjustment primarily involving the Accumulated Absences Account		
Amount by which officer remuneration charged to the Comprehensive Income and Expenditure Statement on an accruals basis is different from remuneration chargeable in the year in accordance with statutory requirements	7	(7)
Total Adjustments	(255)	255

NOTE 10 – TRANSFERS TO/FROM USABLE RESERVES

The note below sets out the amounts set aside from the General Fund in usable reserves to provide financing for future expenditure plans, with a net increase of £2,792k.

Usable Reserves

2023/24	Balance 31 March 2023	Transfers		Balance 31 March 2024
Note	£'000	in	out	£'000
10.1 Earmarked Reserve	552	0	(274)	278
10.2 Projects Reserve	152	0	0	152
10.3 Interest Reserve	1,668	3,066	0	4,734
Total	2,372	3,066	(274)	5,164

10.1 Earmarked Reserve - to support future years' budgets and staffing structure.

10.2 Projects Reserve - to fund expenditure that supports the delivery of Regional Economic Framework priorities.

10.3 Interest Reserve - to fund the cost of borrowing in future years.

NOTE 11 – FINANCING AND INVESTMENT INCOME AND EXPENDITURE

2022/23	2023/24
£'000	£'000
29 Net interest on the net pension defined benefit liability/(asset)	(1)
(761) Interest receivable and similar income	(2,826)
(732) Total	(2,827)

NOTE 12 – SHORT-TERM DEBTORS

	31 March 2023	31 March 2024
	£'000	£'000
Trade Receivables	0	75
Prepayments	5	1
Other Receivable Amounts	475	249
Total	480	325

NOTE 13 – CASH AND CASH EQUIVALENTS

The Joint Committee does not have its own bank account and cash is administered by Cyngor Gwynedd within its own accounts. The figure shown in the table each year is the net cash sum held on behalf of the Joint Committee within the Cyngor Gwynedd amounts.

	31 March	31 March
	2023	2024
	£'000	£'000
Cash in Bank held by Host Authority	56,980	58,916
Cash and Cash Equivalents	56,980	58,916

NOTE 14 – SHORT-TERM CREDITORS

	31 March	31 March
	2023	2024
	£'000	£'000
Trade Payables	472	222
Other Payables	45	935
Total	517	1,157

NOTE 15 – UNUSABLE RESERVES

31 March		31 March
2023		2024
£'000		£'000
0	Capital Adjustment Account	0
0	Pensions Reserve	0
(34)	Accumulated Absences Account	(30)
(34)	Total Unusable Reserves	(30)

NOTE 15 – UNUSABLE RESERVES (continued)

15.1 Capital Adjustment Account

The Capital Adjustment Account absorbs the timing differences arising from the different arrangements for accounting for the consumption of non-current assets and for financing the acquisition, construction or enhancement of those assets under statutory provisions. The Account is debited with the cost of acquisition, construction or enhancement as depreciation; impairment losses and amortisations are charged to the Comprehensive Income and Expenditure Statement. The Account is credited with the amounts set aside by the Joint Committee as finance for the costs of acquisition, construction and enhancement.

Note 9 provides details of the source of all the transactions posted to the Account.

2022/23		2023/24
£'000		£'000
0	Balance 1 April	0
	<u>Reversal of items relating to capital expenditure debited or credited to the Comprehensive Income and Expenditure Statement:</u>	
(1,656)	Revenue Expenditure funded from Capital under Statute	(1,547)
	<u>Capital financing applied in the year:</u>	
1,656	Grants and contributions credited to Comprehensive Income and Expenditure Statement that have been applied to capital financing	1,547
0	Balance 31 March	0

15.2 Pensions Reserve

The Pensions Reserve absorbs the timing differences arising from the different arrangements for accounting for post-employment benefits and for funding benefits in accordance with statutory provisions. The Joint Committee accounts for post-employment benefits in the Comprehensive Income and Expenditure Statement as the benefits are earned by employees accruing years of service, updating the liabilities recognised to reflect inflation, changing assumptions and investment returns on any resources set aside to meet the costs. However, statutory arrangements require benefits earned to be financed as the Joint Committee makes employer's contributions to pension funds or eventually pays any pensions for which it is directly responsible, with funding requirements set aside by the time the benefits are to be paid.

2022/23		2023/24
£000		£000
(942)	Balance 1 April	0
1,204	Re-measurements of the net pension defined benefit (liabilities) / assets	(36)
(449)	Reversal of items relating to retirement benefits debited or credited to the Surplus or Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement	(142)
187	Employer's pensions contributions and direct payments to pensioners payable in the year	178
0	Balance 31 March	0

NOTE 15 – UNUSABLE RESERVES (continued)

15.3 Accumulated Absences Account

The Accumulated Absences Account absorbs the differences that would otherwise appear on the General Fund Balance from accruing for compensated absences earned but not taken in the year, e.g. annual leave entitlement carried forward at 31 March. Statutory arrangements require that the impact on the General Fund Balance is neutralised by transfers to or from the Account.

2022/23 £000	2023/24 £000
(41) Balance 1 April	(34)
7 Amount by which officer remuneration charged to the Comprehensive Income and Expenditure Statement on an accruals basis is different from remuneration chargeable in the year in accordance with statutory requirements	4
(34) Balance 31 March	(30)

NOTE 16a – CASH FLOW STATEMENT – ADJUSTMENTS TO NET SURPLUS OR DEFICIT ON THE PROVISION OF SERVICES FOR NON-CASH MOVEMENTS

2022/23 £'000	2023/24 £'000
(18,599) (Increase)/Decrease in Creditors	1,012
(20,772) Increase/(Decrease) in Debtors	(156)
(262) Pension Liability	36
7 Other non-cash items charged to net surplus/deficit on the provision of services	4
(39,626)	896

NOTE 16b – CASH FLOW STATEMENT – OPERATING ACTIVITIES

2022/23 £'000	2023/24 £'000
(761) Interest received	(2,826)

NOTE 17 – EXPENDITURE AND INCOME ANALYSED BY NATURE

The Joint Committee's expenditure and income is analysed as follows:

2022/23		2023/24
£'000	<u>Expenditure / Income</u>	£'000
	Expenditure	
1,596	Employee benefits expenses	1,292
32	Premises	37
2	Transport	2
995	Supplies and Services	1,059
210	Third Party	222
29	Interest Payments	0
1,656	Revenue Expenditure Funded From Capital Under Statute	1,547
4,520	Total Expenditure	4,159
	Income	
(873)	Partner Contributions	(934)
(761)	Interest and investment income	(2,827)
(3,472)	Grants and other contributions	(3,230)
(5,106)	Total Income	(6,991)
(586)	(Surplus) / Deficit on the Provision of Services	(2,832)

NOTE 18 – OFFICERS' REMUNERATION (continued)

18a. The Accounts and Audit (Wales) Regulations 2014 (as amended) require the Joint Committee to disclose the following information relating to employees appointed as Senior Officers, and whose salary is between £60,000 and £150,000. In compliance with the defined requirements, the pensionable pay, employer's pension contributions and other employer costs are included below (including termination benefits), but the employer's national insurance contributions are excluded. The remuneration paid to the Joint Committee's senior officers directly employed by the North Wales Economic Ambition Board is as follows:

2022/23			Chief Officers	2023/24		
Salary	Employer's Pension Contribution	Total		Salary	Employer's Pension Contribution	Total
£	£	£		£	£	£
109,824	22,404	132,228	Portfolio Director*	118,095	21,764	139,859
72,532	14,796	87,328	Head of Operations**	83,076	15,951	99,027

* Since 10 October 2022, the Portfolio Director has been seconded to the North Wales Corporate Joint Committee (CJC) for two days a week to fulfil the role of the CJC's Chief Executive and receives an honorarium in relation to this role. The CJC recompenses the NWEAB for all employment and associated costs. The remuneration costs disclosed are gross of the reimbursement.

** The Head of Operations undertakes the role of Portfolio Director for two days a week and therefore remuneration received is based on two pay scales.

NOTE 18 – OFFICERS’ REMUNERATION (continued)

18b. No other employee received more than £60,000 remuneration for the year (excluding employer’s pension and national insurance contributions) in 2023/24 and 2022/23.

NOTE 19 – EXTERNAL AUDIT COSTS

The Joint Committee has incurred the following costs relating to external audit.

2022/23		2023/24
£'000		£'000
16	Fees payable to the auditor appointed by the Auditor General for Wales with regard to external audit services	25
16	Net Fees	25

NOTE 20 – GRANT INCOME

20a. The Joint Committee credited the following grants, contributions and donations to the Comprehensive Income and Expenditure Statement:

	2022/23		2023/24	
	£'000	£'000	£'000	£'000
Grants and Contributions Credited to Services				
Welsh Government				
European Social Fund Priority 5	987		233	
North Wales Growth Deal Grant*	1,656		1,124	
Local Energy Grant	202		600	
Mobile Phone Coverage Survey Grant	15		0	
Local Full Fibre Upgrade Grant	0		423	
Agri-Food Status Research Grant	0		19	
Student Placement Grant	0		15	
		2,860		2,414
Grants and Other Contributions from the Government				
Department of Work and Pensions	1		0	
		1		0
Other Grants and Contributions				
Partners' Contributions				
Conwy County Borough Council	124		127	
Denbighshire County Council	118		121	
Flintshire County Council	134		138	
Cyngor Gwynedd	126		129	
Isle of Anglesey County Council	111		114	
Wrexham County Borough Council	128		132	
Bangor University	63		64	
Wrexham University	40		41	
Coleg Cambria**	(9)		28	
Grŵp Llandrillo Menai	38		40	
		873		934
Community Renewal Fund				
Denbighshire County Council	60		0	
Cyngor Gwynedd	60		0	
Isle of Anglesey County Council	60		0	
Wrexham County Borough Council	60		0	
		240		0
Cyngor Gwynedd				
North Wales Growth Deal Grant	286		561	
UK Shared Prosperity Fund	15		174	
North Wales Corporate Joint Committee Implementation Grant	9		0	
		310		735
Other				
North Wales Corporate Joint Committee	61		70	
Wrexham County Borough Council – UK Shared Prosperity Fund	0		8	
Betsi Cadwaladr University Health Board	0		3	
		61		81
Total		4,345		4,164

* The North Wales Growth Deal Grant is funded 50% by Welsh Government and 50% by UK Government.

** Adjustment in 2022/23 relating to 2021/22 contributions.

NOTE 20 – GRANT INCOME (continued)

20b. The Joint Committee has received grants, contributions or donations that have yet to be recognised as income as they have conditions attached that could require the monies to be returned to the giver. The balance at the year-end are as follows:

	31 March 2023 £'000	31 March 2024 £'000
Grants and Contributions Received in Advance		
<u>Long Term</u>		
Capital Grants		
North Wales Growth Deal Grant	43,206	29,001
Total Long Term	43,206	29,001
<u>Short Term</u>		
Capital Grants		
North Wales Growth Deal Grant	11,400	23,920
Revenue Grants and Contributions		
Student Placement Grant	0	8
Agri-Food Status Research Contributions	0	21
	<u>0</u>	<u>29</u>
Total Short Term	11,400	23,949
Total	<u>54,606</u>	<u>52,950</u>

NOTE 21 – RELATED PARTIES

The Joint Committee is required to disclose material transactions with related parties – bodies or individuals that have the potential to control or influence the Joint Committee or to be controlled or influenced by the Joint Committee. Disclosure of these transactions allows readers to assess the extent to which the Joint Committee might have been constrained in its ability to operate independently or might have secured the ability to limit another party’s ability to bargain freely with the Joint Committee. To conform to the requirements, this is done by Members and Senior Officers completing a personal declaration, as defined in the CIPFA Code of Practice.

Function of the Joint Committee

The North Wales Economic Ambition Board’s (NWEAB) Joint Committee was established on 1 February 2019 to develop a regional approach to economic growth and to address the challenges and barriers facing the North Wales economy. It covers the six local authority administrative areas of North Wales comprising Gwynedd, Anglesey, Conwy, Denbighshire, Wrexham and Flintshire councils. The Joint Committee also includes the University of Bangor, Wrexham University, Coleg Cambria and Grŵp Llandrillo Menai. In December 2020, the Joint Committee agreed the North Wales Growth Deal with UK Government and Welsh Government securing an investment of £240 million into the North Wales economy as part of the Deal. A Portfolio Management Office has been established to deliver the Growth Deal and the full business case of the first project was approved in December 2021 and is now in its third year of delivery.

Summarised below are the payments and income between the Joint Committee, the Local Authorities, Further and Higher Education Establishments and the North Wales Corporate Joint Committee for the 2023/24 financial year. Cyngor Gwynedd has been appointed as host authority for the NWEAB.

	Payments made	Income Received	Amounts owed to the NWEAB	Amounts owed by the NWEAB
	£'000	£'000	£'000	£'000
Conwy County Borough Council	166	(130)	0	44
Denbighshire County Council	106	(124)	0	0
Flintshire County Council	40	(141)	0	33
Cyngor Gwynedd	222	(868)	0	0
Isle of Anglesey County Council	0	(114)	0	0
Wrexham County Borough Council	0	(135)	(8)	53
Bangor University	369	(64)	0	0
Wrexham University	0	(41)	0	754
Coleg Cambria	1	(28)	0	0
Grŵp Llandrillo Menai	0	(40)	0	0
North Wales Corporate Joint Committee	0	0	(70)	0

Welsh Government

Welsh Government has effective control over the general operations of the Joint Committee, and is responsible for providing the statutory framework and provides the majority of its funding in the form of grants. Grants received from Welsh Government are set out in the subjective analysis in Note 17 which analyses expenditure and income by nature. The position as at 31 March is detailed in Note 20.

Board Members, Advisers and Officers

Members and advisers of the Joint Committee have influence over the Joint Committee’s financial and operating policies.

All Board Members, Advisers and Senior Officers of the Joint Committee have completed declaration forms to declare their interest or relationship in companies, voluntary, charitable or public bodies that have dealings with the Joint Committee.

NOTE 21 – RELATED PARTIES (continued)

A breakdown of the payments made to these bodies under this heading during 2023/24 and balances at 31 March 2024 is as follows:

Payments made	Income Received	Amounts owed to the NWEAB	Amounts owed by the NWEAB
£'000	£'000	£'000	£'000
0	(3)	0	0

One of the voting members of the NWEAB is also a member of the Gwynedd Pension Fund Pensions Committee. Details of transactions with the Pension Fund are shown in Note 24.

NOTE 22 – CAPITAL EXPENDITURE AND CAPITAL FINANCING

The total amount of capital expenditure incurred in the year is shown in the table below (including the value of assets acquired under finance leases), together with the resources that have been used to finance it. Where capital expenditure is to be financed in future years by charges to revenue as assets are used by the Joint Committee, the expenditure results in an increase in the Capital Financing Requirement (CFR), a measure of the capital expenditure incurred historically by the Joint Committee that has yet to be financed. The CFR is analysed in the second part of this note.

31 March 2023		31 March 2024
£'000		£'000
0	Capital Adjustment Account (Note 15.1)	0
0	Capital Financing Requirement	0

The movement in the year is explained as follows:

2022/23		2023/24
£'000		£'000
0	Capital Financing Requirement 1 April	0
1,656	Funded from capital under statute	1,547
(1,656)	Government Grants and other contributions	(1,547)
0	Capital Financing Requirement 31 March	0

NOTE 23 – EXIT PACKAGES

There were no exit packages during 2023/24 or 2022/23.

NOTE 24 – PENSION COSTS

As part of the terms and conditions of employment of its officers and other employees, the Joint Committee makes contributions towards the cost of post-employment benefits. Although these benefits will not actually be payable until employees retire, the Joint Committee has a commitment to make the payments. These need to be disclosed at the time that employees earn their future entitlement.

The NWEAB participates in two post-employment schemes:

- a) **The Local Government Pension Scheme** administered locally by Cyngor Gwynedd. This is a funded defined benefit scheme based on final salary for service up to 31 March 2014 and based on a career average salary from 1 April 2014. The Joint Committee and the employees pay contributions into the fund, calculated at a level intended to balance the pensions liabilities with investment assets.
- b) **Arrangements for the award of discretionary post-retirement benefits upon early retirement.** This is an unfunded defined benefit arrangement, under which liabilities are recognised when awards are made. However, there are no investment assets built up to meet these pension liabilities, and cash has to be generated to meet actual pensions payments as they eventually fall due.

The Gwynedd Pension Fund is operated under the regulatory framework for the Local Government Pension Scheme and the governance of the scheme is the responsibility of the Pensions Committee of Cyngor Gwynedd. Policy is determined in accordance with the Local Government Pensions Scheme Regulations.

The principal risks to the Joint Committee from the scheme are the longevity assumptions, statutory changes to the scheme, structural changes to the scheme (such as large-scale withdrawals from the scheme), changes to inflation, bond yields and the performance of equity investments held by the scheme. These are mitigated to a certain extent by the statutory requirements to charge the amounts required by statute as described in the accounting policies note to the General Fund.

Transactions Relating to Post-employment Benefits

The Joint Committee recognises the cost of retirement benefits in the reported cost of services when they are earned by employees, rather than when the benefits are eventually paid as pensions. However, the charge it is required to make is based on the cash payable in the year, so the real cost of post-employment/retirement benefits is reversed out of the General Fund via the Movement in Reserves Statement. The following transactions have been made in the Comprehensive Income and Expenditure Statement and the General Fund Balance via the Movement in Reserves Statement during the year.

NOTE 24 – PENSION COSTS (continued)

Change in the Fair Value of Plan Assets, Defined Benefit Obligation and Net Liability	Period ended 31 March 2024			
	Assets	Liabilities	Impact of asset ceiling adjustments	Net (liability) /asset
	£'000	£'000	£'000	£'000
Fair Value of Plan Assets	1,540	0	0	1,540
Present Value of Funded Liabilities	0	(1,397)	0	(1,397)
Effect of the asset ceiling	0	0	(143)	(143)
Opening Position at 1 April	1,540	(1,397)	(143)	0
Service Cost				
Current Service Cost*	0	(143)	0	(143)
Total Service Cost	0	(143)	0	(143)
Net interest				
Interest Income on Plan Assets	79	0	0	79
Interest Cost on Defined Benefit Obligation	0	(71)	0	(71)
Interest on the effect of the asset ceiling	0	0	(7)	(7)
Total Net Interest	79	(71)	(7)	1
Total Defined Benefit Cost Recognised in Profit/(Loss)	79	(214)	(7)	(142)
Cash flows				
Participants' contributions	66	(66)	0	0
Employer contributions	171	0	0	171
Benefits paid	(1)	1	0	0
Expected Closing Position	1,855	(1,676)	(150)	29
Remeasurements				
Change in demographic assumptions	0	9	0	9
Change in financial assumptions	0	158	0	158
Other experience**	0	(42)	0	(42)
Return on Assets excluding amounts included in net interest	100	0	0	100
Changes in the effect of the asset ceiling	0	0	150	150
Total remeasurements recognised in Other Comprehensive Income (OCI)	100	125	150	375
Fair Value of Plan Assets	1,955	0	0	1,955
Present Value of Funded Liabilities	0	(1,551)	0	(1,551)
Closing Position at 31 March	1,955	(1,551)	0	404

* The current service cost includes an allowance for administration expenses of 0.6% of payroll.

** The other experience on obligations includes an allowance of £42,000 for the April 2024 pension increase order impact.

NOTE 24 – PENSION COSTS (continued)

Change in the Fair Value of Plan Assets, Defined Benefit Obligation and Net Liability	Period ended 31 March 2023		
	Assets	Liabilities	Net (liability) /asset
	£'000	£'000	£'000
Fair Value of Plan Assets	1,192	0	1,192
Present Value of Funded Liabilities	0	(2,134)	(2,134)
Opening Position at 1 April	1,192	(2,134)	(942)
Service Cost			
Current Service Cost*	0	(420)	(420)
Total Service Cost	0	(420)	(420)
Net interest			
Interest Income on Plan Assets	36	0	36
Interest Cost on Defined Benefit Obligation	0	(65)	(65)
Total Net Interest	36	(65)	(29)
Total Defined Benefit Cost Recognised in Profit/(Loss)	36	(485)	(449)
Cash flows			
Participants' contributions	69	(69)	0
Employer contributions	184	0	184
Benefits paid	(1)	1	0
Expected Closing Position	1,480	(2,687)	(1,207)
Remeasurements			
Change in demographic assumptions	0	88	88
Change in financial assumptions	0	1,440	1,440
Other experience**	116	(238)	(122)
Return on Assets excluding amounts included in net interest	(56)	0	(56)
Total remeasurements recognised in Other Comprehensive Income (OCI)	60	1,290	1,350
Fair Value of Plan Assets	1,540	0	1,540
Present Value of Funded Liabilities	0	(1,397)	(1,397)
Closing Position at 31 March	1,540	(1,397)	143

* The current service cost includes an allowance for administration expenses of 0.5% of payroll.

** The other experience on obligations includes an allowance for the pension increase order applied to the funded obligations at April 2023 being different to the pension increase assumption adopted in the Employer's Schedule of results at the start of the period. Within this other experience item, the funded obligations have increased by £67,000 as a result of the pension increase order being different to the previous assumption.

NOTE 24 – PENSION COSTS (continued)

Pensions assets and liabilities recognised in the Balance Sheet

The amount included in the Balance Sheet arising from the Joint Committee's obligation in respect of its defined benefit plan is as follows:

	31 March 2023	31 March 2024
	£'000	£'000
Fair Value of Plan Assets	1,540	1,955
Present Value of Funded Obligations	(1,397)	(1,551)
Sub-total	143	404
Effect of IAS 19/ IFRIC 14	(143)	(404)
Net Asset/ (Liability) Arising From Defined Benefit Obligation	0	0

The actuarial valuation of the Joint Committee's pension scheme liabilities and pensions reserve shown on the Balance Sheet reports a net asset or liability of zero. The Joint Committee's Actuary, Hymans Robertson LLP, determined that the fair value of the Joint Committee's pension plan assets outweighed the present value of the plan obligations at 31 March 2024 resulting in a pension plan asset. IFRIC 14 and IAS 19 Employee Benefits require that, where a pension plan asset exists, it is measured at the lower of:

- The surplus in the defined benefit plan; and
- The asset ceiling, which is capped at £0

The asset ceiling is the present value of any economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan. The Joint Committee's Actuary calculated the asset ceiling as the net present value of future service costs less net present value of future contributions. The calculated asset ceiling for 2023/24 results in greater future service contributions than future service costs so the economic benefit is limited to zero. The Joint Committee relies and places assurance on the professional judgement of the Actuary and the assumptions used to calculate this actuarial valuation.

The Major Categories of Plan Assets as a Percentage of Total Plan Assets

The Actuary has provided a detailed breakdown of Fund assets in accordance with the requirements of IAS 19. This analysis distinguishes between the nature and risk of those assets, and to further break them down between those with a quoted price in an active market, and those that are not quoted. The asset split for the NWEAB is assumed to be in the same proportion to the Fund's asset allocation as at 31 December 2023. The split is shown in the table below. The bid value of the Fund's assets as at 31 March 2024 was £3.05bn. Only a portion of the Fund is relevant to the NWEAB.

NOTE 24 – PENSION COSTS (continued)

Fair Value of Employer Assets

The asset values below are at bid value as required under IAS 19.

Asset Category	At 31 March 2023				At 31 March 2024			
	Quoted Prices in Active Markets	Prices not quoted in Active Markets	Total		Quoted Prices in Active Markets	Prices not quoted in Active Markets	Total	
	£'000	£'000	£'000	%	£'000	£'000	£'000	%
Equity Securities								
All	0	0	0	0	0	0	0	0
Debt Securities								
All	0	0	0	0	0	0	0	0
Private Equity								
All	0	97	97	6	0	102	102	5
Real Estate								
UK Property	0	127	127	8	0	136	136	7
Overseas Property	0	0	0	0	0	0	0	0
Investment Funds and Unit Trusts								
Equities	0	958	958	62	0	1,088	1,088	56
Infrastructure	0	44	44	3	0	0	0	0
Other	0	309	309	20	0	556	556	28
Derivatives								
Inflation	0	0	0	0	0	48	48	3
Cash and Cash Equivalents								
All	5	0	5	1	0	25	25	1
Total	5	1,535	1,540	100	0	1,955	1,955	100

Basis for estimating assets and liabilities

Liabilities have been assessed on an actuarial basis using the projected unit method, an estimate of the pensions that will be payable in future years dependent on assumptions about mortality rates, life expectancy and salary levels. Life expectancy is based on the Fund's VitaCurves with improvements in line with the CMI 2022 model, with a 25% weighting of 2022 data, a 0% weighting of 2021 (and 2020) data, standard smoothing (Sk7), initial adjustment of 0.25% and a long term rate of improvement of 1.5% p.a. for both males and females.

Both the Gwynedd Pension Scheme and Discretionary Benefits liabilities have been estimated by Hymans Robertson, an independent firm of actuaries. Estimates for the Gwynedd Pension Fund were based on the latest full valuation of the scheme as at 31 March 2022. The significant assumptions used by the Actuary in the following table have had a significant impact on the values of the assets and liabilities as follows:

NOTE 24 – PENSION COSTS (continued)

	31 March 2023	31 March 2024
Financial Assumptions	% p.a.	% p.a.
Pensions Increase Rate	2.95	2.75
Salary Increase Rate	3.45	3.25
Inflation Rate	2.95	2.75
Discount Rate	4.75	4.85
Long-term expected rate of return on all categories of assets	4.75	4.85
Take-up option to convert annual pension into retirement lump sum		
for pre-April 2008 service	65	65
for post-April 2008 service	65	65
Mortality assumptions	Years	Years
Longevity at 65 for current pensioners		
Men	20.9	20.8
Women	23.9	23.7
Longevity at 65 for future pensioners		
Men	22.7	22.5
Women	25.7	25.5

The estimation of the defined benefit obligations is sensitive to the actuarial assumptions set out in the table above. In order to quantify the impact of a change in the financial assumptions used, the Actuary has calculated and compared the value of the scheme liabilities as at 31 March 2024 on varying bases. The approach taken is consistent with that adopted to derive the IAS 19 figures provided in this note.

To quantify the uncertainty around life expectancy, the Actuary has calculated the difference in cost to the Joint Committee of a one-year increase in life expectancy. For sensitivity purposes this is assumed to be an increase in the cost of benefits of broadly 3-5%. In practice the actual cost of a one-year increase in life expectancy will depend on the structure of the revised assumption (i.e. if improvements to survival rates predominantly apply at younger or older ages).

The figures in the table below have been derived based on the membership profile of the Joint Committee as at 31 March 2022, the date of the most recent actuarial valuation. The approach taken in preparing the sensitivity analysis shown is consistent with that adopted in the previous year.

Impact on the Defined Benefit Obligation in the Scheme		
Change in assumption	Approximate increase to Defined Benefit Obligation	Approximate monetary amount
	31 March 2024	31 March 2024
	%	£'000
0.1% decrease in real discount rate	3	51
1 year increase in member life expectancy	4	62
0.1% increase in the salary increase rate	1	8
0.1% increase in the pension increase rate	3	44

NOTE 24 – PENSION COSTS (continued)

Impact on the Joint Committee’s Cash Flows

One of the objectives of the scheme is that employer contributions should be kept at as constant a rate as possible. The Joint Committee has agreed a strategy with the fund’s Actuary to achieve a funding level of 100% over the next 17 years. Funding levels are monitored on an annual basis.

The contributions paid by the Joint Committee are set by the Fund Actuary at each triennial valuation, or at any other time as instructed to do so by the Administering Authority. The contributions payable over the period to 31 March 2024 are set out in the Rates and Adjustments certificate. For further details on the approach adopted to set contribution rates for the Joint Committee, please refer to the 2022 actuarial report dated 28 March 2023.

Information about the Defined Benefit Obligation

	Liability Split	
	31 March 2024	
	£’000	%
Active Members	1,544	99.5
Deferred Members	7	0.5
Pensioner Members	0	0.0
Total	1,551	100.0

The above figures are for funded obligations only and do not include unfunded pensioner liabilities. The durations are effective at the previous formal valuation as at 31 March 2022. As at the date of the most recent valuation, the duration of the Employer’s funded obligations is 31 years.

Impact in Future Years

The total contributions expected to be made to the Local Government Pensions Scheme by the Joint Committee in the year to 31 March 2025 is £171k.

As the Actuary’s report is based on estimates and due to timing issues, an adjustment of £7,328 has been made in 2023/24 (£3,092 in 2022/23), to bring the position in the Scheme based on the Actuarial figures in line with the closing position as at 31 March 2024 (before applying any asset ceiling adjustments). This variance has been treated as Actuarial Gains and Losses on Pension Assets and Liabilities.

NOTE 25 – EVENTS AFTER THE REPORTING PERIOD

The Statement of Accounts was authorised by the Head of Finance on 29 October 2024. Events taking place after this date are not reflected in the financial statements or related notes. Where events taking place before this date provided information about conditions existing at 31 March 2024, the figures in the financial statements and notes have been adjusted in all material respects to reflect its impact. The accounts have been updated since published subject to audit, to incorporate auditor recommendations.

2023-2024 Annual Governance Statement

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.

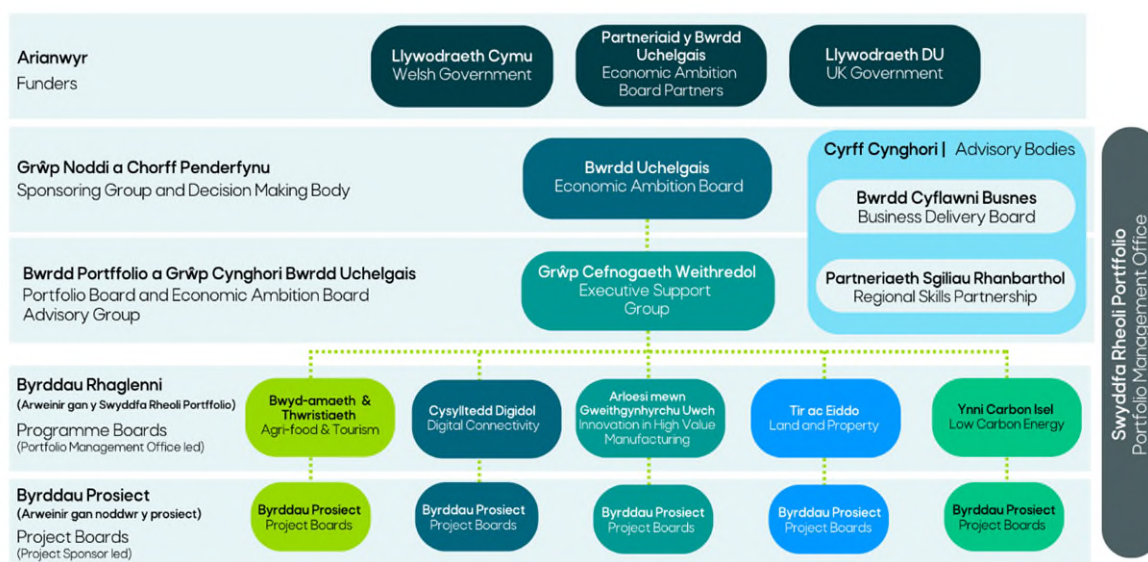
- The Portfolio Management Office has developed an Integrated Assurance and Approval Plan, Monitoring and Evaluation Plan and Portfolio Business Plan.
- The Economic Ambition Board meeting papers are published on the Host Authority website as well as Ambition North Wales' website. This includes quarterly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

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.

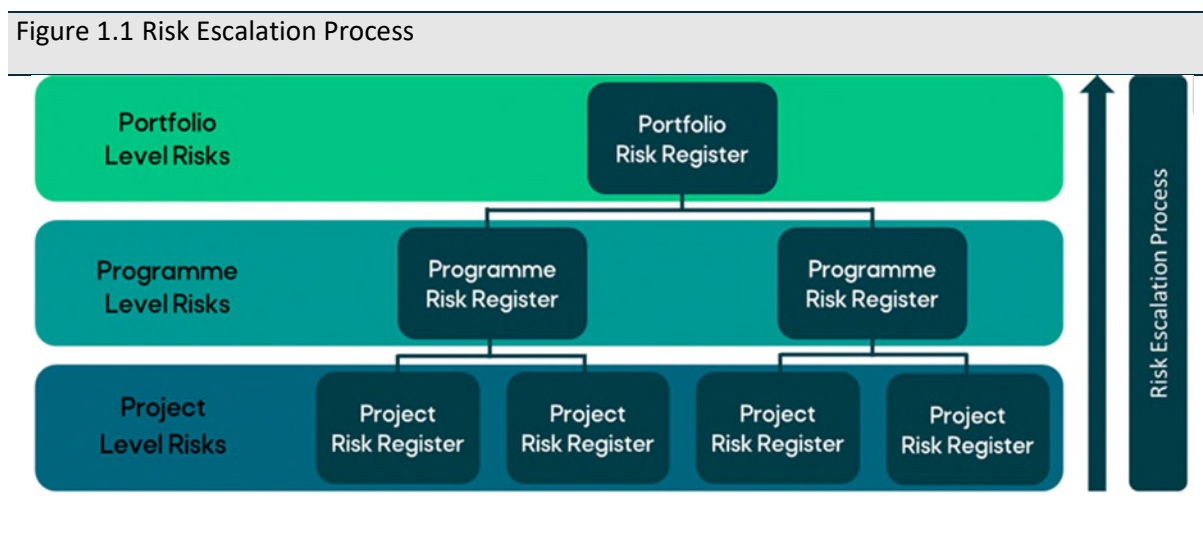
The Risk and Issues Management Strategy is owned by the Portfolio Management Office and stored in their document management system. Each project will be required to set out their risk management strategy as part of the project business cases.

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.

Signed on behalf of Ambition North Wales

Councillor Dyfrig Siencyn
Chair of the Economic Ambition Board

Alwen Williams
Portfolio Director

Proposed Audit Report

The report of the Auditor General for Wales to the members of North Wales Economic Ambition Board Joint Committee

Opinion on financial statements

I have audited the financial statements of the North Wales Economic Ambition Board Joint Committee for the year ended 31 March 2024 under the Public Audit (Wales) Act 2004.

The North Wales Economic Ambition Board Joint Committee's financial statements comprise the Expenditure and Funding Analysis, the Movement in Reserves Statement, the Comprehensive Income and Expenditure Statement, the Balance Sheet, the Cash Flow Statement and the related notes, including the material accounting policies.

The financial reporting framework that has been applied in their preparation is applicable law and UK adopted international accounting standards as interpreted and adapted by the Code of Practice on Local Authority Accounting in the United Kingdom 2023-24.

In my opinion, in all material respects, the financial statements:

- give a true and fair view of the financial position of North Wales Economic Ambition Board Joint Committee and of its income and expenditure for the year then ended; and
- have been properly prepared in accordance with legislative requirements and UK adopted international accounting standards as interpreted and adapted by the Code of Practice on Local Authority Accounting in the United Kingdom 2023-24.

Basis of opinion

I conducted my audit in accordance with applicable law and International Standards on Auditing in the UK (ISAs (UK)) and Practice Note 10 'Audit of Financial Statements of Public Sector Entities in the United Kingdom'. My responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of my report.

My staff and I are independent of the North Wales Economic Ambition Board Joint Committee in accordance with the ethical requirements that are relevant to my audit of the financial statements in the UK including the Financial Reporting Council's Ethical Standard, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Conclusions relating to going concern

In auditing the financial statements, I have concluded that the use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work I have performed, I have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the North Wales Economic Ambition Board Joint Committee's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from when the financial statements are authorised for issue.

My responsibilities and the responsibilities of the responsible financial officer with respect to going concern are described in the relevant sections of this report.

Other Information

The other information comprises the information included in the Statement of Accounts other than the financial statements and my auditor's report thereon. The Responsible Financial Officer is responsible for the other information contained within the Statement of Accounts. My opinion on the financial statements does not cover the other

information and, except to the extent otherwise explicitly stated in my report, I do not express any form of assurance conclusion thereon.

My responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If I identify such material inconsistencies or apparent material misstatements, I am required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact.

I have nothing to report in this regard.

Opinion on other matters

In my opinion, based on the work undertaken in the course of my audit:

- the information contained in the Narrative Report for the financial year for which the financial statements are prepared is consistent with the financial statements and is in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom 2023-24;
- The information given in the Governance Statement for the financial year for which the financial statements are prepared is consistent with the financial statements and is in accordance with guidance.

Matters on which I report by exception

In the light of the knowledge and understanding of the North Wales Economic Ambition Board Joint Committee and its environment obtained in the course of the audit, I have not identified material misstatements in the Narrative Report or the Governance Statement.

I have nothing to report in respect of the following matters, which I report to you, if, in my opinion:

- I have not received all the information and explanations I require for my audit;
- adequate accounting records have not been kept, or returns adequate for my audit have not been received from branches not visited by my team; or
- the financial statements are not in agreement with the accounting records and returns.

Responsibilities of the responsible financial officer for the financial statements

As explained more fully in the Statement of Responsibilities for the Statement of Accounts, the responsible financial officer is responsible for:

- the preparation of the statement of accounts which give a true and fair view and comply with proper practices;
- maintaining proper accounting records;
- internal controls as the responsible financial officer determines is necessary to enable the preparation of statements of accounts that are free from material misstatement, whether due to fraud or error; and
- assessing the North Wales Economic Ambition Board Joint ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless the responsible financial officer anticipates that the services provided by the North Wales Economic Ambition Board Joint Committee will not continue to be provided in the future.

Auditor's responsibilities for the audit of the financial statements

My responsibility is to audit the financial statements in accordance with the Public Audit (Wales) Act 2004.

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and

are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. I design procedures in line with my responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud.

My procedures included the following:

- Enquiring of management and those charged with governance, including obtaining and reviewing supporting documentation relating to North Wales Economic Ambition Board Joint Committee's policies and procedures concerned with:
 - identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
 - detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud; and
 - the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations.
- Considering as an audit team how and where fraud might occur in the financial statements and any potential indicators of fraud. As part of this discussion, I identified potential for fraud in the posting of unusual journals;
- Obtaining an understanding of North Wales Economic Ambition Board Joint Committee's framework of authority as well as other legal and regulatory frameworks that North Wales Economic Ambition Board Joint operates in, focusing on those laws and regulations that had a direct effect on the financial statements or that had a fundamental effect on the operations of North Wales Economic Ambition Board Joint Committee; and
- Obtaining an understanding of related party relationships.

In addition to the above, my procedures to respond to identified risks included the following:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with relevant laws and regulations discussed above;
- enquiring of management and the North Wales Economic Ambition Board Joint Committee about actual and potential litigation and claims;
- reading minutes of meetings of those charged with governance;
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

I also communicated relevant identified laws and regulations and potential fraud risks to all audit team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

The extent to which my procedures are capable of detecting irregularities, including fraud, is affected by the inherent difficulty in detecting irregularities, the effectiveness of the North Wales Economic Ambition Board Joint Committee's controls, and the nature, timing and extent of the audit procedures performed.

A further description of the auditor's responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website www.frc.org.uk/auditorsresponsibilities. This description forms part of my auditor's report.

Other auditor's responsibilities

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

Certificate of completion of audit

I certify that I have completed the audit of the accounts of North Wales Economic Ambition Board Joint Committee in accordance with the requirements of the Public Audit (Wales) Act 2004 and the Auditor General for Wales' Code of Audit Practice.

Adrian Crompton
Auditor General for Wales
11 November 2024

1 Capital Quarter
Tyndall Street
Cardiff, CF10 4BZ

The maintenance and integrity of Cyngor Gwynedd's website is the responsibility of the Head of Corporate Services; the work carried out by auditors does not involve consideration of these matters and accordingly auditors accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the website.

Glossary

Actuarial Gains and Losses - For a defined benefit pension scheme, the changes in actuarial surpluses that arise because events have not coincided with the actuarial assumptions made for the last valuation (experience gains and losses) or the actuarial assumptions have changed.

Asset - Items of worth that are measurable in terms of value.

- A current asset will be consumed or will cease to have material value within the next financial year.
- A non-current asset provides benefit to the Joint Committee and to the services it provides for a period of more than one year.

Balances (or Reserves) - These represent accumulated funds available to the Joint Committee. Some balances (reserve) may be earmarked for specific purposes for funding future defined initiatives or meeting identified risks or liabilities.

Capital Adjustment Account - A reserve set aside from revenue resources or capital receipts to fund capital expenditure or the repayment of external loans and certain other capital financing transactions.

Capital Expenditure - Expenditure on the procurement of a non-current asset, which will be used in providing services beyond the current accounting period or expenditure that adds to, and not merely maintains, value of an existing non-current asset.

Capital Financing - Funds obtained to pay for capital expenditure. There are various methods of financing capital expenditure including borrowing, leasing, direct revenue financing, usable capital receipts, capital grants, capital contributions, revenue reserves and earmarked reserves.

CIPFA (Chartered Institute of Public Finance and Accounting) - The professional institute for accountants working in the public sector.

Creditors - Amounts owed by the Joint Committee for work done, goods received or services rendered, for which payments have not been made by the end of that accounting period.

Current Service Cost - The increase in the present value of a defined benefit pension scheme's liabilities expected to arise from employee service in the current period.

Debtors - Amount owed to the Joint Committee for work done, goods received or service rendered within the accounting period, but for which payment has not been received by the end of that accounting period.

Defined Benefit Scheme - A pension or other retirement benefit scheme other than a defined contribution scheme.

Defined Contribution Scheme - A pension or other retirement benefit scheme into which an employee pays regular fixed contributions as an amount or as a percentage of pay, and will have no legal or constructive obligation to pay further contributions if the scheme does not have sufficient assets to pay all employees benefits relating to the employee Service in the current and prior periods.

Depreciation - A measure of the cost of the economic benefits of the tangible fixed assets consumed during the period.

Fair Value - The price that would be received to sell an asset, or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

General Fund - This is the main revenue fund of the Joint Committee and it includes the net cost of all services financed by partners' contributions and Government grants.

International Financial Reporting Standards (IFRS) - A suite of accounting standards used across the world. They must be applied by all reporting entities to all financial statements in order to provide a true and fair view of the entity's financial position, and a standardised method of comparison with financial statements of the other entities.

Liability - Amounts due to individuals or organisations which will have to be paid at some time in the future.

Related Parties - Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial or operating decisions.