



REPORT TO THE NORTH WALES ECONOMIC AMBITION BOARD
6th of December, 2024

TITLE: Former North Wales Hospital, Denbigh – Change Request

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1. PURPOSE OF THE REPORT

- 1.1. The purpose of the report is to submit a change request for the Former North Wales Hospital Project for consideration by the Board.

2. DECISION SOUGHT

- 2.1. That the Board agree in principle to the change request for the grant recipient for the Former North Wales Hospital project and delegate to the Portfolio Director in consultation with the Chair, Vice Chair, Host Authority Section 151 Officer and Monitoring Officer to agree the detail of the change requests including any further amendments that may be required to complete and enter into the Grant Funding Agreement.

3. REASONS FOR THE DECISION

- 3.1. The Full Business Case (FBC) for this Project was prepared on behalf of Jones Bros Ruthin (Civil Engineering) Co. Ltd and approved by the Board on the 17th of May, 2024.
- 3.2. The Full Business Case stated that 'Jones Bros Ruthin (Civil Engineering) Co. Ltd will be contracting this project through its holding company - Jones Bros Ruthin Development Holdings Ltd'.
- 3.3. Initial negotiations identified that Jones Bros Ruthin (Civil Engineering) Co. Ltd was not to be a party to any contractual documents relating to the project. Consequently, NWH Ltd were introduced by Jones Bros Ruthin (Civil Engineering) Co. Ltd as the proposed new grant recipient and Special Purpose Vehicle for the project with Jones Bros Ruthin Development Holdings Ltd company acting as the guarantor.



4. CURRENT POSITION AND NEXT STEPS

4.1. The current position for the project is as follows:

- Ambition North Wales's Grant Funding Agreement is at an advanced stage and the Portfolio Management Office are seeking to have an agreed draft before Christmas.
- UK Government confirmed the Levelling Up Funding Round 3 of £3m for the project in November 2024.
- The Section 106 Agreement (s106) is currently being negotiated between Denbighshire County Council and NWH Ltd.

4.2. Next Steps to move the project into delivery:

The following items will need to be completed to move the project into delivery:

- Denbighshire County Council and NWH Ltd to agree final position on s106 and schedule of planning conditions and complete the agreement;
- Ambition North Wales to confirm Subsidy Control position;
- Ambition North Wales/ NWH Ltd to agree Grant Funding Agreement;
- Denbighshire County Council / Jones Bros Ruthin (Civil Engineering) Co. Ltd to agree the Levelling Up Funding MoU agreement.

5. DUE DILIGENCE

5.1 The Portfolio Management Office has undertaken such due diligence as is possible on the grant recipient and guarantor. This has comprised checks at the London Gazette, Companies House and Dunn & Bradstreet reports. All these enquiries have confirmed that the Directors of the grant recipient and guarantor are the same individuals as per Jones Bros Ruthin (Civil Engineering) Co. Ltd.

5.2 The enquiries have confirmed that neither of these companies have any charges or applications for winding up made against them. It should be noted that both of these firms are named parties on the Development Agreement granted by Denbighshire County Council to NWH Ltd. The Ambition North Wales Grant Funding Agreement would therefore be bought into line with the companies linked to the Development Agreement and who will hold the freehold title for the site once the conveyance from Denbighshire County Council completes.

6. CONCLUSIONS

6.1. This change request resolves an administrative oversight in the drafting of the Full Business Case which conflicted with the Development Agreement completed between Denbighshire County Council and NWH Ltd. This change request ensures that the parties to the Ambition

North Wales Grant Funding Agreement and the parties to the Development Agreement, and in due course the legal owners of the site are consistent.

7. FINANCIAL IMPLICATIONS

7.1. There are no direct financial implications arising from this decision.

8. LEGAL IMPLICATIONS

8.1 Approval of the change request would provide the delegated authority to the Portfolio Director to conclude negotiations and enter into the Grant Funding Agreement in consultation with the Chair, Vice-Chair, Monitoring Officer and s151 Officer.

STATUTORY OFFICERS RESPONSE:

i. Monitoring Officer:

“This report deals with a technical issue related to this site and the funding documents – It aligns the Growth Deal investment with Denbighshire County Councils parallel arrangements. The proposed decision is supported by legal advice.”

ii. Statutory Finance Officer:

"I am satisfied that the decision sought is appropriate in terms of the arrangements in place to safeguard the financial resources of the Growth Deal. Ensuring legal consistency as outlined above is essential in terms of project governance.”