

# Public Document Pack



CYNGOR SIR  
YNYS MÔN  
ISLE OF ANGLESEY  
COUNTY COUNCIL

Mrs Annwen Morgan  
Prif Weithredwr – Chief Executive

CYNGOR SIR YNYS MÔN  
ISLE OF ANGLESEY COUNTY COUNCIL  
Swyddfeydd y Cyngor - Council Offices  
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<b>RHYBUDD O GYFARFOD</b>	<b>NOTICE OF MEETING</b>
<b>PWYLLGOR GWAITH</b>	<b>THE EXECUTIVE</b>
<b>DYDD LLUN 30 TACHWEDD 2020 10.00 o'r gloch</b>	<b>MONDAY 30 NOVEMBER 2020 10.00 am</b>
<b>CYFARFOD RHITHIOL - (AR HYN O BRYD NID OES MODD I'R CYHOEDD FYNYCHU'R CYFARFOD)</b>	<b>VIRTUAL MEETING - (AT PRESENT, MEMBERS OF THE PUBLIC ARE UNABLE TO ATTEND)</b>
Swyddog Pwyllgor	<b>Ann Holmes</b> 01248 752518 Committee Officer

## **AELODAU/MEMBERS**

### **Plaid Cymru/Party of Wales**

Llinos Medi Huws, Carwyn Jones, R Meirion Jones, Alun W Mummery, Robert G Parry, OBE, FRAgS, Robin Wyn Williams

### **Annibynnol/Independent**

Richard Dew, Dafydd Rhys Thomas, Ieuan Williams

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I Aelodau'r Cyngor Sir / To the Members of the County Council

Bydd aelod sydd ddim ar y Pwyllgor Gwaith yn cael gwahoddiad i'r cyfarfod i siarad (ond nid i bleidleisio) os ydy o/hi wedi gofyn am gael rhoddi eitem ar y rhaglen dan Reolau Gweithdrefn y Pwyllgor Gwaith. Efallai bydd y Pwyllgor Gwaith yn ystyried ceisiadau gan aelodau sydd ddim ar y Pwyllgor Gwaith i siarad ar faterion eraill.

A non-Executive member will be invited to the meeting and may speak (but not vote) during the meeting, if he/she has requested the item to be placed on the agenda under the Executive Procedure Rules. Requests by non-Executive members to speak on other matters may be considered at the discretion of The Executive.

At present this Committee is not being webcast live. A recording of the meeting will be made available on the Council's website as soon as possible.

## **A G E N D A**

**1 DECLARATION OF INTEREST**

To receive any declaration of interest from a Member or Officer in respect of any item of business.

**2 URGENT MATTERS CERTIFIED BY THE CHIEF EXECUTIVE OR HER APPOINTED OFFICER**

No urgent matters at the time of dispatch of this agenda.

**3 MINUTES (Pages 1 - 6)**

To submit for confirmation, the draft minutes of the meeting of the Executive held on 26 October 2020.

**4 THE EXECUTIVE'S FORWARD WORK PROGRAMME (Pages 7 - 20)**

To submit a report by the Head of Democratic Services.

**5 CORPORATE SCORECARD - QUARTER 2, 2020/21 (Pages 21 - 34)**

To submit a report by the Head of Profession, HR and Transformation.

**6 ADOPTION OF ANNUAL DELIVERY DOCUMENT 2020-22 (Pages 35 - 44)**

To submit a report by the Head of Profession, HR and Transformation.

**7 REVENUE BUDGET MONITORING - QUARTER 2, 2020/21 (Pages 45 - 74)**

To submit a report by the Director of Function (Resources)/Section 151 Officer.

**8 CAPITAL BUDGET MONITORING - QUARTER 2, 2020/21 (Pages 75 - 88)**

To submit a report by the Director of Function (Resources)/Section 151 Officer.

**9 HRA BUDGET MONITORING REPORT - QUARTER 2, 2020/21 (Pages 89 - 96)**

To submit a report by the Director of Function (Resources)/Section 151 Officer.

**10 COUNCIL TAX BASE 2021/22 (Pages 97 - 104)**

To submit a report by the Director of Function (Resources)/Section 151 Officer.

**11 FINAL GROWTH DEAL (Pages 105 - 300)**

To submit a report by the Director of Function (Council Business)/Monitoring Officer.

**12 CYNGOR SIR YNYS MÔN AND BETSI CADWALADR UNIVERSITY HEALTH BOARD SHARED SERVICE DELIVERY (POOLED BUDGET) PILOT – LEARNING DISABILITIES (Pages 301 - 308)**

**At present this Committee is not being webcast live. A recording of the meeting will be made available on the Council's website as soon as possible.**

To submit a report by the Interim Head of Adults' Services.

**13 AMENDING THE CONSTITUTIONAL PROCESS IN RELATION TO THE SETTING OF THE COUNCIL'S BUDGET (Pages 309 - 314)**

To submit a report by the Director of Function (Council Business)/Monitoring Officer.

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## THE EXECUTIVE

### Minutes of the virtual meeting held on 26 October 2020

- PRESENT:** Councillor Llinos Medi Huws (Chair)  
Councillor Ieuan Williams (Vice-Chair)
- Councillors Richard A Dew, Carwyn Jones, R Meirion Jones, Alun Mummery, Bob Parry OBE FRAGS, Dafydd R Thomas, Robin Williams.
- IN ATTENDANCE:** Chief Executive,  
Director of Function (Resources)/Section 151 Officer,  
Director of Function (Council Business)/Monitoring Officer,  
Director of Education, Skills and Young People,  
Interim Director of Social Services,  
Head of Highways, Waste and Property,  
Head of Profession (Human Resources) and Transformation,  
Head of Democratic Services,  
Programme, Business Planning and Performance Manager (GM) (for item 5),  
Principal Development Officer (Housing Services) (AJ) (for item 7),  
Chief Waste Management Officer (ME) (for item 8),  
Committee Officer (MEH).
- ALSO PRESENT:** Councillors Glyn Haynes, T LI Hughes MBE, Aled M Jones, G O Jones, Bryan Owen, Dylan Rees, Alun Roberts, Dafydd Roberts. Communications Officer (GJ), Scrutiny Officer (SR), Mr Gareth W Williams (Local Democracy Reporter).
- APOLOGIES:** Deputy Chief Executive.

#### 1 DECLARATION OF INTEREST

None received.

#### 2 URGENT MATTERS CERTIFIED BY THE CHIEF EXECUTIVE OR HER APPOINTED OFFICER

None to report.

#### 3 MINUTES

The minutes of the previous meeting of the Executive held on 28 September, 2020 were presented for the Executive's approval.

**It was RESOLVED that the minutes of the previous meeting of the Executive held on 28 September, 2020 be confirmed as correct.**

#### **4 THE EXECUTIVE'S FORWARD WORK PROGRAMME**

The report of the Head of Democratic Services incorporating the Executive's Forward Work Programme for the period November 2020 to June 2021 was presented for consideration and the following new items were noted:-

- **For the 30 November, 2020 meeting**

**New Item** – Pooled budget for Learning Disabilities

- **For the 14 December, 2020 meeting:-**

Item 13 - Council Tax Premium for Second Homes

- **For the 25 January, 2020 meeting:-**

Item 17 - Interim Housing Strategy 2020/21

- **For the March 2021 meeting:-**

- Item 19 - Annual Equality Report 2019/20;
- Item 28 - Housing Revenue Account (HRA) Business Plan;

- **For the June 2021 meeting:-**

- Item 36 - Welsh Language Standards Annual Report 2020/21;
- Item 38 - Corporate Scorecard – Quarter 4, 2020/21;
- Item 39 - Revenue Budget Monitoring Report – Quarter 4, 2020/21;
- Item 40 - Capital Budget Monitoring Report – Quarter 4, 2020/21;
- Item 41 - Housing Revenue Account Budget Monitoring Report – Quarter 4, 2020/21.

**It was RESOLVED to confirm the Executive's updated Forward Work Programme for the period November 2020 to June 2021 as presented.**

#### **5 ANNUAL PERFORMANCE REPORT 2019/20**

The report of the Head of Profession (Human Resources) and Transformation on the Annual Performance Report 2019/20 was presented to the Executive for consideration. The report which the Authority is statutorily required to publish provided a review of the following:-

- the Authority's progress in delivering against its Annual Delivery Document for 2019/20 as outlined under 3 priority objectives (para 1.3 refers);

- its overall performance including performance based on national indicators (PAM indicators and local KPIs).

The Portfolio Holder for Corporate Services highlighted a number of achievements under the 3 key objectives whilst also recognising that there are areas of performance where further improvement can be made. He noted that there are 3 performance indicators which is highlighted in red within the report. The Portfolio Holder further referred to a number of notable successes which was noted within the report. In highlighting these and other achievements, the Portfolio Member thanked the Council's staff without whose dedication and hard work they would not have been possible. Looking forwards, although the Council continues to face challenge and uncertainty in delivering its services, he was nevertheless confident that with the support of its staff and partners it would be able to make further improvements and achieve positive outcomes for the people of Anglesey.

Councillor Aled Morris Jones, Chair of the Corporate Scrutiny Committee said that the Scrutiny Committee in considering the Annual Performance Report at its meeting on 20 October, and the Scrutiny Committee was pleased to recommend the Annual Performance Report to the Executive.

The Portfolio Holder for Highways, Property and Waste referred that the recycling figures showed a decrease recently. He noted that previously recyclable material was taken out of the black bins but now the whole contents of black bin waste is taken to Parc Adfer for incineration. It was noted that the target of 70% is expected by 2024 and the Island recycling figures is already near the Welsh Government target.

The Executive acknowledged the many successes to which the report is testament which it agreed were due to clear leadership, a committed workforce and an effective performance management, assessment and reporting system.

**It was RESOLVED to approve the 2019/20 Performance Report as a reflection of the Authority's work and should be published by the statutory date at the end of October.**

## **6 PUBLIC SERVICES OMBUDSMAN FOR WALES - ANNUAL LETTER 2019/20**

The report of the Director of Function (Council Business)/Monitoring Officer was presented to the Executive for consideration.

The Portfolio Holder for Corporate Services said that the Public Services Ombudsman for Wales – Annual Letter 2019/20 is an annual report on the work undertaken by the Ombudsman over the previous 12 months. He noted that this a positive report as complaints lodged against the Council has decreased. Of the 26 complaints lodged with the Public Services Ombudsman for Wales, he concluded that 25 did not require an investigation by his office and 1 complaint lodged was dealt with by way of an early resolution.

**It was RESOLVED to accept the Public Services Ombudsman for Wales' Annual Letter for 2019/20 and delegates to the Director of Function (Council Business)/Monitoring Officer to write to the Public Services Ombudsman for Wales by 30 November, 2020 to confirm the same and to state that the**

**Council will continue to monitor complaints, and thereby provide members with the required information in order to help scrutinise performance.**

## **7 CORPORATE PREVENTION AND EARLY INTERVENTION STRATEGY**

The report of the Interim Director of Social Services and Head of Housing Services in relation to the Corporate Prevention and Early Intervention Strategy and the timeframe for implementation was presented to the Executive for consideration.

The Chair and Portfolio Holder for Social Services said that the strategy is to promote people to be able to have a better quality of life. The Prevention Action is defined as the adoption of approaches which build on the active participation of service users and communities to ensure improved outcomes and contribute significantly to making the best possible use of money and other assets.

The Principal Development Officer (Housing Services) reported that the Prevention and Early Intervention has an integral role to play in reducing demand upon statutory, frontline provision, thus reducing costs and ensuring that all citizens including some of the most vulnerable receive timely interventions to meet their diverse needs. The Strategy will focus on an Authority wide approach, as outlined in the Action Plan, and will be implemented in parallel with the Council's Corporate Plan in achieving the 3 core corporate aims as outlined in the report. He further reported that there is a need for a corporate approach and ownership of the Prevention Strategy which includes financial and staff time across all the Council's Departments if the aims of the Corporate Prevention and Early Intervention Strategy is to be fully achieved. Financial commitment is to be identified over the forthcoming 18 months to 2 years as needs and priorities become clearer. The Officer further reported that partnership working is key to the success of this Strategy.

Councillor Aled Morris Jones, Chair of the Corporate Scrutiny Committee said that the Scrutiny Committee in considering the Corporate Prevention and Early Intervention Strategy at its meeting on 20 October, the Scrutiny Committee was pleased to recommend the Strategy to the Executive.

The Chair referred that the Corporate Scrutiny Committee raised concerns as to future financial implications of the Strategy as it will be dependent on the allocation of grants. The Director of Function (Resources)/Section 151 Officer said that the success of the Strategy can reduce substantial costs to the Authority over the coming years with people not having to be dependent on services afforded by the Council.

**It was RESOLVED to approve the Corporate Prevention and Early Intervention Strategy and Action Plan.**

## **8 GREEN GARDEN WASTE COLLECTION - CHARGING METHODOLOGY AND IMPLEMENTATION PLAN**

The joint report by the Director of Function (Resources)/Section 151 Officer and the Head of Highways, Waste and Property was presented to the Executive for consideration.



The Portfolio Holder for Highways, Waste and Property reported that the Executive on 27 January, 2020 approved an all year round, fortnightly chargeable Green Garden Waste collection service from 1 April, 2021. He noted that this Authority is the only local authority in North Wales that does not charge for green garden waste collection and the recommendation of Welsh Government is that a charge should be implemented on green waste collection in compliance with the national waste strategy towards zero waste. The current green bin will be used by the households and the collection service will be 26 times per year with an yearly charge of £35 and an additional charge of £30 for any additional green bin. The payment will be a yearly payment with households given an option to pay online or over the phone. An identification sticker will be afforded as part of the Information Pack that households will receive once they have signed up and paid for the service. He said that there will be no charge on village halls, cemeteries, churches and chapels. The Portfolio Holder referred to the summary of estimated costs as was shown at 5.4 within the report and the need to employ 2 additional Customer Services Advisors on a temporary basis to administer the process of charging for green garden waste.

Councillor Gwilym O Jones, Chair of the Partnership and Regeneration Scrutiny Committee gave an indepth report on the discussion undertaken by the Scrutiny Committee in considering the charging for the collection of Green Garden Waste Collection at its meeting on 22 October. He said that the Scrutiny Committee recommended to the Executive that a charge for green garden waste collection be implemented from April 2021.

The Portfolio Holder for Finance said that without charging a fee for green garden waste collection for households we wish to receive this service, it would have resulted in the council tax having to be increased by an additional 1%.

The Chair considered that the 'frequently asked questions', as part of the report at Appendix 2, needs to be published on the Council's website for residents to view as part of the implementation of the charging of green garden waste collection.

**It was RESOLVED to authorise:-**

- **The charge of £35 per annum for the first Green Garden Waste wheeled bin collection service and £30 per annum for additional wheeled bins;**
- **The additional expenditure budget as set out in paragraph 5.4, with the additional expenditure budget being funded from the income generated by implementing the charge;**
- **That the 'frequently asked questions', as part of this report at Appendix 2, be published on the Council's website.**

The meeting concluded at 11.00 am

**COUNCILLOR LLINOS M HUWS  
CHAIR**

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<b>Isle of Anglesey County Council</b>	
<b>Report to:</b>	<b>The Executive</b>
<b>Date:</b>	<b>30 November 2020</b>
<b>Subject:</b>	<b>The Executive's Forward Work Programme</b>
<b>Portfolio Holder(s):</b>	<b>Cllr Llinos Medi</b>
<b>Head of Service / Director:</b>	<b>Lynn Ball Director of Function – Council Business / Monitoring Officer</b>
<b>Report Author:</b> Tel: E-mail:	<b>Huw Jones, Head of Democratic Services</b> <b>01248 752108</b> <a href="mailto:JHuwJones@anglesey.gov.uk">JHuwJones@anglesey.gov.uk</a>
<b>Local Members:</b>	<b>Not applicable</b>

<b>A –Recommendation/s and reason/s</b>
<p>In accordance with its Constitution, the Council is required to publish a forward work programme and to update it regularly. The Executive Forward Work Programme is published each month to enable both members of the Council and the public to see what key decisions are likely to be taken over the coming months.</p> <p>The Executive is requested to:</p> <p>confirm the attached updated work programme which covers <b>December 2020 – July 2021</b>;</p> <p>identify any matters for specific input and consultation with the Council's Scrutiny Committees during the Covid-19 emergency whilst taking into account the strategy for committee meetings up to 30 April 2021 endorsed by group leaders on 12 May 2020, which notes the expectations with regard to convening scrutiny committee meetings.</p> <p>note that the forward work programme is updated monthly and submitted as a standing monthly item to the Executive.</p>

\* Key:  
*S = Strategic – key corporate plans or initiatives*  
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**B – What other options did you consider and why did you reject them and/or opt for this option?**

-

**C – Why is this a decision for the Executive?**

The approval of the Executive is sought before each update is published to strengthen accountability and forward planning arrangements.

**CH – Is this decision consistent with policy approved by the full Council?**

Yes

**D – Is this decision within the budget approved by the Council?**

Not applicable.

**DD – Impact on our Future Generations(if relevant)**

<b>1</b>	<b>How does this decision impact on our long term needs as an Island</b>	Not relevant.
<b>2</b>	<b>Is this a decision which it is envisaged will prevent future costs / dependencies on the Authority. If so, how:-</b>	
<b>3</b>	<b>Have we been working collaboratively with other organisations to come to this decision, if so, please advise whom:</b>	
<b>4</b>	<b>Have Anglesey citizens played a part in drafting this way forward? Please explain how:-</b>	
<b>5</b>	<b>Outline what impact does this decision have on the Equalities agenda and the Welsh language</b>	

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<b>E – Who did you consult?</b>		<b>What did they say?</b>
<b>1</b>	<b>Chief Executive / Senior Leadership Team (SLT)</b> (mandatory)	The forward work programme is discussed at Heads of Service meetings ('Penaethiaid') on a monthly basis (standing agenda item).  It is also circulated regularly to Heads of Services for updates.
<b>2</b>	<b>Finance / Section 151</b> (mandatory)	
<b>3</b>	<b>Legal / Monitoring Officer</b> (mandatory)	
<b>4</b>	<b>Human Resources (HR)</b>	
<b>5</b>	<b>Property</b>	
<b>6</b>	<b>Information Communication Technology (ICT)</b>	
<b>7</b>	<b>Procurement</b>	
<b>8</b>	<b>Scrutiny</b>	Under normal circumstances, monthly joint discussions take place on the work programmes of the Executive and the two Scrutiny Committees in order to ensure alignment.
<b>9</b>	<b>Local Members</b>	Not applicable.

<b>F - Appendices:</b>
The Executive's Forward Work Programme: December 2020 – July 2021.

<b>FF - Background papers (please contact the author of the Report for any further information):</b>

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# The Executive's Forward Work Programme

## Period: December 2020 – July 2021

Updated 20 November 2020



The Executive's forward work programme enables both Members of the Council and the public to see what key decisions are likely to be taken by the Executive over the coming months.

Executive decisions may be taken by the Executive acting as a collective body or by individual members of the Executive acting under delegated powers. The forward work programme includes information on the decisions sought, who will make the decisions and who the lead Officers and Portfolio Holders are for each item.

Page 10 It should be noted, however, that the work programme is a flexible document as not all items requiring a decision will be known that far in advance and some timescales may need to be altered to reflect new priorities etc. The list of items included is therefore reviewed regularly and updates are published monthly.

Reports will need to be submitted from time to time regarding specific property transactions, in accordance with the Asset Management Policy and Procedures. Due to the influence of the external market, it is not possible to determine the timing of reports in advance

The latest version of the Executive's Forward Work Programme – **which is a live document and subject to change** - is set out on the following pages.

Mae'r ddogfen hon hefyd ar gael yn Gymraeg / This document is also available in Welsh.

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# The Executive's Forward Work Programme

## Period: December 2020 – July 2021

Updated 20 November 2020

Subject & *category and what decision is sought	Decision by which Portfolio Holder or, if a collective decision, why	Lead Service	Responsible Officer/ Lead Member & contact for representation	Pre-decision / Scrutiny (if applicable)	Date to Executive or, if delegated, date of publication	Date to Full Council (if applicable)
<b>December 2020</b>						
1	<b>The Executive's Forward Work Programme (S)</b>  Approval of monthly update.	The Executive	Council Business  Huw Jones Head of Democratic Services  Cllr Llinos Medi		The Executive  14 December 2020	
2	<b>Treasury Management Mid-Year Review 2020/21</b>	The Executive / Leader of the Council	Resources  Marc Jones Director of Function – Resources / Section 151 Officer  Cllr Robin Wyn Williams		The Executive  14 December 2020	
3	<b>Council Tax Premium for Second Homes</b>	The Executive / Leader of the Council	Resources  Marc Jones Director of Function – Resources / Section 151 Officer  Cllr Robin Wyn Williams		The Executive  14 December 2020	
4	<b>Sports North Wales – Business Case</b>	The Executive / Leader of the Council	Regulation and Economic Development  Christian Branch Interim Head of Regulation and Economic Development  Cllr Carwyn Jones		The Executive  14 December 2020	

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### Period: December 2020 – July 2021

Updated 20 November 2020

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5	<b>Schools' Modernisation – Llangefni Area</b>	The Executive / Leader of the Council	Learning	Rhys H Hughes Director of Education, Skills and Young People  Cllr R Meirion Jones	Corporate Scrutiny Committee  10 & 17 December 2020	The Executive  17 December 2020	
<b>January 2021</b>							
6	<b>2021/22 Budget (S)</b>  To finalise the Executive's initial draft budget proposals for consultation.	The Executive / Leader of the Council	Resources	Marc Jones Director of Function – Resources / Section 151 Officer  Cllr Robin Wyn Williams		The Executive  18 January 2021	
7	<b>The Executive's Forward Work Programme (S)</b>  Approval of monthly update.	The Executive	Council Business	Huw Jones Head of Democratic Services  Cllr Llinos Medi		The Executive  25 January 2021	
8	<b>Interim Housing Strategy 2020-21</b>	The Executive / Leader of the Council	Housing	Ned Michael Head of Housing Services  Cllr Alun W Mummery		The Executive  25 January 2021	Full Council  Date to be confirmed

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## The Executive's Forward Work Programme

Period: December 2020 – July 2021

Updated 20 November 2020

	Subject & *category and what decision is sought	Decision by which Portfolio Holder or, if a collective decision, why	Lead Service	Responsible Officer/ Lead Member & contact for representation	Pre-decision / Scrutiny (if applicable)	Date to Executive or, if delegated, date of publication	Date to Full Council (if applicable)
9	<b>Anglesey Further Education Trust Annual Report and Accounts 2019/20</b>	The Executive / Leader of the Council	Resources	Marc Jones Director of Function – Resources / Section 151 Officer  Cllr Robin Wyn Williams		The Executive  25 January 2021	
10	<b>Llangefni Golf Course</b>	The Executive / Leader of the Council	Regulation and Economic Development	Christian Branch Interim Head of Regulation and Economic Development  Cllr Carwyn Jones		The Executive  25 January 2021 (to be confirmed)	
<b>February 2021</b>							
11	<b>The Executive's Forward Work Programme (S)</b>  Approval of monthly update.	The Executive	Council Business	Huw Jones Head of Democratic Services  Cllr Llinos Medi		The Executive  15 February 2021	
<b>March 2021</b>							
12	<b>Annual Equality Report 2019/20</b>  Approval of report.	Social Services Portfolio Holder	Council Business	Lynn Ball Director of Function – Council Business / Monitoring Officer  Cllr Llinos Medi	Partnership and Regeneration Scrutiny Committee 9 March 2021	Delegated decision  March 2021	

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Period: December 2020 – July 2021

Updated 20 November 2020

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13 <b>Revenue Budget Monitoring Report – Quarter 3, 2020/21 (S)</b>  Quarterly financial monitoring report.	The Executive / Leader of the Council	Resources	Marc Jones Director of Function – Resources / Section 151 Officer  Cllr Robin Wyn Williams	Finance Scrutiny Panel (date to be confirmed)	The Executive  1 March 2021	
14 <b>Capital Budget Monitoring Report – Quarter 3, 2020/21 (S)</b>  Quarterly financial monitoring report.	The Executive / Leader of the Council	Resources	Marc Jones Director of Function – Resources / Section 151 Officer  Cllr Robin Wyn Williams	Finance Scrutiny Panel (date to be confirmed)	The Executive  1 March 2021	
15 <b>Housing Revenue Account Budget Monitoring Report – Quarter 3, 2020/21 (S)</b>  Quarterly financial monitoring report.	The Executive / Leader of the Council	Resources	Marc Jones Director of Function – Resources / Section 151 Officer  Cllr Robin Wyn Williams	Finance Scrutiny Panel (date to be confirmed)	The Executive  1 March 2021	
16 <b>Treasury Management Strategy 2021/22</b>  Adoption of strategy for the new financial year.	The Executive / Leader of the Council	Resources	Marc Jones Director of Function – Resources / Section 151 Officer  Cllr Robin Wyn Williams	Finance Scrutiny Panel (date to be confirmed)	The Executive  1 March 2021	Council 9 March 2021

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## The Executive's Forward Work Programme

Period: December 2020 – July 2021

Updated 20 November 2020

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17	<b>Charges for non-residential services 2021/22</b>  Approval.	The Executive / Leader of the Council	Adults' Services	Iola Richards Interim Head of Adults' Services  Cllr Llinos Medi	Finance Scrutiny Panel (date to be confirmed)	The Executive  1 March 2021	
18	<b>Standard Charge for Council Care Homes 2021/22</b>  Approval.	The Executive / Leader of the Council	Adults' Services	Iola Richards Interim Head of Adults' Services  Cllr Llinos Medi	Finance Scrutiny Panel (date to be confirmed)	The Executive  1 March 2021	
19	<b>Independent Sector Care Home Fees 2021/22</b>  Approval.	The Executive / Leader of the Council	Adults' Services	Iola Richards Interim Head of Adults' Services  Cllr Llinos Medi	Finance Scrutiny Panel (date to be confirmed)	The Executive  1 March 2021	
20	<b>Housing Rent HRA and Housing Service Charges 2021/22</b>	The Executive / Leader of the Council	Housing	Ned Michael Head of Housing Services  Cllr Alun W Mummery	Finance Scrutiny Panel (date to be confirmed)	The Executive  1 March 2021	
21	<b>Housing Revenue Account (HRA) Business Plan</b>	The Executive / Leader of the Council	Housing	Ned Michael Head of Housing Services  Cllr Alun W Mummery	Finance Scrutiny Panel (date to be confirmed)	The Executive  1 March 2021	

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22	<b>Medium Term Financial Strategy and Budget 2021/22 (S)</b> Adoption of final proposals for recommendation to the County Council.	The Executive / Leader of the Council	Resources	Marc Jones Director of Function – Resources / Section 151 Officer  Cllr Robin Wyn Williams	Finance Scrutiny Panel (date to be confirmed)  Corporate Scrutiny Committee	The Executive  1 March 2021	Council 9 March 2021
23	<b>Capital Strategy and Capital Programme</b>	The Executive / Leader of the Council	Resources	Marc Jones Director of Function – Resources / Section 151 Officer  Cllr Robin Wyn Williams	Finance Scrutiny Panel (13 November 2020) Finance Scrutiny Panel (date to be confirmed)	The Executive  1 March 2021	Council 9 March 2021
24	<b>Capital Budget 2021/22</b>	The Executive / Leader of the Council	Resources	Marc Jones Director of Function – Resources / Section 151 Officer  Cllr Robin Wyn Williams	Finance Scrutiny Panel (date to be confirmed)  Corporate Scrutiny Committee	The Executive  1 March 2021	Council 9 March 2021
25	<b>The Executive's Forward Work Programme (S)</b> Approval of monthly update.	The Executive	Council Business	Huw Jones Head of Democratic Services  Cllr Llinos Medi		The Executive  22 March 2021	

\* Key:

S = Strategic – key corporate plans or initiatives

O =Operational – service delivery

FI = For information

# The Executive's Forward Work Programme

Period: December 2020 – July 2021

Updated 20 November 2020

	Subject & *category and what decision is sought	Decision by which Portfolio Holder or, if a collective decision, why	Lead Service	Responsible Officer/ Lead Member & contact for representation	Pre-decision / Scrutiny (if applicable)	Date to Executive or, if delegated, date of publication	Date to Full Council (if applicable)
26	<b>Corporate Scorecard – Quarter 3, 2020/21 (S)</b> Quarterly performance monitoring report.	The Executive / Leader of the Council	Corporate Transformation	Carys Edwards Head of Profession – HR and Transformation  Cllr Dafydd Rhys Thomas	Corporate Scrutiny Committee 8 March 2021	The Executive  22 March 2021	
27	<b>Introducing Galw Gofal – Care Connect charges for Council Housing Tenants</b>	The Executive / Leader of the Council	Housing	Ned Michael Head of Housing Services  Cllr Alun W Mummery	Corporate Scrutiny Committee  (date to be confirmed)	The Executive  22 March 2021	
<b>April 2021</b>							
28	<b>The Executive's Forward Work Programme (S)</b>  Approval of monthly update.	The Executive	Council Business	Huw Jones Head of Democratic Services  Cllr Llinos Medi		The Executive  26 April 2021	
<b>May 2021</b>							
29	<b>The Executive's Forward Work Programme (S)</b>  Approval of monthly update.	The Executive	Council Business	Huw Jones Head of Democratic Services  Cllr Llinos Medi		The Executive  May 2021	

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## The Executive's Forward Work Programme

Period: December 2020 – July 2021

Updated 20 November 2020

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<b>June 2021</b>						
30	<b>Welsh Language Standards Annual Report 2020/21</b>  Approval of report.	Portfolio holder with responsibility for the Welsh language.	Council Business  Clyng Ieuan Williams	Huw Jones Head of Democratic Services  Clyng Ieuan Williams	To be confirmed	Delegated decision  June 2021
31	<b>The Executive's Forward Work Programme (S)</b>  Approval of monthly update.	The Executive	Council Business	Huw Jones Head of Democratic Services  Cllr Llinos Medi		The Executive  June 2021
32	<b>Corporate Scorecard – Quarter 4, 2020/21 (S)</b>  Quarterly performance monitoring report.	The Executive / Leader of the Council	Corporate Transformation	Carys Edwards Head of Profession – HR and Transformation  Cllr Dafydd Rhys Thomas	Corporate Scrutiny Committee  .....	The Executive  June 2021
33	<b>Revenue Budget Monitoring Report – Quarter 4, 2020/21 (S)</b>  Quarterly financial monitoring report.	The Executive / Leader of the Council	Resources	Marc Jones Director of Function – Resources / Section 151 Officer  Cllr Robin Wyn Williams	Finance Scrutiny Panel	The Executive  June 2021

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## The Executive's Forward Work Programme

Period: December 2020 – July 2021

Updated 20 November 2020

	Subject & *category and what decision is sought	Decision by which Portfolio Holder or, if a collective decision, why	Lead Service	Responsible Officer/ Lead Member & contact for representation	Pre-decision / Scrutiny (if applicable)	Date to Executive or, if delegated, date of publication	Date to Full Council (if applicable)
34	<b>Capital Budget Monitoring Report – Quarter 4, 2020/21 (S)</b>  Quarterly financial monitoring report.	The Executive / Leader of the Council	Resources	Marc Jones Director of Function – Resources / Section 151 Officer  Cllr Robin Wyn Williams	Finance Scrutiny Panel	The Executive  June 2021	
35	<b>Housing Revenue Account Budget Monitoring Report – Quarter 4, 2020/21 (S)</b>  Quarterly financial monitoring report.	The Executive / Leader of the Council	Resources	Marc Jones Director of Function – Resources / Section 151 Officer  Cllr Robin Wyn Williams	Finance Scrutiny Panel	The Executive  June 2021	
<b>July 2021</b>							
36	<b>The Executive's Forward Work Programme (S)</b>  Approval of monthly update.	The Executive	Council Business	Huw Jones Head of Democratic Services  Cllr Llinos Medi		The Executive  July 2021	

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<b>ISLE OF ANGLESEY COUNTY COUNCIL</b>	
<b>Report to:</b>	<b>EXECUTIVE COMMITTEE</b>
<b>Date:</b>	<b>30<sup>th</sup> NOVEMBER 2020</b>
<b>Subject:</b>	<b>SCORECARD MONITORING REPORT - QUARTER 2 (2020/21)</b>
<b>Portfolio Holder(s):</b>	<b>COUNCILLOR DAFYDD RHYS THOMAS</b>
<b>Head of Service / Director:</b>	<b>CARYS EDWARDS</b>
<b>Report Author:</b>	<b>GETHIN MORGAN</b>
Tel:	01248 752111
E-mail:	<a href="mailto:GethinMorgan@anglesey.gov.uk">GethinMorgan@anglesey.gov.uk</a>
<b>Local Members:</b>	<b>n/a</b>

<b>A –Recommendation/s and reason/s</b>	
<b>1.1</b>	This is the first scorecard report of 2020/21 to be considered due to the external pressures related to our response to the coronavirus pandemic.
<b>1.2</b>	It portrays the position of the Council against its operational objectives as outlined and agreed collaboratively between the Senior Leadership Team / Executive and in consultation with the Shadow Executive.
<b>1.3</b>	The Committee is requested to scrutinise the scorecard and note the areas which the Senior Leadership Team are managing to secure improvements into the future.
<p style="margin-left: 40px;">These can be summarised as follows –</p>	
<p style="margin-left: 80px;"><b>1.3.1</b> Underperformance is recognised and managed with mitigation measures completed to aide improvement during Q3 and that a close eye is kept on the indicators currently affected by the coronavirus pandemic.</p>	
<p>The Committee is asked to accept the mitigation measures outlined above.</p>	

<b>B – What other options did you consider and why did you reject them and/or opt for this option?</b>
n/a

<b>C – Why is this a decision for the Executive?</b>
This matter is delegated to the Executive

<b>CH – Is this decision consistent with policy approved by the full Council?</b>
Yes

<b>D – Is this decision within the budget approved by the Council?</b>
Yes

<b>E – Impact on our Future Generations(if relevant)</b>		
<b>1</b>	<b>How does this decision impact on our long term needs as an Island</b>	<p>The Corporate Scorecard Report gives a snapshot of the KPI performance against the Council Plan’s 3 objectives at the end of each quarter.</p> <p>All 3 objectives, below, consider the long term needs of the Island</p> <ol style="list-style-type: none"> <li>1. Ensure that the people of Anglesey can thrive and realise their longterm potential</li> <li>2. Support vulnerable adults and families to keep them safe, healthy and as independent as possible</li> <li>3. Work in partnership with our communities to ensure that they can cope effectively with change and developments whilst protecting our natural environment</li> </ol> <p>The measurement of the KPIs against each objective demonstrates how decisions are making an impact on our current performance.</p>
<b>2</b>	<b>Is this a decision which it is envisaged will prevent future costs / dependencies on the Authority. If so, how:-</b>	Performance of some KPIs could potentially have an impact on future costs however mitigation measures proposed looks to alleviate these pressures.
<b>3</b>	<b>Have we been working collaboratively with other</b>	Elements of the work monitored within the Scorecard is undertaken in a collaborative

	<b>organisations to come to this decision, if so, please advise whom:</b>	manner with other organisations such as Betsi Cadwaladr University Health Board, Welsh Government, Keep Wales Tidy, Careers Wales, Sports Wales, GWE, amongst others.
4	<b>Have Anglesey citizens played a part in drafting this way forward? Please explain how:-</b>	N/A
5	<b>Outline what impact does this decision have on the Equalities agenda and the Welsh language</b>	N/A

<b>DD – Who did you consult?</b>		<b>What did they say?</b>
1	<b>Chief Executive / Senior Leadership Team (SLT)</b> (mandatory)	This was considered by the SLT and their comments are reflected in the report
2	<b>Finance / Section 151</b> (mandatory)	No comment
3	<b>Legal / Monitoring Officer</b> (mandatory)	No comment
4	<b>Human Resources (HR)</b>	
5	<b>Property</b>	
6	<b>Information Communication Technology (ICT)</b>	
7	<b>Procurement</b>	
8	<b>Scrutiny</b>	
9	<b>Local Members</b>	

<b>F - Appendices:</b>
Appendix A - Scorecard Quarter 2

<b>FF - Background papers (please contact the author of the Report for any further information):</b>
<ul style="list-style-type: none"> <li>2019/20 Scorecard monitoring report - Quarter 3 (as presented to, and accepted by, the Executive Committee in March 2020).</li> </ul>

## **SCORECARD MONITORING REPORT – QUARTER 2 (2020/21)**

### **1. INTRODUCTION**

- 1.1. One of the Council's duties under the Wales Programme for Improvement is to make arrangements to secure continuous improvement in the exercise of our services. We are required to put in place arrangements which allow us effectively to understand local needs and priorities, and to make the best use of our resources and capacity to meet them and evaluate the impact of our actions.
- 1.2. Our Council Plan for 2017 to 2022 identifies the local needs and priorities and sets out our aims for the period.
- 1.3. This scorecard monitoring report is used as part of this process to monitor the success of our identified Key Performance Indicators (KPIs), a combination of local and nationally set indicators, in delivering the Councils day to day activities. The report also identifies any mitigating actions identified by the Senior Leadership Team (SLT) to drive and secure improvements.
- 1.4. This year's indicators included within the scorecard were agreed during July 2019. Due to the current Covid-19 pandemic, it has not been possible for us to arrange a workshop to agree on a new set of indicators for the year. Because of this the same indicators from 2019/20 will be used for consistency.
- 1.5. The quarterly reports for Q4 2019/20 and Q1 2020/21 were also affected by the Covid-19 pandemic where it was agreed to cancel their publication and discussion with the relevant committees.
- 1.6. The scorecard (appendix 1) portrays the current end of Q2 position and will (together with this report) be considered further by the Corporate Scrutiny Committee and the Executive during November. This is the first scorecard report of 2020/21 to be considered by those committees due to the external pressures related to our response to the coronavirus pandemic.

### **2. CONTEXT**

- 2.1. The performance monitoring KPIs continue to be aligned to the Councils' three strategic objectives:
  - Objective 1 - Ensure that the people of Anglesey can thrive and realise their long-term potential
  - Objective 2 - Support vulnerable adults and families to keep them safe, healthy and as independent as possible
  - Objective 3 - Work in partnership with our communities to ensure that they can cope effectively with change and developments whilst protecting our natural environment
- 2.2. It will not be possible to publish information for all KPIs on the Scorecard on a quarterly basis due to the nature of data collection methods. When this is the case, a note will indicate how often the KPI is monitored and when the data will be available for collection, e.g. (annual) (Q4), (termly) (Q3).

- 2.3. It will also not be possible to report on all indicators due to Covid-19 pandemic where some of our day to day activities have been affected due to the national lockdown and restrictions to the availability of some of our services. Some KPIs which were traditionally collected by the Welsh Government have also been suspended for the same reasons.
- 2.4. The publication of the PAM national indicators was cancelled this year due to the Covid-19 pandemic. Targets for the year have therefore been agreed based on previous year's performance and also based on how they have been affected due to the closure and reduction of some of our services.
- 2.5. Dealing with the Covid-19 crisis has been a significant challenge for the Council - not only in maintaining key front-line services and conducting normal business where possible, but also in ensuring health and safety arrangements are in place to protect the authority's staff whilst providing services.
- 2.6. Locally, we prioritised –
- Maintaining frontline statutory services,
  - Implementing new services in direct response to the crisis,
  - Planning for a significant number of deaths,
  - Protecting and safeguarding the Council workforce,
  - Ensuring an adequate supply and standard of Personal Protective Equipment (PPE),
  - Protecting and supporting vulnerable individuals and children of key workers in our School Care Hubs,
  - Implementing national guidance,
  - The administration of national grants e.g. business support; direct payments for free school meals
  - Adapting the workforce in a short space of time and creating the conditions for different ways of working including the introduction of Microsoft Teams and Zoom to enable staff and elected members to work from home that had never worked from home in the past,
  - Becoming one of the first Counties to Pilot the 'Test and Trace' system
  - Providing timely and regular communication and sharing of information, both internally and externally, and
  - Co-operating effectively at a local, regional and national level and
  - Re allocating staff duties in order to work on the Test, Trace and Protect initiative
- 2.7. It must also be emphasised that day-to-day work has continued during the crisis period across several Services, but that the approach has been adapted to keep the workforce and residents of the Island safe.
- 2.8. Further information on our response to the Covid-19 pandemic can be found in our Annual Performance Report 2019/20 which is available at <https://www.anglesey.gov.uk/councilplan>

### 3. CORPORATE HEALTH PERFORMANCE

- 3.1. It is encouraging to note that the majority (88%) of the indicators monitored are continuing to perform well against targets (Green or Yellow RAG). Some of the highlights are noted below.
- 3.2. Attendance at work is an area which is reported on monthly and is analysed to ensure improvement. At the end of Q2 the Council is GREEN against its target with 2.66 days lost to absence per FTE in the period against a target of 4.48 days lost to absence per FTE. This is an improvement on the levels seen during Q2 2019/20 where 3.96 days were lost to absence per FTE. It is also better than the 4.74 days lost to absence per FTE seen in Q2 2018/19.
- 3.3. One area which has been essential during the pandemic, both due to the closure of our offices and the cautious re-opening of some services after lockdown, is that of our digital strategy. All indicators related under the digital service shift subheading have seen performances that have surpassed previous annual results. The shift can particularly be seen with the number of registered users (item 10) where it has increased by 8k from the end of March 2020. There has also been a significant increase in the use of online web forms where the indicator (item 11) has already doubled on the performance of 2019/20, from 10.8k to 21.7k. This is an output from the drive pursued by the Business Transformation Processes Board to increase the amount of online forms available both before the pandemic and those developed from March 2020, enabling access to both traditional and new services brought in to meet the demands of processes related to the pandemic. This shift can also be seen in the visits to the Council Website during the first half of the year.
- 3.4. Currently there is no cause for concern with the customer service charter sub heading where all indicators are performing well against targets. There have been no corporate complaints in regards to customer service issues and complaints at the end of Q2 (17) were half of those in the same period of 2019/20 (35). This is positive during a time where many services provided to Anglesey residents are provided differently to the norm and also demonstrates that providing good customer service remains a priority during these difficult times.
- 3.5. The financial management section currently forecasts, on the basis of the financial position at the end of the second quarter that the Council will underspend by £1,156k for the year-ending 31 March 2021. The service budgets are expected to underspend by £1,595k due to reduced demand for Children's Services and the impact of the closure of schools during the period April to July 2020 has on central education budgets. Corporate finance is forecast to overspend by £234k due to increased benefits granted and a shortfall in interest receivable due to the economic impact of Covid-19. An underachievement of £608k is expected on the standard Council Tax. Surplus income of £404k is forecast on the Council Tax Premium. The expected net deficit on Council Tax overall is £204k. Welsh Government financial support for covid-19 related costs and compensation for lost income will help prevent the Council being overspent by several million pounds.
- 3.6. Further information on financial management can be seen in the 'Revenue Budget Monitoring Report for Q2' which will be discussed in The Executive meeting on the 30th November.

3.7. This demonstrates reasonable assurance can be provided through the use of the scorecards analysis that the Council's day to day activities in managing its people, its finances and serving its customers are delivering against their expectation to a standard which is appropriate and agreed by Members at a time of emergency. This is also reflected in the fact that the indicators from a performance management perspective are also demonstrating good performance.

#### 4. PERFORMANCE MANAGEMENT

4.1. A number of the KPIs monitored through the Scorecard have been affected by the Covid-19 pandemic and some of which will be highlighted below. There are currently 16 indicators (35% of the indicators) for which the collection of the data have either been cancelled by Welsh Government or are currently not being collected due to the redeployment of resources to deal with the pandemic within our external partners workforce. These have been highlighted in the RAG status column as CV-19 for your information.

4.2. The reasons for those which have been effected include the KPIs associated with:

- Learning Service Indicators (items 1-7) - Schools were closed until September and exams were cancelled. Libraries have also been closed
- Housing (items 18, 31-32, 34) - Homelessness indicators from the Welsh Government have been suspended, and there has been a further delay in the new software to measure tenants satisfaction because of the pandemic.
- Regulation & Economic Development (items 8, 11-12) - Leisure Centres were closed and only reopened in a phased approach over the summer. This has resulted in significantly lower visits and as a result impossible to set any meaningful targets for. The National Exercise Referral Scheme (NERS) has also been suspended because of coronavirus pandemic.
- Highways, Waste and Property (item 37) – Due to relocation of staff within our external contractor to help provide essential waste management services during the coronavirus pandemic as well as the suspension of Keep Wales Tidy monitoring, the measurement of the percentage of streets that are clean have been suspended for the time being.
- Adult Services (item 19) – The Delayed Transfer of Care (DToC) indicator has been suspended due to the essential work provided by the NHS during the coronavirus pandemic.

4.3. For the remaining indicators due to be reported in Q2 (26 indicators), the majority (73%) of which are performing above target or within 5% tolerance of their targets. We do note however that eight indicators are underperforming against their targets and are highlighted as being Red or Amber in the Scorecard.

4.4. Performance for **Objective 1** at the end of Q2 has been good where only one indicator against the objective is currently underperforming.

- 4.4.1. Indicator 10 – The percentage of high risk businesses that were subject to planned inspections that were inspected to ensure compliance with Food Hygiene Legislation – is RED with a performance of 10% against a target of 80 which is an improvement on the 0% undertaken in Q1.

This work has been affected as a result of the Covid-19 pandemic, where only 9 of the 41 planned inspections were able to take place during Q2, and none of the 49 planned in Q1 being undertaken. This was due to a number of reasons but mainly due to the closure of businesses during the initial lockdown period, which affected Q1 entirely and some of Q2 as visits couldn't be undertaken, and also because of the redeployment of staff in response to the pandemic. It is important to state that the FSA's Policy was that all official food controls (inspections) would cease and there was no requirement on LA's to carry out visits due to the Pandemic.

The Food Standards Agency (FSA) have issued guidance noting priorities for action in terms of food safety, namely where ever possible high risk (B rates) premises are a priority for inspection, coupled with re-visits, investigation of complaints and food incidents as well as fishing vessels. This guidance has been followed fully and all B rated premises due in Q1 and Q2 have been inspected.

After food businesses began to open fully and through the employment of additional resource (September onward) it has been possible to expand somewhat on the above. Virtual visits have also been carried out to minimise the time spent on the Food Premises whilst carrying out Food Hygiene Visits. This was done on a risk based approach with the highest risk overdue premises being inspected first. The fire-break has curbed this work but work will continue once in a position to do so.

- 4.5. Performance against the indicators for **Objective 2** demonstrate that Four indicators of the 14 monitored in Q2 (29%) are currently underperforming for the objective.

- 4.5.1. Indicator 26 – The percentage of children in care who had to move placements 3 or more times – which is AMBER with a performance of 6.29% against a target of 5%. This is a decline compared to the end of Q2 2019/20 where 3.8% had moved placements.

A small number of children in care have received 3 or more moves in order to achieve their plan of permanence which includes some children moving into local Cartrefi Clyd or to newly recruited Isle of Anglesey Foster Carers.

- 4.5.2. Indicator 27 – The percentage of referrals of children that are re-referrals within 12 months – which is RED with a performance of 38.89% against a target of 10%. This is a decrease in performance compared to Q2 in 2019/20 where a performance of 14.29% was recorded.

This KPI deals with a relatively small number of cases (8 children and 5 families) which can fluctuate greatly at the start of the year. A review of the re-referral case files found that they were all appropriately re-referred into the



service with all of them being re-referred due to new reasons and situations arising that could not have been foreseen or prevented.

- 4.5.3. Indicator 35 – The average number of calendar days to let lettable units of accommodation (excluding DTL's) which is RED on the scorecard with 78 days against a target of 26 days.

Due to the pandemic situation it has not been possible to let housing at the same level as would normally have followed, mainly due to the requirement to comply with coronavirus legislation and social distancing.

More lettings are now being completed but it is not expected that the annual target will be achieved for the year due to the uncertainty of the Covid-19 pandemic.

- 4.5.4. Indicator 36 - Landlord Services: Percentage of rent lost due to properties being empty is RED on the scorecard with 2.18% lost against a target of 1.50%

This indicator is directly linked with the indicator discussed above. As it has taken more time to let lettable units of accommodation then the rent lost is higher. Unfortunately it is unlikely that the target will be achievable for the year as a consequence.

- 4.6. The indicators to monitor **Objective 3** have been mixed after being affected by the Covid-19 pandemic where 50% performed well against targets in Q2. Three indicators of the six (50%) monitored for the objective have underperformed against target.

- 4.6.1. Indicator 41 – Percentage of all planning applications determined in time – which is RED with 80% against a target of 90%. This is down on the 92% seen in Q2 2019/20.

This indicator is another that has been impacted by the Covid-19 pandemic where site inspections and publicity requirements had to be suspended. Restrictions on site visits continue to be in force for both officers and the Planning Committee. An accumulated backlog of applications and adapting to new ways of working has also presented challenges for the Service, as well as delays in corresponding with planning agents due to many not being operational during the lockdown. Planning capacity and the high caseload remains a challenge.

Working practices have already been altered and will be kept under review in order to adapt as necessary, keeping a flexible approach to working practices and priorities in order to meet changing demand. Opportunities will also be recognised to strengthen the Planning capacity through the Planning Improvement Plan.

- 4.6.2. Indicator 43 – Percentage of planning appeals dismissed – which is RED with a performance of 50% against a target of 65%.

This indicator deals with very small numbers and at the end of this quarter the performance is because of the result of 3 of the 6 appeals being upheld. This indicator is dependent on the type and nature of the applications received and it is inevitable that some planning appeals will be successful.

A discussion with the Joint Planning Policy Section will follow to ensure consistency in decisions and/or officers' interpretations of applications in order to reduce successful planning appeals.

- 4.6.3. Indicator 43 - Percentage of planning enforcement cases investigated within 84 days – which is RED with a performance of 65% against a target of 80%. This is an improvement on the performance seen in Q1 where 48% of the work was completed within timescale.

Good progress is now being made despite the limitations and difficulties encountered as a result of the Covid-19 pandemic. The pandemic resulted in the usual site inspections and meetings being suspended and there were also challenges in adopting to new processes and working practices.

The current performance demonstrates a 19% increase compared to Q1 (Q1 11 out of 21, Q2 34 out of 48) and processes introduced in 2020/21 are now embedded. It is anticipated that this improvement will continue into the year ahead, dependent on the Covid-19 pandemic.

- 4.7. Whilst the day to day activities against the majority of the indicators have been ongoing during these challenging times, it is recognised that the oversight of the projects / programmes has slowed somewhat during the period due to the effects the Covid-19 has had on the workforce and the redeployment of Council staff to deal with the emergency. Since the beginning of April, the Corporate Programme Boards have only been held twice to take an overview of the current situation with the various streams of work.
- 4.8. Nevertheless, some projects appear to have progressed as expected (such as the project of a new waste collection and disposal agreement) but others have slowed somewhat. In evaluating the current situation, note that the work associated with the School Modernisation / Social Services Transformation and the business process transformation associated work streams are the ones that have slowed down as resources have been deployed to support the pandemic. Schools closed for a period of 3 months between March and July and day care centres closed during the initial lockdown period. The focus of Information Technology staff was to move quickly to allow staff and elected members to work from home in a meaningful and safe way virtually overnight.
- 4.9. These programmes are now resuming during the autumn under the supervision of the two corporate boards now chaired by the Chief Executive and Deputy Chief Executive and include representation from all political parties here in the Council. Reporting back on the education consultations held in the Llangefni area has begun, the work on developing an options appraisal on the location of further extra care housing is being completed and work linked to the social services transformation agenda is developing in a timely manner under the guidance and oversight of the Social Services Transformation Board. The decision has also been taken by the

boards to set a direction on the recovery programmes and it is anticipated that these will be adopted early in the New Year.

- 4.10. It is clearly anticipated that the effects of COVID will need to be kept under review while developing the different work streams but under the guidance of both boards it is believed that there is room to be optimistic that the various projects can develop in a timely manner over the winter period and continue to catch-up with what was going to happen before the initial lockdown period.

## **5. RECOMMENDATIONS**

- 5.1. The Committee is requested to scrutinise the scorecard and note the areas which the Senior Leadership Team are managing to secure improvements into the future. These can be summarised as follows –
  - 5.1.1. Underperformance is recognised and managed with mitigation measures completed to aide improvement during Q3 and that a close eye is kept on the indicators currently affected by the coronavirus pandemic.
- 5.2. The committee is asked to accept the mitigation measures outlined above.

Appendix A - Cerdyn Sgorio Corfforaethol - Corporate Scorecard Ch-Q2 2020/21

Rheoli Perfformiad / Performance Management	CAG / RAG	Tuedd / Trend	Canlyniad / Actual	Targed Ch/ Q Target	Targed BI / Yr Target	Canlyniad 19/20 Result	Canlyniad 18/19 Result
<b>Objective 1 - Ensure that the people of Anglesey can thrive and realise their long-term potential</b>							
1) Percentage of pupil attendance in primary schools (tymhorol) (Q3)	CV-19	-	-	-	94.60%	94.90%	94.60%
2) Percentage of pupil attendance in secondary schools (termly) (Q3)	CV-19	-	-	-	94.40%	93.90%	94.40%
3) Percentage of Year 11 leavers not in Education, Training or Employment [NEET] (annual) (Q4)	CV-19	-	-	-	2%	2%	1.10%
4) Average Capped 9 score for pupils in year 11 (annual) (Q3)	CV-19	-	-	-	-	345.4	349.1
5) Percentage of pupils assessed in Welsh at the end of the Foundation Phase (annual) (Q4)	CV-19	-	-	-	-	87.50%	88.30%
6) Percentage of year 11 pupils studying Welsh [first language] (annual) (Ch4)	CV-19	-	-	-	-	65.01%	65%
7) Percentage of Quality Indicators (with targets) achieved by the library service (annual) (Q3)	CV-19	-	-	-	75%	75%	82%
8) Number of visits to leisure centres	CV-19	↑	22.8k	-	-	530k	553k
9) Percentage of food establishments that meet food hygiene standards	Gwyrdd / Green	↑	95%	95%	95%	98%	98%
10) Percentage of high risk businesses that were subject to planned inspections that were inspected to ensure compliance with Food Hygiene Legislation	Coch / Red	↑	10%	80%	80%	92%	-
11) Percentage of NERS clients who completed the exercise programme	CV-19	-	-	-	-	75%	70%
12) Percentage of NERS clients whose health had improved on completion of the exercise programme	CV-19	-	-	-	-	84%	83%
13) Number of empty private properties brought back into use	Gwyrdd / Green	↑	45	35	70	104	78
14) Number of new homes created as a result of bringing empty properties back into use	Gwyrdd / Green	↑	7	2	5	7	9
15) Number of additional affordable housing units delivered per 10,000 households (annual) (Q4)	-	-	-	-	-	124	53
16) Landlord Services: Percentage of homes that meet the Welsh Housing Quality Standard (WHQS)	Gwyrdd / Green	⇒	100%	100%	100%	100%	100%
17) Landlord Services: Average number of days to complete repairs	Gwyrdd / Green	↓	7.38	18	18	16.44	13.63
18) Percentage of tenants satisfied with responsive repairs (annual) (Q4)	CV-19	-	-	-	-	-	-
<b>Objective 2 - Support vulnerable adults and families to keep them safe, healthy and as independent as possible</b>							
19) Rate of people kept in hospital while waiting for social care per 1,000 population aged 75+	CV-19	-	-	3	3	6.88	7.78
20) The percentage of adult protection enquiries completed within statutory timescales	Gwyrdd / Green	↓	94.96%	90%	90%	91.30%	90.91%
21) The percentage of adults who completed a period of reablement and have a reduced package of care and support 6 months later	Gwyrdd / Green	⇒	50.0%	35%	35%	50%	30.87%
22) The percentage of adults who completed a period of reablement and have no package of care and support 6 months later	Gwyrdd / Green	↑	61.10%	62%	62%	63.08%	62.84%
23) The rate of older people (aged 65 or over) whom the authority supports in care homes per 1,000 population aged 65 or over at 31 March	Gwyrdd / Green	↑	15.8	19	19	17.57	17.35
24) The percentage of carers of adults who requested an assessment or review that had an assessment or review in their own right during the year	Gwyrdd / Green	⇒	98.10%	93%	93%	98.00%	93.30%
25) Percentage of child assessments completed in time	Gwyrdd / Green	↓	90.05%	90%	90%	89.62%	86.17%
26) Percentage of children in care who had to move 3 or more times	Ambr / Amber	↓	6.29%	5.00%	10%	8.39%	9.52%
27) The percentage of referrals of children that are re-referrals within 12 months	Coch / Red	↓	38.89%	10%	10%	12.75%	16.96%
28) The average length of time for all children who were on the CPR during the year, and who were de-registered during the year (days)	Gwyrdd / Green	↑	218	270	270	224	241
29) The percentage of referrals during the year on which a decision was made within 1 working day	Gwyrdd / Green	↓	99.39%	95%	95%	98.88%	98%
30) The percentage of statutory visits to looked after children due in the year that took place in accordance with regulations	Gwyrdd / Green	↓	90%	90%	90%	86.30%	86.17%
31) Percentage of households successfully prevented from becoming homeless	CV-19	-	-	60%	60%	74.91%	55.10%
32) Percentage of households (with children) successfully prevented from becoming homeless	CV-19	-	-	60%	60%	77.70%	-
33) Average number of calendar days taken to deliver a Disabled Facilities Grant	Gwyrdd / Green	⇒	148.8	170	170	159.58	161.9
34) Decision Made on Homeless Cases within 56 days (annual) (Q4)	CV-19	-	-	-	-	-	-
35) The average number of calendar days to let lettable units of accommodation (excluding DTLs)	Coch / Red	↓	78	26	26	21.9	-
36) Landlord Services: Percentage of rent lost due to properties being empty	Coch / Red	↓	2.18%	1.50%	1.50%	1.42%	1.30%
<b>Objective 3 - Work in partnership with our communities to ensure that they can cope effectively with change and developments whilst protecting our natural environment</b>							
37) Percentage of streets that are clean	CV-19	-	-	95%	95%	93.79%	95.60%
38) Percentage of waste reused, recycled or composted	Melyn / Yellow	↑	68%	70%	67%	67.26%	69.86%
39) Average number of working days taken to clear fly-tipping incidents	Gwyrdd / Green	⇒	0.96	1	1	0.96	0.2
40) Kilograms of residual waste generated per person	Gwyrdd / Green	↓	106kg	120kg	240kg	206.17kg	240kg
41) Percentage of all planning applications determined in time	Coch / Red	↓	80%	90%	90%	90%	80%
42) Percentage of planning appeals dismissed	Coch / Red	↓	50%	65%	65%	78%	74%
43) Percentage of planning enforcement cases investigated within 84 days	Coch / Red	↑	65%	80%	80%	74%	-
44) Percentage of A roads in poor condition (annual) (Q4)	-	-	-	3%	2.90%	4%	2.90%
45) Percentage of B roads in poor condition (annual) (Q4)	-	-	-	4%	3.80%	3.80%	3.80%
46) Percentage of C roads in poor condition (annual) (Q4)	-	-	-	9%	8.70%	8.20%	8.70%

Red - more than 10% below target and/or needing significant intervention    Amber - between 5% & 10% below target and/or requiring some intervention  
 Yellow - within 5% of target    Green - on or above target

Appendix A - Cerdyn Sgorio Corfforaethol - Corporate Scorecard Ch-Q2 2020/21

Gofal Cwsmer / Customer Service	CAG / RAG	Tuedd / Trend	Canlyniad / Actual	Targed / Target	Canlyniad 19/20 Result	Canlyniad 18/19 Result
<b>Siarter Gofal Cwsmer / Customer Service Charter</b>						
01) No of Complaints received (excluding Social Services)	Gwyrdd / Green	↑	17	34	67	76
02) No of Stage 2 Complaints received for Social Services	-	↑	3	-	-	8
03) Total number of complaints upheld / partially upheld	-	↓	2	-	-	27
04a) Total % of written responses to complaints within 20 days (Corporate)	Gwyrdd / Green	⇒	100%	80%	94%	93%
04b) Total % of written responses to complaints within 15 days (Social Services)	Gwyrdd / Green	↑	91%	80%	-	57%
05) Number of Stage 1 Complaints for Social Services	-	↑	11	-	-	44
06) Number of concerns (excluding Social Services)	-	↑	25	-	136	62
07) Number of Compliments	-	↑	240	-	618	513
08) % of FOI requests responded to within timescale	Gwyrdd / Green	↑	84%	80%	82%	81%
09) Number of FOI requests received	-	↑	345	-	903	1052
<b>Newid Cyfrwng Digidol / Digital Service Shift</b>						
10) No of Registered Users on AppMôn / Website	-	↑	23k	-	15k	8.2k
11) No of reports received by AppMôn / Website	-	↑	21.7k	-	10.8k	4.7k
12) No of web payments	-	↑	7.8k	-	13k	11k
13) No of telephone payments	-	↑	3.5k	-	6.5k	5k
14) No of 'followers' of IOACC Social Media	-	↑	39.4k	-	33k	29.5k
15) No of visitors to the Council Website	-	↑	518k	-	783k	-

Rheoli Pobl / People Management	CAG / RAG	Tuedd / Trend	Canlyniad / Actual	Targed / Target	Canlyniad 19/20 Result	Canlyniad 18/19 Result
01) Number of staff authority wide, including teachers and school based staff (FTE)	-	-	2171	-	2181	2243
02) Number of staff authority wide, excluding teachers and school based staff(FTE)	-	-	1217	-	1230	1252
03a) Sickness absence - average working days/shifts lost	Gwyrdd / Green	⇒	2.66	4.25	9.4	10.34
03b) Short Term sickness - average working days/shifts lost per FTE	-	-	0.77	-	4.2	4.68
03c) Long Term sickness - average working days/shifts lost per FTE	-	-	1.89	-	5.2	5.66
04a) Primary Schools - Sickness absence - average working days/shifts lost	Gwyrdd / Green	⇒	1.51	4.36	7.98	12.21
04b) Primary Schools - Short Term sickness - average working days/shifts lost per FTE	-	-	0.48	-	4.17	4.97
04c) Primary Schools - Long Term sickness - average working days/shifts lost per FTE	-	-	1.52	-	3.81	7.24
05a) Secondary Schools - Sickness absence - average working days/shifts lost	Gwyrdd / Green	↑	0.90	3.31	9.61	9.57
05b) Secondary Schools - Short Term sickness - average working days/shifts lost per FTE	-	-	0.20	-	4.58	5.26
05c) Secondary Schools - Long Term sickness - average working days/shifts lost per FTE	-	-	0.70	-	5.03	4.31
06) Local Authority employees leaving (%) (Turnover) (Annual) (Q4)	-	-	-	10%	9%	11%
07) % of PDR's completed within timeframe (Annual) (Q4)	-	-	-	80%	80%	86%

Rheolaeth Ariannol / Financial Management	CAG / RAG	Tuedd / Trend	Cyllideb / Budget	Canlyniad / Actual	Amrywiad / Variance (%)	Rhagolygon o'r Gwariant / Forecasted Actual	Amrywiad a Ragwelir / Forecasted Variance (%)
01) Budget v Actuals	Gwyrdd / Green	-	£69,608,378	£68,846,492	-1.09%	-	-
02) Forecasted end of year outturn (Revenue)	Gwyrdd / Green	-	£142,146,320	-	-	£140,785,530	-0.96%
03) Forecasted end of year outturn (Capital)	-	-	£20,967,000	-	-	£9,467,000	31.11%
04) Achievement against efficiencies	Coch / Red	-	£307,000	-	-	£244,000	20.52%
05) Income v Targets (excluding grants)	Coch / Red	-	-£6,022,558	-£4,057,299	-32.63%	-	-
06) Amount borrowed	-	-	£4,836,000	-	-	£0	100%
07) Cost of borrowing	Gwyrdd / Green	-	£4,248,560	-	-	£4,196,378	1.23%
08) % invoices paid within 30 days	Melyn / Yellow	-	-	82.30%	-	-	-
09) % of Council Tax collected (for last 3 years)	Melyn / Yellow	-	-	98.70%	-	-	-
10) % of Business Rates collected (for last 3 years)	Gwyrdd / Green	-	-	98.90%	-	-	-
11) % of Sundry Debtors collected (for last 3 years)	Melyn / Yellow	-	-	96.40%	-	-	-
12) % Housing Rent collected (for the last 3 years)	Melyn / Yellow	↓	-	100.15%	-	-	-
13) % Housing Rent collected excl benefit payments (for the last 3 years)	-	⇒	-	100.36%	-	-	-

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<b>ISLE OF ANGLESEY COUNTY COUNCIL</b>	
<b>Report to:</b>	<b>EXECUTIVE COMMITTEE</b>
<b>Date:</b>	<b>30<sup>TH</sup> NOVEMBER 2020</b>
<b>Subject:</b>	<b>ADOPTION OF ANNUAL DELIVERY DOCUMENT 2020-22</b>
<b>Portfolio Holder(s):</b>	<b>COUNCILLOR DAFYDD RHYS THOMAS</b>
<b>Head of Service / Director:</b>	<b>CARYS EDWARDS</b>
<b>Report Author:</b>	<b>GETHIN MORGAN</b>
Tel:	01248 752111
E-mail:	<a href="mailto:GethinMorgan@anglesey.gov.uk">GethinMorgan@anglesey.gov.uk</a>
<b>Local Members:</b>	<b>n/a</b>

<b>A –Recommendation/s and reason/s</b>
<p>The Executive is asked to authorize Officers through the Portfolio Holder to undertake the task of completing the final draft and recommend for adoption the Annual Delivery Document (ADD) for 20/22 by full Council at their meeting on 8 December, 2020.</p> <p>The Executive is also asked to confirm the feasibility of carrying out the work in the areas scheduled for the current period under the priorities of the Council Plan.</p> <p>The Annual Delivery Document outlines the Council’s annual work programmes which are designed to deliver the expectations of the Council Plan.</p> <p>This is a decision for the Executive as it outlines the main areas for improvement and delivering the council’s priorities during 2020-22. This discharges our duty for continuous improvement under the Local Government Measure – Wales and the ‘Wales Programme for Improvement’.(2009, 2011)</p> <p>For the purposes of clarity - the Annual Delivery Document is otherwise known as the Improvement Plan (outlined in the Constitution).</p>

<b>B – What other options did you consider and why did you reject them and/or opt for this option?</b>
<p>No other option considered, this is a statutory expectation under the Local Government Wales Act 2009.</p>

<b>C – Why is this a decision for the Executive?</b>
<p>This matter is delegated to the Executive</p>

<b>CH – Is this decision consistent with policy approved by the full Council?</b>
Yes as it provides the detail of how the Council will be realizing the expectations of the Council Plan adopted by whole Council previously.

<b>D – Is this decision within the budget approved by the Council?</b>
Yes

<b>DD – Impact on our Future Generations(if relevant)</b>		
<b>1</b>	<b>How does this decision impact on our long term needs as an Island</b>	The ADD outlines the work the council will be undertaking to meet the Council Plan objectives for the next 18 months, including decisions which impact the long term needs of Anglesey re: economy / education / care and community resilience.
<b>2</b>	<b>Is this a decision which it is envisaged will prevent future costs / dependencies on the Authority. If so, how:-</b>	The financial implications related to the delivery of the ADD are acknowledged in the annual budget setting process.
<b>3</b>	<b>Have we been working collaboratively with other organisations to come to this decision, if so, please advise whom:</b>	A number of elements related to the planned delivery of the ADD will require collaborative working with others. These will be evidenced as delivery is realized over the forthcoming period.
<b>4</b>	<b>Have Anglesey citizens played a part in drafting this way forward? Please explain how:-</b>	Anglesey citizens were consulted with prior to the adoption of the Council Plan 2017-22 and a number of workstreams related to the ADD will be consulted upon further as those workstreams develop.
<b>5</b>	<b>Outline what impact does this decision have on the Equalities agenda and the Welsh language</b>	Not applicable - Impact Assessments will be undertaken on associated work-streams of the Annual Delivery Document in order to assess the impact of changes on equality and the welsh language.



<b>E – Who did you consult?</b>		<b>What did they say?</b>
<b>1</b>	<b>Chief Executive / Senior Leadership Team (SLT)</b> (mandatory)	This was considered by the SLT and their comments are reflected in the report
<b>2</b>	<b>Finance / Section 151</b> (mandatory)	No further comments
<b>3</b>	<b>Legal / Monitoring Officer</b> (mandatory)	No further comments
<b>4</b>	<b>Human Resources (HR)</b>	
<b>5</b>	<b>Property</b>	
<b>6</b>	<b>Information Communication Technology (ICT)</b>	
<b>7</b>	<b>Procurement</b>	
<b>8</b>	<b>Scrutiny</b>	
<b>9</b>	<b>Local Members</b>	

<b>F - Appendices:</b>
Appendix A – Annual Delivery Document 2020-22

<b>FF - Background papers (please contact the author of the Report for any further information):</b>
Council Plan 2017-2022



**ANNUAL DELIVERY PLAN – 2020-22**

DRAFT

## Foreword

I am privileged to present our fourth annual delivery document (ADD) which focuses on the work we are undertaking to accomplish the ambitious aspirations set in the County Council's Plan for 2017-22. This ADD is however different to any of the previous 3 that have been published as it will focus on the work we will undertake over an 18 month period between October 2020 and March 2022

I'm writing this at a time when we have only recently come out of a two week firebreak to try and reduce the number of people who are Covid-19 positive following a high number of cases nationwide and here on Anglesey.

As I discussed in my forward in the Annual Performance Report only last month, the Council responded and adapted quickly to protect the vulnerable in our communities and to support those in need when required. As a result, it was not possible, for example, to publish our ADD to you in June as many of our day to day activities and plans were abruptly stopped at the end of March 2020 in order to deal with the Coronavirus Pandemic.

We recognise that we continue to live in a world that can change dramatically from one week to the next and we have therefore brought together, what we believe to be, achievable programme of work for the period irrespective of the current pandemic.

It includes the work associated with the North Anglesey Economic Regeneration Plan which aims to improve the prosperity of Amlwch and North Anglesey. This is particularly important at a time where work opportunities have been declining in the area. We will also work closely with Menter Môn and other partners on the Morlais Tidal Demonstration Zone, which aims to create many skilled jobs if approved.

The development of our School Modernisation Programme has been delayed since the pandemic, however now that systems are in place, we aim to agree on the appropriate way forward that ensures the best opportunities are available for our current and future students.

During 2019/20, we helped bring 104 houses back into use as well as create 7 new homes so that they become homes for individuals, couples and families. This year we aim to continue this positive trend and bring back more empty homes into use as well as increase the Council Stock available to our tenants by developing plans for 83 new properties.

Much of the work we have undertaken in response to the coronavirus has focussed on how best Anglesey citizens can contact the Council, especially whilst our offices are closed. The work undertaken on our digital journey to facilitate an online self-service provision has enabled many services to continue as normal as well as introducing new services in response to the pandemic, such as business grant applications and recycling centre bookings. We will continue on our digital transformation journey over the next 18 months, ensuring that other services are available online.

In September 2020, the Isle of Anglesey County Council agreed a motion to commit to achieving a Carbon Neutral Public Sector by 2030. During the forthcoming year we will work on developing a Climate Change Action Plan in order to play our role fully.

We are also aware that we must develop plans on how best to recover from the pandemic and because of this we are developing 4 recovery plans focussing on Economic Recovery, Destination Recovery, Community / Social and Organisational work streams. These will all be made available early in the New Year.

Finally, the circumstances in the year from March onwards have changed us all. As a Council we can be proud of our staff and our communities. Together we can make a difference and by pulling together we show the strength of our small island.

**Llinos Medi** (Council Leader)

## **OBJECTIVE 1**

### **ENSURE THAT THE PEOPLE OF ANGLESEY CAN THRIVE AND REALISE THEIR LONG-TERM POTENTIAL.**

#### **JOBS AND WORK OPPORTUNITIES**

- We will deliver externally funded projects and programmes that include the Holyhead Strategic Project in Penrhos, Arfor Project, Holy Island Visitor Gateway, Historic Building Improvement Schemes and the Targeted Regeneration Investment Programme
- We will begin to deliver the North Anglesey Economic Regeneration Plan to improve the prosperity of Amlwch and North Anglesey
- We will co-ordinate the Energy Island programme to mitigate the effects and improve the benefits which result from large energy projects such as Wylfa Newydd, Morlais Tidal Demonstration Zone, Traffwll Solar Farm, Holyhead Waterfront and Holyhead Marina projects
- We will collaborate & influence UK Government, Welsh Government and other key stakeholders to facilitate the right conditions for development on the Island
- We will collaborate through the North Wales Economic Ambitions Board to progress the North Wales Growth Deal
- We will continue to collaborate to identify and prepare for the potential Brexit opportunities and risks

#### **EDUCATION AND SKILLS**

- We will agree and progress delivery of School Modernisation in the Llangefni area
- We will explore options and agree the Plan for School Modernisation in the Seiriol area
- We will explore options for School Modernisation in the Amlwch catchment area
- We will continue to support our schools in developing as learning organisations, ensuring inclusive learning environments, and promoting the best possible teaching and learning for all learners. Specific focus will be given to continue to develop the range of teaching and learning skills needed to ensure effective blended learning
- We will deliver the corporate Prevention Strategy to ensure pupils and young people thrive and realise their long term potential
- We will strive to increase the quality and the number of people applying for leadership roles within our schools

#### **HEALTH AND WELL-BEING**

- We will provide opportunities for residents and visitors to participate and utilise leisure facilities by implementing the Môn Actif Recovery plan when it is safe to do so
- We will develop and deliver a mental health strategy for schools so that Health and Well-being is fully integrated in all schools
- We will build on the volunteer base that has been established within our communities since the pandemic and seek to establish more good turn schemes within our communities
- We will review our ways of engaging with our tenants to ensure that the customer voice is heard in planning the services offered to our tenants
- We will work with Betsi Cadwaladr University Health Board, 3<sup>rd</sup> Sector organisations, Citizens Advice and other organisations to establishment the Môn Good Food initiative for Anglesey residents which aims to tackle food poverty and reduce food waste going to landfill

## **OBJECTIVE 2 - SUPPORT VULNERABLE ADULTS AND FAMILIES TO ENABLE THEM TO BE SAFE, HEALTHY AND AS INDEPENDENT AS POSSIBLE.**

### **SUPPORT FOR OLDER AND VULNERABLE ADULTS**

- We will work on developing our options for a new extra care housing provision on the Island which will offer a home for life for people over 60 years of age who wish to live independently in a safe and welcoming community with care and support services on site
- We will transform services for adults across all mental health services by implementing the Together for Mental Health in North Wales Strategy
- We will increase participation levels in the community hub models by promoting and developing the hubs held across the Island
- We will develop the Shared Lives programme to support people living with Dementia and enhance carer respite
- We will continue to embed the 3 Community Resource Teams, located in Amlwch, Ysbyty Penrhos Stanley and Llanfairpwll, that will bring Council and Betsi Cadwaladr Staff together to improve access to our care and support services at the earliest opportunity
- We will engage with users of the Adult Learning Disability Day Opportunities so that we can co-create a greater range of high quality day opportunities for individuals in their communities

### **SUPPORT FOR FAMILIES AND CHILDREN**

- We will further develop Cartrefi Clyd, or family-style homes, on the island which will enable Looked After Children from Anglesey to receive care on the Island, attend local schools and participate in community life as opposed to potentially being placed in accommodation further away from the local community they are used to
- We will continue to recruit foster carers on Ynys Mon so that Looked After Children can remain living in their community when they cannot be cared for by their parents
- We will further develop respite services for disabled children and their families
- We will work to increase the Housing Stock available to our tenants by 83 properties including developing plans for 63 new builds and purchasing 20 previously owned Council Houses
- We will seek external grant funding to support plans to develop the old Ysgol Llaingoch, Holyhead, site for the development of new build homes
- We will utilise the Council Tax Premium to ensure that local people are able to access suitable housing in their local communities by developing and modernising 3 empty homes and make them available for purchase by local first time buyers
- We will complete the work to enable tenants to connect digitally through the introduction of a Digital Tenant Services system which will allow tenants to communicate with the us digitally, including reporting any customer care issues, care and repairs, paying rent and reporting any complaints about our estates

## **OBJECTIVE 3 - WORK IN PARTNERSHIP WITH OUR COMMUNITIES TO ENSURE THAT THEY CAN COPE EFFECTIVELY WITH CHANGE AND DEVELOPMENTS WHILST PROTECTING OUR NATURAL ENVIRONMENT.**

### **DEVELOPMENT AND PROMOTION**

Following the Isle of Anglesey County Council's motion to commit to achieving a Carbon Neutral Public Sector by 2030;

- We will develop and adopt a Climate Change Action Plan to change practices and deliver interventions to reduce our Carbon footprint
- We will introduce electric vehicle charging points at Llanfairpwll Park & Ride as well as identifying other suitable sites for these facilities across the island
- We will continue with our intention and achievement of ensuring that over 70% of all household waste is recycled by 2025 which in turn, prevents waste from going to landfill sites
- We will develop and work on flood alleviation schemes on sites at Dwyran, Amlwch, Holyhead, Menai Bridge, Llanfairpwll, Valley and Red Wharf Bay, as well as collaborate with Natural Resources Wales on the Llangefni flood alleviation scheme
- We will further develop walking and cycling routes in accordance with the Active Travel (Wales) Act 2013

### **TRANSFORMATION**

- We will develop the shaping of place agenda by working in partnership with Medrwn Môn and the wards of Twrcelyn, Llifon, Rhosyr, Aethwy and Canolbarth Môn to complete the process mapping for all wards by April 2021
- We will continue to motivate and support the Housing, Public Protection and Leisure functions and support staff to maximise their use of the Welsh language as well as continuing to develop the Welsh language skills of Welsh speaking staff
- We will prepare for and re-tender the island wide school meals contract ensuring a healthy and nutritiously supplied menu is ready for September 2021
- We will continue to progress the long-term capital investment programme to improve the flexibility of use and appeal of the County Council Leisure Centres as well as develop plans for a new 3G pitch in Holyhead
- We will continue on our digital journey by facilitating an online self-service provision allowing citizens to request, report and pay for services at a time that is convenient to them from any location or device by further developing our Customer Relationship Management System and reducing the number of paper only forms
- We will ensure that teachers and pupils are able to access faster online services by increasing the broadband download speed to 300Mb/s in our secondary schools
- We will increase the ratio of computers to pupils in schools utilising the HWB grant from Welsh Government
- We will begin to implement the Revenues Customer Portal to provide customers with a high-quality, accessible service which will provide self-service facilities and assist with electronic billing
- We will replace old council fleet stock with newer electric or LPG vehicles where appropriate and identify council sites where Electric Vehicle Charging Points can be installed

## RECOVERY

Dealing with the Covid-19 emergency has been a significant challenge for the Council – not only in terms of maintaining key front-line services, the provision of new services, and conducting business as usual where possible, but also in ensuring that health and safety arrangements are in place to protect the authority's staff whilst delivering services. There had to be a balance between these issues and developing / delivering new services and interventions in response to the emergency.

The impact has had a far-reaching impact on the island's inhabitants, society and economy. It has had a significant impact on the Council's ability to continue with its strategic work programme as is outlined above. We acknowledge however, that there is a duty upon us to strike a balance between recovery, business as usual and strategic plans. As the challenges of the Covid-19 emergency continue to be significant, it is recognised that our recovery as an Island and Council is to be focused on 4 main areas of work –

- **Economic Recovery Plan**

The aim of the economic recovery plan will be to establish a framework of actions to support businesses, maintain employment levels, and lay the foundations to begin restructuring the local economy to ensure increased resilience and possible growth in the future.

- **Destination Recovery Plan**

Our aim here will be to establish an agreed framework and range of actions to address the issues faced by tourism and hospitality businesses since the beginning of the pandemic. We will also continue to support the recommencement of a safe and sustainable trading and attracting visitors back to the island, not only to enjoy the tranquillity, natural assets and 'unique sense of place' of Anglesey, but also to respect and behave responsibly in our communities under the 'new normal'.

- **Community / Social Recovery Plan**

This recovery plan will aim to retain good practice, maximise capacity and expertise, learn and co-produce efforts that have developed and strengthened naturally throughout the emergency period.

The aim, through the recovery, will be to protect the residents of Anglesey from the challenges faced and the obvious weaknesses that increased the personal impacts of Covid-19. In addition, it is anticipated that front line staff (key workers) will need to be protected by building the necessary ability and resilience throughout the recovery period.

- **Organisational Recovery Plan**

The pandemic has had an extraordinary impact on the Council with high and endless demands, and the scale and pace of change has been unprecedented and all aspects of the Council's activities have been impacted. Indeed, it is believed that all aspects of people's and (staff's) lives have been impacted and it is important now to consider the impact of these changes on organisational development.

It is believed that a Council-wide planned effort is needed to review process to improve efficiency and effectiveness that recognises the ever changing external environment. The emergency can be seen to provide an unparalleled opportunity to change and improve.

The challenge will be to realise the opportunities – opportunities that will ensure that robust and safe working arrangements are maintained, ensuring the wellbeing of staff through continued support and development of their abilities and skills to meet the changed requirements

## Further Information

For more information on any element of this document or if you have any comments, please contact:

Human Resources and Transformation

Anglesey County Council

Council Offices

Llangefni,

Anglesey

LL77 7TW

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This document is available in Welsh and can be made available on disk, in braille and is available on the Council's website along with the Council Plan for 2017-22:

<http://www.anglesey.gov.uk/councilplan>

Further information may also be obtained as follows: Policies, plans and strategies published by the Council and can be accessed at: <http://www.anglesey.gov.uk>

Audit and Inspection Reports produced by the Council's Regulators are available from their respective websites, as follows:

- Wales Audit Office: [www.audit.wales](http://www.audit.wales)
- Care Inspectorate Wales: <https://careinspectorate.wales>
- Estyn: [www.estyn.wales](http://www.estyn.wales)

If you do not have access to the internet, or would like to obtain a document that is not listed above, please contact the Council via the contact details outlined at the top of this page.



<b>ISLE OF ANGLESEY COUNTY COUNCIL</b>	
<b>REPORT TO:</b>	<b>EXECUTIVE COMMITTEE</b>
<b>DATE:</b>	<b>30 NOVEMBER 2020</b>
<b>SUBJECT:</b>	<b>REVENUE BUDGET MONITORING, QUARTER 2 2020/21</b>
<b>PORTFOLIO HOLDER(S):</b>	<b>COUNCILLOR ROBIN WYN WILLIAMS</b>
<b>HEAD OF SERVICE:</b>	<b>MARC JONES</b>
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<b>LOCAL MEMBERS:</b>	<b>n/a</b>
<b>A - Recommendation/s and reason/s</b>	
<ol style="list-style-type: none"> <li style="margin-bottom: 10px;">1. On 10 March 2020, the Council set a net budget for 2020/21 with net service expenditure of £142.146m to be funded from Council Tax income, NDR and general grants. This includes a total for general and other contingencies amounting to £1.115m. The budget for the Council Tax Premium was reduced by £0.051m to £1.393m.</li> <li style="margin-bottom: 10px;">2. The budget for 2020/21 included required savings of £0.307m. These have been incorporated into the individual service budgets and achievement or non-achievement of these is reflected in the net (under)/overspends shown. The savings target for 2020/21 was significantly less than prior years due to an increase of 3.8% in funding from Welsh Government. This was a welcome increase following several years of reduced funding which led to significant savings targets each year of over £2m. The Welsh Government have not been able to provide any indication on the proposed level of funding beyond 2020/21 due to the fact the UK Government's Comprehensive Spending Review has been cancelled due to Brexit, the General Election in December 2019 and then dealing with the Coronavirus pandemic.</li> <li style="margin-bottom: 10px;">3. The Welsh Government have provided £232m to date to meet the additional costs incurred by Councils in dealing with the pandemic, which has covered the cost of purchasing PPE, supporting the Adult Care Sector, providing additional services for the homeless, helping with the costs of transferring to home working, funding the cost of weekly payments to parents of children who would normally receive free school meals and covering the loss of income incurred by Councils as a result of the closure of services. On the 17 August 2020, the Welsh Government announced a further fund of £260m to help Councils during quarters 3 and 4. Funds have been allocated to the 22 Welsh Councils on a claims basis and the amounts claimed to date and estimates of future grant funding have been incorporated into the forecasts in this report.</li> <li style="margin-bottom: 10px;">4. This report sets out the financial performance of the Council's services at the end of quarter 2, 30 September 2020. The projected position for the year as a whole is also summarised. It should be noted that predicting the final year-end position at the end of quarter 2 is difficult and the position can change considerably as we move through the remainder of the financial year. For 2020/21, predicting the final year end position is even more difficult because it is still unclear when some of the Council's services will return to normality and what the additional costs will be in providing those services in a way that minimises the risk of the spread of the virus e.g. additional PPE, increased cleaning, reduced service capacity impacting on income levels.</li> <li style="margin-bottom: 10px;">5. The overall projected financial position for 2020/21, including Corporate Finance and the Council Tax fund, is an underspend of £1.156m. This is 0.81% of the Council's net budget for 2020/21.</li> </ol>	

<b>6. It is recommended that:-</b>		
<ul style="list-style-type: none"> <li>(i) To note the position set out in Appendices A and B in respect of the Authority's financial performance to date and expected outturn for 2020/21;</li> <li>(ii) To note the summary of Contingency budgets for 2020/21 detailed in Appendix C;</li> <li>(iii) To note the position of the invest to save programmes in Appendix CH.</li> <li>(iv) To note the position of the efficiency savings for 2020/21 in Appendix D;</li> <li>(v) To note the monitoring of agency and consultancy costs for 2020/21 in Appendices DD, E and F.</li> </ul>		
<b>B - What other options did you consider and why did you reject them and/or opt for this option?</b>		
n/a		
<b>C - Why is this a decision for the Executive?</b>		
This matter is delegated to the Executive.		
<b>CH - Is this decision consistent with policy approved by the full Council?</b>		
Yes		
<b>D - Is this decision within the budget approved by the Council?</b>		
Yes		
<b>DD - Who did you consult?</b>		<b>What did they say?</b>
1	<b>Chief Executive / Strategic Leadership Team (SLT) (mandatory)</b>	
2	<b>Finance / Section 151 (mandatory)</b>	n/a – this is the Section 151 Officer's report
3	<b>Legal / Monitoring Officer (mandatory)</b>	
4	<b>Human Resources (HR)</b>	
5	<b>Property</b>	
6	<b>Information Communication Technology (ICT)</b>	
7	<b>Scrutiny</b>	
8	<b>Local Members</b>	
9	<b>Any external bodies / other/s</b>	
<b>E - Risks and any mitigation (if relevant)</b>		
1	<b>Economic</b>	
2	<b>Anti-poverty</b>	
3	<b>Crime and Disorder</b>	
4	<b>Environmental</b>	
5	<b>Equalities</b>	
6	<b>Outcome Agreements</b>	
7	<b>Other</b>	
<b>F - Appendices:</b>		
<ul style="list-style-type: none"> <li>• Appendix A - Revenue Budget Monitoring Report – Quarter 2 2020/21</li> <li>• Appendix B – Table of Provisional Outturn 2020/21</li> <li>• Appendix C – Summary of Contingency Budgets 2020/21</li> <li>• Appendix CH – Review of the Invest-to-Save projects 2020/21</li> <li>• Appendix D - Review of Efficiency Savings 2020/21</li> <li>• Appendix DD - Information regarding monitoring of Agency Staff 2020/21</li> <li>• Appendix E - Information regarding monitoring of Consultants</li> <li>• Appendix F – Detailed information regarding the expenditure on Consultants</li> </ul>		

**FF - Background papers (please contact the author of the Report for any further information):**

- 2020/21 Revenue Budget (as recommended by this Committee on 2 March 2020 and adopted by the County Council on 10 March 2020).

## REVENUE BUDGET MONITORING – QUARTER 2 2020/21

## 1. General Balance

The Council Fund held £8.760m of earmarked reserves and school reserves amounting to £0.197m at the start of the financial year. The draft outturn for 2019/20 resulted in a general balance at the start of the current financial year of £7.060m. This might be subject to change on conclusion of the external audit at the end of the month. However, as it stands, the audit has not highlighted any amendments which impact on the general reserve.

The Executive approved the following items to be funded in 2020/21 from the General reserve:-

Executive Meeting	Amount £m	Purpose
Draft opening balance	-7.060	Draft audited general reserve at 31 March 2020.
15 June 2020	0.085	To top up the earmarked reserve of £100k to £185k to fully fund the painting of Beaumaris Pier.
<b>Revised Council Fund General Balance</b>	<b>-6.975</b>	<b>As mentioned above, this may change following any post-audit adjustments.</b>

The current predicated outturn for 2020/21 is an estimated underspend of £1.156m. If this trend continues, the Council general reserve is likely to increase to £8.131m by the year-end. This is higher than the minimum balance recommended for the general reserve which has been set at £7.1m for 2020/21, as approved by the full Council on 10 March 2020. This increase would help the Council as it moves into an even more uncertain financial situation with the ongoing pandemic.

## 2. Financial Performance by Service

2.1 The details of the financial performance by service for the period and the projected out-turn position for each is set out in Appendix B. An underspend of £1.595m on services is predicted as at 31 March 2021. An overspend of £0.234m is estimated on Corporate Finance. In addition, an overspend of £0.204m is predicted on the Collection of Council Tax, of which £0.608m is due to a shortfall on the collection of general Council Tax. However, a surplus of £0.404m on the Council Tax Premium offsets a significant part of the Council Tax shortfall. The current total revenue forecast for 2020/21 is an underspend of £1.156m, which is 0.81% of the Council's total net revenue budget.

2.2 Table 1 below summarises the significant variances (circa £100k or higher):-

Table 1

	(Under)/Overspend £'000
Learning	(967)
Adults	(309)
Children's Service	(543)
Transformation	(176)
Corporate and Democratic Costs	171
Benefits Granted	210
Unbudgeted uncontrollable costs - insurance, capital pension costs and bad debt	200
Council Tax, including Council Tax Premium	204
Other (total of variances less than £100k)	54
<b>Total Variance over/(under)spend</b>	<b>1,156</b>

### 3. Explanation of Significant Variances

#### 3.1 Lifelong Learning

##### 3.1.1 Delegated Schools Budget

Once the Council sets the budget for schools, responsibility for the budget is delegated to the schools and annual under or overspends are held in individual school reserves. As the majority of schools were closed for all but one week of the summer term, schools will have incurred less costs than normal e.g. supplies and services, supply teachers and exam fees. Any underspending that will result will feed through to an increase in school balances. The Council is not intending to claw back any of the underspend. The overall position for the delegated schools budget will not be known until the end of the financial year.

##### Central Education

**3.1.2** This service was underspent by £400k (49.19%) at the end of quarter 2. The forecast for the year-end is an underspend of £1,041k (21.92%). Many of these budgets are demand-led, therefore, with the closure of schools due to the Coronavirus Pandemic, there is no or reduced demand as highlighted below in 3.1.3. These demand-led services may change as we progress further into the academic year.

**3.1.3** There are a number of over and underspends across the Service. The most significant of which are listed below:-

- School meals are forecast to underspend by £440k due to no demand for school meals due to the closure of schools for the first four months of the financial year. The Council subsidises school meals, therefore, reduced demand leads to reduced expenditure against the school meals budget.
- The out-of-county placements budget has seen a reduction in demand since the beginning of 2019/20, with eleven children leaving out-of-county placements due to turning 16+ or returning to placements on Anglesey. Only four new placements took place. An underspend of £765k is forecast for out-of-county placements. As the lockdown eases and the academic year progresses, the number of children requiring out-of-county placements may begin to rise, which will impact the forecast underspend.
- There are some budgets within the service which are under pressure but are covered by the estimated underspend. The joint Môn and Gwynedd Additional Learning Needs service is estimated to overspend by £194k. There are budget pressures circa £50k each in secondary additional learning needs, Clwb Gofal and further education.

##### 3.1.2 Culture

**3.1.2.1** This service was £57k (7.56%) underspent during the period, but the forecast outturn for the year is an overspend of £74k (5.76%). This is due to lost income from the closure of the Oriel and phased reopening following lockdown, which is estimated at £136k. This presumes that Welsh Government stops compensating local authorities for lost income after quarter 1, when the Oriel was able to open. Funding for the arts is no longer eligible from the Welsh Government Covid-19 Hardship Grant scheme. There is alternative funding to support the arts, however, it is unclear whether loss of income at the Oriel is eligible. A claim of £31k has been submitted to Welsh Government, if this is accepted, the overspend will reduce to £26k. Libraries is helping to reduce the service's overspend and is expected to underspend by £75k due to vacant posts and a saving on relief staff while the libraries were closed due to Covid-19. There are small overspends expected in culture grants and archives.

## 3.2 Adults Social Care

**3.2.1** This service was £485k (3.83%) overspent for the period. However, the service is forecast to underspend by £309k (1.15%) for the year. This is an improvement of £504k from the overspend of £195k forecast during quarter 1. This is due to an unexpected increase in deferred income on services to the Elderly. Deferred income is accounted for in full in the year the service is provided, but the debt may not be cleared for a number of years, following the sale of property or the settling of estates of deceased clients. The budget also includes the use of the £251k contingency for Adults social care additional demand due to budgetary pressures in both Nursing Care and Home Care. This forecasted overspend excludes potential winter pressures grant as the Council has not received a grant offer for these pressures to date. If Welsh Government provides an offer of grant funding, this will be reflected in a future budget monitoring report. This shows there is still high demand for adults' social services. An additional £1.028m budget was provided to the service as part of 2020/21 budget-setting due to Adults Services budgets being under pressure in 2019/20. A contingency for £251k was also included in budget-setting for Adult Services Demand, which has been taken into account in the forecast as mentioned.

**3.2.2** The elements within the forecast outturn variance are as follows:-

- Services for the Elderly: Forecast underspend of £136k due to increased deferred income. As this income is client related, it is not income that reoccurs to the same level each year. Therefore, there is an underlying overspend of £257k, within Nursing Care and Home Care.
- Physical Disabilities (PD): Forecast underspend of £68k – the largest underspends relate to assessment and care management (£83k) due to a vacant post and grant funding for other posts. Equipment and adaptations (£37k) and other services (£18k). There were less aids and adaptation work being carried out due to the Covid-19 pandemic. Residential care is expected to overspend (£64k)
- Learning Disabilities (LD): Forecast overspend of £245k – residential care is forecast to overspend by £102k due to extra demand for high cost placements for individuals with complex care needs. This is a demand led service and, predominantly, commissions high cost low volume placements to meet the needs of service users. It is anticipated that day care will overspend by £7k, along with assessment and care management of £14k. Supported and other accommodation is forecast to overspend by £400k. Savings of £300k were expected in this area due to a tendering exercise, however, this was not implemented due to Covid-19. The tendering process has been placed on hold. A large underspend of £209k is forecast for home care as more individuals take-up direct payments and organise their own home care.
- Mental Health (MH): Forecast underspend of £247k – residential care is projected to underspend by £6k. This is a demand led service which, again, is predominantly high cost low volume placements. This is, therefore, subject to change as we progress through the financial year. An underspend of £262k on community support is forecast due to vacant posts. There are overspends predicted within Homecare (£28k) and Supported Living (£31k).
- Provider Unit and Management and Support: Forecast underspend of £103k. This is due to vacant posts and a regional transformation project, which would have cost £68k, not going ahead due to Covid-19. Budget pressures exist within the provider unit, particularly in residential homes which is forecast to overspend by £164k, though underspends elsewhere reduce the overspend in the Provider Unit to £25k.

**3.2.3** The quarter 2 figures indicate significant demand pressures within the quarter. In order to fully investigate the issues, the department will be considering each specific individual line which has led to the significant projected overspend. Within each, the following will be considered:-

- Nature of cyclical trend (year by year and month by month trend);
- Reasons behind the trend;
- Further steps that can be taken to manage demand.

Any feedback will be reported to the Executive and Finance Scrutiny Committee.

### **3.3 Children's Services**

**3.3.1** The service was underspent by £195k (3.27%) during the period and is projected to be underspent by £543k (4.96%) at year-end. Most of the sections within Children's Services are underspending with looked after children forecast to underspend by £449k. Children with disabilities are expected to overspend by £193k.

**3.3.2** The Looked After Children's budget is forecast to underspend due to an expected underspend of £1,000k on out-of-county placements. This is linked to the large underspend in Learning as both Learning and Children's Services fund out-of-county placements. A number of young people left out-of-county placements in 2019/20 due to their age or placements on the Island. There has been an increase in foster carer placements due to the Foster Carer benefits introduced last year. Foster care placements are projected to overspend by £328k and non-standard placements are forecast to overspend by £182k. The underspend in out-of-county placements more than covers these overspends. It is possible that referrals to Children's Services will start to increase and it is unlikely that the underspend will exist long-term. Children with disabilities services are overspending (£193k) due to high cost specialist placements which will eventually be moved to the Council's Specialist Small Group Home, when it is operational.

**3.3.3** Given the pandemic, Children and Families Services have seen a reduction in referrals coming into the service and a slight reduction in the amount of children coming into the care of the Local Authority. It is predicted that referrals will increase and, indeed, we will need to potentially bring some children into care. Therefore, we need to be mindful of the financial demands of these pressures for the forthcoming months.

### **3.4 Housing (Council Fund)**

**3.4.1** This service was underspent by £24k (2.46%) during the period and is forecast to underspend by £25k at year-end. Homelessness is showing an underspend of £25k due to a vacant post, otherwise spending is expected to be within budget.

### **3.5 Regulation and Economic Development**

#### **3.5.1 Economic and Community (includes Destination and Leisure)**

**3.5.1.1** The service, overall, was underspent by £159k (13.93%) for the period with a projected outturn being £15k (0.80%) overspend.

- 3.5.1.2** The Economic Development element of the service is projected to overspend by £20k at year-end. The suspension of the Wylfa Newydd project and termination of partnership agreements with Horizon and National Grid are having a negative impact on the service's ability to achieve its income targets against staff recharges. Staff have been redeployed to work on the Authority's response to the Coronavirus situation. However, these costs are not eligible for Welsh Government grant funding. Other budget pressures are graphic design and economic development subscriptions, which could amount to a combined overspend of £20k by year-end. The vacant post for Director of Regulation and Place has helped fund much of these budget pressures, so that the overspend is similar to that predicted during quarter 1.
- 3.5.1.3** The Destination section is forecast to underspend by £5k for the year, a reduction from the underspend of £20k predicted during quarter 1. There is uncertainty over the service's ability to achieve its income targets for moorings, personal water craft (pwc) registrations and launching. Income from launches has improved while the lockdown eased during the summer. However, moorings and registrations remain a problem. The painting of Beaumaris pier has resulted in additional £50k of costs more than the funding available. The vacant Destination Manager post and savings on beach wardens and seasonal staff, however, reduce the impact of these budgetary pressures to a slight underspend at 31 March 2021.
- 3.5.1.4** The Leisure section has been hit hard due to closure of all leisure centres in the early part of the year and other actions due to Covid-19 restrictions, which include the fire-break. However, Welsh Government has compensated the service for loss of income up to the end of quarter 2 and has recently announced that Welsh authorities will be compensated for loss of income for quarters 3 and 4. This will reduce the income shortfall from £630k to a balanced budget.

### **3.5.2 Planning and Public Protection**

- 3.5.2.1** This service was £72k underspent (6.26%) for the period. However, the forecast outturn for the year is an overspend of £62k (2.91%). This is an improvement on the predicted overspend of £103k during quarter 1.
- 3.5.2.2** The Public Protection Section was underspent by £52k for the period but the forecast outturn position is a £36k overspend. The overspend on Dog/pest control is expected to increase to £25k for the year, Environmental Health's overspend is expected to improve slightly, to £18k, and the overspend on Registrars is forecast to increase from £25k in quarter 1 to £35k in quarter 2. All are impacted by a shortfall in income arising from the pandemic. Underspends in Trading Standards (£12k) and Corporate Health and Safety (£25k) are forecast due to vacant posts.



**3.5.2.3** The Planning Section was underspent by £20k for the period and is forecast to overspend by £26k at year-end. This is an improvement on the overspend of £70k forecast during quarter 1. This is due to improved income collection during the second quarter. Planning control is projected to overspend by £30k due to a shortfall in income budgets due to the first half of the lockdown. Building control is forecast to overspend by £6k, again due to a shortfall in income targets, though an improved position from quarter 1. Underspends of £5k each is forecast for Planning Policy and Implementation and Conservation. The Welsh Government consider that income such as planning fees and building regulation charges has simply been deferred and will recover during the second half of the year. As a result, they are currently not funding the shortfall of income in these areas, but this may change during the second half of the financial year.

## **3.6 Highways, Waste and Property**

### **3.6.1 Highways**

**3.6.1.1** This service was £160k (5.31%) overspent for the period. However, the forecast position at year-end is a £6k overspend (0.1%). This is an increase from the underspend of £43k predicted during quarter 1.

**3.6.1.2** There are several small compensating over and underspends. The most significant overspend is £110k on Fleet due to a shortfall in income from other services due to the Covid restrictions. In addition, a forecast for car parking was not completed in quarter 1 due to too much uncertainty. However, a shortfall of £90k income is now forecast. Some of the lost car park income has been covered by Welsh Government as a result of the reduction in the number of people using car parks generally, but they will not cover the lost income arising from the local decision not to charge a fee after 10 a.m. These overspends are compensated by a number of underspends across other sections. Street works was predicting a balanced budget, but surplus income of £50k is now forecast. There is a £50k underspend on departmental support due to a vacant post and savings in transport costs (£40k) and, supplies and services costs. This forecast excludes winter maintenance costs as it is too early in the year to predict the outturn on these costs. Any significant winter costs could worsen the outturn estimated this quarter. However, the Council does maintain an earmarked reserve of £54k which is available to help fund any significant costs which may arise during the winter period.

### **3.6.2 Waste**

**3.6.2.1** The Waste service was £334k (8.69%) underspent for the period, the service is predicted to have an outturn position of £205k underspend (2.55%) at year-end. This is an improvement on the overspend of £10k forecast for quarter 1. During the first quarter, a forecast for Waste Disposal was not available due to the change of waste disposal services to Parc Adfer. However, there is sufficient information to include this in quarter 2 and a forecast underspend of £150k on waste disposal is expected. This is due to the Council benefitting from a lower rate per tonne of disposal since becoming a partner in the Parc Adfer partnership with four of the other North Wales local authorities.

**3.6.2.2** The forecast for the year-end includes a number of other overspends and compensating underspends within different sections of the service. The overspend on Waste Collection is expected to increase by £10k, to £60k, which includes the professional fees and legal costs on the implementation of the new waste collection contract. The overspend on public conveniences is expected to improve by £15k, to an overspend of £20k, due to grant from Welsh Government to help fund Covid-19 costs. Penhesgyn electricity generation station was previously forecast to underspend by £10k, the station is now expected to achieve a balanced budget due to a shortfall in income. An underspend of £90k is projected on recycling, this is an increase of £50k from the underspend of £40k forecast in quarter 1. The underspend on recycling is due to a vacant post, surplus income from recyclates and reduced expenditure on supplies and services. The cleansing service was previously expected to achieve a balanced budget, however, an underspend of £10k is now forecast due to the cleansing contract.

### **3.6.3 Property**

**3.6.3.1** The Service's position for the period is a £127k underspend but with a forecast for the year-end position being £156k (17.5%) overspent. This is a modest improvement on the overspend of £171k projected during quarter 1.

**3.6.3.2** The main reason for the projected overspend within the Property service is a forecast under achievement of £160k on capitalised professional fees arising from delays in the 21 Century Schools programme, part of which is due to the lockdown. A delay in capital projects within the 21<sup>st</sup> Century Schools programme has reduced the fee earning work within Property in this financial year. However, this work is expected to increase in future financial years when the 21<sup>st</sup> Century Schools Band B projects are progressed. In quarter 1, a shortfall in Industrial Unit rents of £50k was expected due to the Council granting 'one month free rent' to all tenants of the Council's industrial units and sundry properties to support local business during the lockdown period. This loss of income is not covered by the Welsh Government as it was a local decision and the loss of income did not arise directly from the lockdown. However, this may be subject to review by Welsh Government. Backdated rent for Marine Terminal, Amlwch of £40k will help rents achieve a balanced budget. An improvement of £10k on plumber/electrician and joiner recharges will help this section achieve a balanced budget.

## **3.7 Transformation**

**3.7.1** The Transformation function overspent by £85k (3.1%) for the period. The projected year-end position is an underspend of £176k (3.52%). This is an increased underspend of £119k on the underspend of £57k forecast for quarter 1. This is due to the increased underspend on the training budget.

**7.1.1** The HR function was underspent by £131k (17.76%) for the period and is projected to be £185k (13.74%) underspent at year-end. Vacant posts are expected to result in an underspend of £35k. Central training is forecast to be underspent by £150k. This is due to the Covid-19 outbreak preventing the usual training to take place. This is an increase of £105k compared to the £45k underspend on training during quarter 1.

**3.7.1.2** The ICT Section was overspent by £234k (13.83%) for the period and is expected to be £113k (4.04%) overspent at year-end. Software budgets have historically been insufficient, particularly as the Council has improved its ICT functionality and ability to enable home working. In 2019/20, ICT overspent by £213k. Additional budget was provided to mitigate the budgetary pressure, however, an overspend remains likely. Expansion of Citrix licences and VASCOs to enable widespread homeworking during the lockdown period and beyond has increased budgetary pressures further, though Welsh Government has supported the Council by providing 50% funding towards increased ICT cost. The function is forecast to overspend by £113k, similar to quarter 1. Software is predicted to overspend by £136k, this is reduced by underspends of £20k on Anglesey Connected and £3k on the operation of the ICT section.

**3.7.1.3** Corporate Transformation was underspent by £17k (5.08%) for the period and is expected to be underspent at the year-end by £104k (12.19%), similar to quarter 1. All budget areas are expected to underspend, with the most significant an underspend of £58k on the Ynys Môn and Gwynedd Partnership. Cyswllt Môn is forecast to underspend by £22k, mainly on staffing costs.

### **3.8 Resources (excluding Benefits Granted)**

**3.8.1** The Resources function budget is £93k (5.52%) underspent for the period with the projection for outturn being an overspend of £66k (2.12%). This is an increase of £47k on the forecast overspend of £19k projected for quarter 1.

**3.8.2** Revenues and Benefits are expected to be £146k overspent for the year due to reduced court cost income of £153k. The Accountancy section is looking at an overspend of £93k mainly due to bank charges of £40k. Accountancy staffing is expected to overspend by £38k and there is a forecast shortfall on grant staff income of £15k due to the redeployment of the grants team on Covid-19 related work. Internal Audit is expected to have an underspend of £42k arising from staff vacancies. The Procurement section is expected to be £131k underspent due to initiatives in purchasing, i.e. centralised purchasing budgets and procurement card rebates.

### **3.9 Council Business**

**3.9.1** The function was £92k (11.28%) underspent for the period but the forecast for the year-end position is an underspend of £6k (0.36%). A reduction on the overspend of £24k reported during quarter 1.

**3.9.2** Legal Services are expected to be overspent by £24k, which is less than the overspend of £41k forecast in quarter 1. This improvement is due to recovery of income levels post lockdown. An overspend of £14k is expected on Legal agency staff to cover staff vacancies/absences.

**3.9.3** Similarly, Democratic Services are forecasting less costs at quarter 2, with the underspend increased by £13k to an underspend of £30k. There are underspends projected in each of its functions, with the largest underspend being within the electoral services (£14k).

### **3.10 Corporate and Democratic Costs**

**3.10.1** The Corporate and Democratic budget was overspent by £82k (5.27%) for the period and the forecast year-end position is an overspend of £171k (6.14%). This is an increase of £114k on the overspend of £57k projected in quarter 1.

**3.10.2** There are sections within the department that are forecasting to overspend at year-end, whilst there are some mitigating underspends in other areas. The areas of concern are all within the Corporate other area which is expected to overspend by £227k, compared with £95k during quarter 1. This is due to increased historic pension costs of £144k following the triennial valuation of the pension fund, March 2019. Staff counselling costs are expected to overspend by £20k, though this is less than reported in quarter 1. In addition, coroners' fees are higher than budgeted and will overspend by £24k. An underspend of £30k is expected on the apprenticeship levy and an underspend of £35k is forecast on Members' support and expenses. This is an increase of £19k in the underspend expected during quarter 1 due to online meetings due to Covid-19 restrictions.

### **3.11 Corporate Management**

**3.11.1** The function was £20k (6.46%) underspent for the period, with the forecast at year-end being an underspend of £40k (6.39%). This relates to the residual budget following the management restructure in 2019/20.

## **4. Corporate Finance (including Benefits Granted)**

**4.1** Corporate Finance, including Benefits Granted, is expected to overspend by £234k (1.37%) at year-end. A slight reduction in the overspend reported for quarter 1. An overspend of £210k is forecast on benefits granted due to a rise in the number of Council Tax Reduction Scheme claims as a consequence of the increased Universal Credit claimants which have resulted from the economic fallout of the Covid-19 crisis. An overspend of £11k is forecast on interest receivable due to the reduction of the interest base rate to 0.01% due to the economic impact of Covid-19.

**4.2** The budget for 2020/21 included some items retained centrally as contingency budgets, these amount to £1,115k. The general contingency is £371.5k which is for ad-hoc, unexpected budgetary pressures arising through the year. A salary and grading contingency of £150k is included for unbudgeted salary and grading costs, such as redundancy payments. Contingencies amounting to £593k were included in the budget which can only be used for the costs approved. £251k was included for Adult Services extra demand, this has already been used to fund increased demand for services to the Elderly. A risk contingency for £235k was also included in the budget to contribute towards any pay award for 2020/21 agreed which is over the 2% budgeted for during budget-setting. The pay award has now been agreed at 2.75%. This will cost the Council an additional £340k, therefore, the risk contingency will be used towards the pay award. The balance of £105k will be funded from the salary and grading contingency. An additional allocation to the earmarked contingencies has subsequently been provided for, £115k for recovery activity due to Covid-19. This increased the total budget for contingencies to £1,230k. There are also smaller contingencies for the Regional Growth bid, STEM and lone-working. Appendix C provides a summary of the contingencies budget, this shows that £148k has already been vired to approved budgets.

## **5. Collection of Council Tax**

- 5.1** The Council Tax Fund budget is determined using the estimated collectable debt for the current year only, based on the tax base figure set in November 2019. It does not provide for arrears collected from previous years, adjustments to liabilities arising from previous years (exemptions, single person discounts etc.), changes to the current year's tax-base or the provision for bad and doubtful debts. These changes cannot be estimated and, invariably, lead to a difference between the final balance on the Council Tax Collection Fund and the original budget. The current projection is that the Council Tax Fund will underachieve the target by £608k due to continued erosion of the tax base with significant numbers of self-catering properties switching to business rates. Covid-19 is also impacting on the collection of Council Tax and an increase in the bad debt provision has been made to reflect this impact.
- 5.2** The Council Tax Premium budget, which is additional council tax charge on second homes on Anglesey (since 1 April 2017), may potentially overachieve its budget by £404k. This improves the Council Tax deficit position. In total, therefore, a deficit of £204k is forecast on the collection of Council Tax.

## **6. Budget Savings 2020/21**

- 6.1** Budget savings of £307k were removed from service budgets for 2020/21. £244k of the savings are likely to be achieved, however, £63k is not expected to be delivered. The most significant shortfall will be within Highways, Waste and Property, where £57k of savings will be difficult to achieve due to delays caused by the Coronavirus pandemic. A full detailed analysis can be seen for each Service in Appendix D.

## **7. Invest-to-Save**

- 7.1** An invest to save programme was undertaken in 2016/17 with an allocation of £983k for individual projects. To date, £789k has been spent or committed from this allocation of funding up to and including 2020/21. All projects are at various stages of development, with some closer to completion than others. The full detail of the expenditure and progress on each of the projects can be seen in Appendix CH. Where the projects are not completed at year-end, they will continue into 2021/22 and the funding will still be available within the invest-to-save reserve.

## **8. Agency and Consultancy Costs**

- 8.1** During the year to date, £272k was spent on Agency staff, with the highest agency costs in social care. These were, in the main, part-funded from staffing budgets as they related to staff vacancies. The full details can be seen in Appendix DD.
- 8.2** Expenditure on consultancy services in quarter 2 was £109k, this is considerably less than the £234k spent on consultancy during quarter 2 last year. This is due to delays in projects and work streams requiring consultants due to the coronavirus restrictions. The full summary of expenditure per service and additional details of the expenditure can be seen in Appendix E.

## 9. Welsh Government Covid-19 Grant Funding to date

9.1 The Welsh Government has provided significant financial support to the Welsh local authorities on Coronavirus related additional costs and loss of income, without which the forecast outturn would be a sizeable overspend. Table 2 below shows that, for first two quarters, the Council claimed £3.283m for additional costs arising from the pandemic. £66k of this was not eligible, but £3.283m was considered eligible and £2.733m has already been paid to the Council, leaving a balance of £0.550m remaining for quarters 1 and 2. In addition, Welsh Government has announced that this grant funding will be extended to quarters 3 and 4 of the financial year.

**Table 2 Covid-19 related expenditure April to September 2020 funded by Welsh Government**

	Adult Social Services	Excess Deaths	Free School Meals	General	Homelessness	School Cleaning	Community Support	IT / Home Working	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
<b>SUMMARY</b>									
Claimed	1,040	15	550	1,105	398	4	69	168	3,349
Disallowed	1	-	10	13	-	-	36	9	69
<b>Balance Due</b>	<b>1,039</b>	<b>15</b>	<b>541</b>	<b>1,091</b>	<b>398</b>	<b>4</b>	<b>33</b>	<b>159</b>	<b>3,280</b>
Paid	1,039	15	489	1,091	398	4	33	159	3,228
<b>Balance Outstanding</b>	<b>-</b>	<b>-</b>	<b>52</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>52</b>

## 9.2 Loss of Income from Covid-19 Restrictions Funded by Welsh Government

The Council's income has significantly reduced as a result of Covid-19 restrictions, such as closure of the Leisure centres and the impact on car parking fees during the Lockdown and Fire-break periods and beyond. There is also the risk of further restrictions to help reduce the transmission of Covid-19. Welsh Government has compensated local authorities for eligible income lost due to the Coronavirus. The Council have claimed £1,411k from Welsh Government, of which £20k has been disallowed. £800k has been paid to date, with a further £591k expected to be paid over the coming weeks. A summary of the income compensated and claimed to 30 September 2020 is shown below in Table 3:-

**Table 3 – Welsh Government Grant Funding for Loss of Income from Services during the Pandemic**

Summary	Maritime £'000	Museums £'000	Leisure £'000	Open Spaces £'000	Education £'000	Waste Disposal £'000	Car Parks £'000	Adult Services £'000	Public Protection £'000	Rental Income £'000	Markets and Travel Clubs £'000	Total £'000
Claimed	37	89	618	6	274	2	222	33	71	49	10	1,411
Dis-allowed	0	0	0	0	0	0	0	20	0	0	0	20
<b>Balance Due</b>	<b>37</b>	<b>56</b>	<b>319</b>	<b>6</b>	<b>147</b>	<b>2</b>	<b>158</b>	<b>13</b>	<b>3</b>	<b>49</b>	<b>10</b>	<b>1,391</b>
Paid	37	56	319	6	147	2	158	13	3	49	10	800
<b>Balance Outstanding</b>	<b>0</b>	<b>33</b>	<b>299</b>	<b>0</b>	<b>127</b>	<b>0</b>	<b>64</b>	<b>0</b>	<b>68</b>	<b>0</b>	<b>0</b>	<b>591</b>

## 10. Conclusion

**10.1** The initial projection at the end of the second quarter is that the Council will underspend by £1,156k for the year-ending 31 March 2021. The service budgets are expected to underspend by £1,595k due to reduced demand for Children's Services and the impact the closure of schools during the period April to July 2020 has on central education budgets. Corporate finance is forecast to overspend by £234k due to increased benefits granted and a shortfall in interest receivable due to the economic impact of Covid-19. An underachievement of £608k is expected on the standard Council Tax. Surplus income of £404k is forecast on the Council Tax Premium. The expected net deficit on Council Tax overall is £204k. Welsh Government financial support for Covid-19 related costs and compensation for lost income will help prevent the Council being overspent by several million pounds.

**Projected Revenue Outturn for the Financial Year-ending 31 March 2020 – Quarter 2**

Service/Function	2020/21 Annual Budget	Q2 2020/21 Budget Year to Date	Q2 Actual & Committed spend	Q2 2020/21 Variance	Q2 Actual & Committed Spend	Estimated Expenditure to 31 March 2021 at Q2	Estimated Outturn 31 March 2021 over/(under) at Q2	2020/21 Projected Over/(Under)spend as a % of Total Budget	Estimated Outturn 31 March 2021 over/(under) at Q1	Draft Over/(under) spend Last Year 2019/20 (Subject to Audit)
	£'000	£'000	£'000	£'000	%	£'000	£'000	%	£'000	£'000
<b><u>Lifelong Learning</u></b>										
Delegated Schools Budget	47,579	27,682	25,322	(2,360)	-8.52%	47,579	0	0.00%	0	0
Central Education	4,748	(813)	(1,213)	(400)	49.19%	3,707	(1,041)	-21.92%	(1,238)	(272)
Culture	1,285	749	692	(57)	-7.56%	1,359	74	5.76%	99	29
<b><u>Adult Services</u></b>	26,911	12,643	13,128	485	3.83%	26,602	(309)	-1.15%	195	1,085
<b><u>Children's Services</u></b>	10,951	5,945	5,750	(195)	-3.27%	10,408	(543)	-4.96%	(1,382)	156
<b><u>Housing</u></b>	1,168	960	936	(24)	-2.46%	1,143	(25)	-2.14%	0	(77)
<b><u>Highways, Waste &amp; Property</u></b>										
Highways	6,287	3,023	3,183	160	5.31%	6,293	6	0.10%	(43)	(192)
Property	891	70	(57)	(127)	-181.52%	1,047	156	17.50%	171	44
Waste	8,030	3,846	3,512	(334)	-8.69%	7,825	(205)	-2.55%	10	(208)
<b><u>Regulation &amp; Economic Development</u></b>										
Economic Development	1,882	1,141	982	(159)	-13.93%	1,897	15	0.80%	920	0
Planning and Public Protection	2,131	1,153	1,081	(72)	-6.26%	2,193	62	2.91%	103	(117)
<b><u>Transformation</u></b>										
Human Resources	1,346	740	609	(131)	-17.76%	1,161	(185)	-13.74%	(76)	(35)
ICT	2,794	1,689	1,923	234	13.83%	2,907	113	4.04%	115	(85)



Service/Function	2020/21 Annual Budget	Q2 2020/21 Budget Year to Date	Q2 Actual & Committed spend	Q2 2020/21 Variance	Q2 Actual & Committed Spend	Estimated Expenditure to 31 March 2021 at Q2	Estimated Outturn 31 March 2021 over/(under) at Q2	2020/21 Projected Over/(Under)spend as a % of Total Budget	Estimated Outturn 31 March 2021 over/(under) at Q1	Draft Over/(under) spend Last Year 2019/20 (Subject to Audit)
	£'000	£'000	£'000	£'000	%	£'000	£'000	%	£'000	£'000
Corporate Transformation	853	336	319	(17)	-5.08%	749	(104)	-12.19%	(96)	(192)
<b>Resources</b>	3,109	1,692	1,599	(93)	-5.52%	3,175	66	2.12%	19	(170)
<b>Council Business</b>	1,669	818	726	(92)	-11.28%	1,663	(6)	-0.36%	24	(2)
<b>Corporate &amp; Democratic costs</b>	2,785	1,559	1,641	82	5.27%	2,956	171	6.14%	57	(99)
<b>Corporate Management</b>	626	312	292	(20)	-6.46%	586	(40)	-6.39%	(37)	(70)
Unbudgeted, uncontrollable costs: insurances, pension costs and bad debt write offs/impairment allowances on services income						200	200	0.00%	200	241
<b>Total Service Budgets</b>	<b>125,046</b>	<b>63,547</b>	<b>60,426</b>	<b>(3,120)</b>	<b>-4.91%</b>	<b>123,451</b>	<b>(1,595)</b>	<b>-1.28%</b>	<b>(959)</b>	<b>36</b>
Levies	3,599	3,599	3,597	(1)	-0.03%	3,599	0	0.00%	0	0
Discretionary Rate Relief	95	0	0	0	0.00%	108	13	13.68%	0	11
Capital Financing	6,939	2,098	2,098	0	0.00%	6,950	11	0.16%	34	(277)
General & Other Contingencies	1,065	1,082	1,082	0	0.01%	1,065	0	0.00%	0	(447)
Support Services contribution - HRA	(700)	0	0	0	0.00%	(700)	0	0.00%	0	(86)
Benefits Granted	6,103	(717)	(717)	0	0.00%	6,313	210	3.44%	207	248
<b>Total Corporate Finance</b>	<b>17,100</b>	<b>6,061</b>	<b>6,061</b>	<b>(1)</b>	<b>-0.01%</b>	<b>17,335</b>	<b>234</b>	<b>1.37%</b>	<b>241</b>	<b>(551)</b>
<b>Total 2020/21</b>	<b>142,146</b>	<b>69,608</b>	<b>66,487</b>	<b>(3,121)</b>	<b>-4.48%</b>	<b>140,786</b>	<b>(1,361)</b>	<b>-0.96%</b>	<b>(718)</b>	<b>(515)</b>

Service/Function	2020/21 Annual Budget	Q2 2020/21 Budget Year to Date	Q2 Actual & Committed spend	Q2 2020/21 Variance	Q2 Actual & Committed Spend	Estimated Expenditure to 31 March 2021 at Q2	Estimated Outturn 31 March 2021 over/(under) at Q2	2020/21 Projected Over/(Under)spend as a % of Total Budget	Estimated Outturn 31 March 2021 over/(under) at Q1	Draft Over/(under) spend Last Year 2019/20 (Subject to Audit)
	£'000	£'000	£'000	£'000	%	£'000	£'000	%	£'000	£'000
<b>Funding</b>										
NDR	(24,313)	(13,091)	(15,132)	0	0.00%	(24,313)	0	0.00%	0	0
Council Tax	(39,749)	0	0	0	0.00%	(39,140)	608	-1.53%	1,200	207
Council Tax Premium	(1,393)	0	0	0	0.00%	(1,797)	(404)	29.01%	(455)	
Revenue Support Grant	(76,692)	(41,295)	(47,731)	0	0.00%	(76,692)	0	0.00%	0	0
<b>Total Funding 2020/21</b>	<b>(142,146)</b>	<b>(54,386)</b>	<b>(62,863)</b>	<b>0</b>	<b>0</b>	<b>(141,942)</b>	<b>204</b>	<b>-0.14%</b>	<b>745</b>	<b>207</b>
<b>Total outturn including impact of funding</b>	<b>0</b>	<b>15,222</b>	<b>3,624</b>	<b>(3,121)</b>	<b>-20.50%</b>	<b>(1,156)</b>	<b>(1,156)</b>	<b>-0.81%</b>	<b>27</b>	<b>(308)</b>

Summary of the Outturn Position on Contingency Budgets 2020/21

	Budget	Virements	Amended Budget YTD	Committed YTD	Currently Uncommitted Budgets	Budget Forecast
	£	£	£	£	£	£
General Contingency	371,550	- 72,940	298,610	2,500	296,110	-
Salary and Grading	150,000	- 12,727	137,273	9,037	128,236	-
Earmarked Contingency	708,770	- 62,800	645,970	-	645,970	-
<b>Total General and other Contingencies</b>	<b>1,230,320</b>	<b>-148,467</b>	<b>1,081,853</b>	<b>11,536</b>	<b>1,070,316</b>	<b>0</b>

**Review of Invest-to-Save Projects 2020/21**

Service	Title	Description	Amount Approved £	Allocation for 2020/21 £	Spent 2020/21 £	Remaining budget 2020/21 £	Balance at 30 Sept 2020 £	Project Update
Resources	Electronic Document Management System for Revenues and Benefits	Provide scanning solution and workflow for Revenues and Benefits	170,000	0	0	0	0	Project closed. No further update.
I.T.	Local Land and Property Gazetteer	Implement a LLPG system across the Council	10,800	0	0	0	0	Project closed. No further update.
I.T. / Transformation	Customer Relationship Management System	Purchase and implementation of a CRM system	255,000	100,132	53,456	46,676	46,676	The CRM continues to be used extensively with tranche 2 of business support grants being administered through the system as well as a booking system for attending Household Waste Recycling Centres. The CRM is currently being integrated with the line of business system used by the contractor appointed to the waste collection contract for the Authority. Progress on other forms has been impacted by Covid but work on other forms as nominated by the Transformation Board continues where possible.
I.T. / Resources	Payment Gateway	Purchase and implement a payment gateway which will enable payments to be received via the App	27,000	13,583	0	13,583	13,583	Project closed. No further update.
Regulation & Economic Development	Improve the Resilience of the Planning Systems	New automated planning systems	118,000	15,374	0	15,374	15,374	No further expenditure has taken place during Quarter 2, with testing and training undertaken in preparation of Planning going 'live' on Enterprise taking precedence, this with a view to securing and arranging a slot with Northgate during November. Should this timescale be missed, the 'go-live' date will be delayed until January 2021.

Service	Title	Description	Amount Approved £	Allocation for 2020/21 £	Spent 2020/21 £	Remaining budget 2020/21 £	Balance at 30 Sept 2020 £	Project Update
Resources	Improving Income Collection Systems	Purchase and implement a new income management system which links to the current income streams and allows new income collection methods (AppMôn etc.) to link into the cash management system	150,000	42,799	30,459	12,340	12,340	Full commitments have now been made and within the bid budgets. Implementation recommenced during Quarter 2 following ending of furlough of certain Capita project staff but momentum will only pick up in Quarter 3. Testing of the new GL export file that could be done remotely is almost complete and arrangements are in place to complete the testing that cannot be done remotely. Once this is complete automated income reconciliation/e-returns can begin to be implemented, involving new processes for services and bespoke electronic bank statements from the Authority's bankers. Further automated work is being progressed by developing APIs to enable automated income update to ledger through income management for internal services such as leisure, education and highways and externally for DWP. Implementation will be ongoing into the next financial year due to Covid-19 delaying implementation and internal services retendering certain software processes. The remaining budget balance will be used for any unexpected items which remain.
Lifelong Learning	Modernisation of business and performance processes - Education	Implement unused modules in the ONE Management Information system	67,000	0	0	0	0	Project closed. No further update.
Lifelong Learning	Modernisation of business and performance processes - Oriël Môn	Website for the Oriël Môn	20,000	11,474	0	11,474	11,474	There have been some delays with the company and Covid-19. The final elements of online shop are nearing completion and website is delivered and live, though some small bugs remain. We expect to receive invoices for the completed work in Quarter 3.

Service	Title	Description	Amount Approved £	Allocation for 2020/21 £	Spent 2020/21 £	Remaining budget 2020/21 £	Balance at 30 Sept 2020 £	Project Update
I.T. / Transformation	Digital First / Digital By Default	Employ a Digital Lead Officer and Digital Services Analyst	£70,000 in year 1 and £50,000 in year 2	50,000	34,073	15,927	65,057	Two people have been recruited to the Temporary Digital Technician posts at Grade 5 and are currently in post.
Public Protection	Improved Digital Connectivity within the Public Protection Service	Implementation of a cloud based system to record inspection visits. The software is an all Wales solution and has been procured via a framework agreement supported by 19 out of 22 Councils in Wales.	£10,000 per year for 4.5 years	10,000	0	10,000	45,000	No progress to report in 2020/21. Due to Covid-19 and pressures on Public Protection, there has been no capacity to proceed.
<b>Total</b>				<b>243,362</b>	<b>117,988</b>	<b>125,374</b>	<b>209,504</b>	

APPENDIX D

**Review of Efficiency Savings 2020/21**

Service/Function	Budget Savings 2020/21 £'000	Achievable 2020/21 £'000	Possibly Unachievable 2020/21 £'000	Comments
Highways, Waste & Property	68	11	57	<p>Currently, savings of £10k are unlikely to be achieved by reducing the cost of running the Council's vehicle fleet by investing in more fuel efficient vehicles and improving administration procedures to reduce down time. This is due to the significant reduction of fleet vehicle use due to Covid-19. Four LPG vehicles were delivered in July, which will be more fuel efficient.</p> <p>A saving of £47k by increasing car park fees is also unlikely to be achieved. A cashless option was required (Pay by Phone) in order to implement the new fees, but Covid-19 restrictions delayed this process and all car parks were closed to the public. Pay by Phone implemented on 3 August but it was not possible to introduce new tariffs at our seasonal sites. The implications of Covid-19 meant that a legal notice of tariff changes could not be implemented until September. All car parks have since reopened with unrevised charges implemented in coastal car parks but parking in urban areas remained free until the end of September, in accordance with the Executive directive. Situation discussed with members of the Parking Steering Group which met on 30 September, which resolved that new and additional charges be implemented in 2021/22. A claim for loss of income was submitted to Welsh Government and the Authority has received a payment of £150k. A further claim for loss of income at seasonal sites will be prepared and submitted to Welsh Government should the opportunity arise to make one.</p> <p>A saving of £11k by rearranging the out of hours rota of the property repairs team is on track to be fully achieved.</p>
Regulation and Economic Development	65	59	6	<p>A saving of £22k has been implemented in full by reducing the Development Control Team's administrative capacity. This has been achieved by the recent investment in the planning system.</p> <p>The expected increase in income of £1k is unlikely to be achieved given the current pandemic and its effect on group gatherings and events.</p> <p>£37k saving by deleting the remainder of the Outdoor Facilities budget following the transfer of the assets from the Council's control has been fully achieved.</p>

Service/Function	Budget Savings 2020/21 £'000	Achievable 2020/21 £'000	Possibly Unachievable 2020/21 £'000	Comments
				The fees and charges for maritime services have been increased, although the saving of £5k is not likely to be achieved due to the Covid-19 related restrictions and the shortening of the open season.
Housing	101	101	0	<p>A saving of £27k has been achieved by deleting the vacant post of Strategic Development Officer.</p> <p>Savings of £4k by reducing the cost of administrative support to the Head of Housing is being achieved.</p> <p>A saving of £36k by capitalising the staffing costs relating to the delivery of Disabled Facilities Grant will be achieved.</p> <p>Savings of £19k was proposed by adjusting the charges to the Housing Revenue Account to reflect the increase in costs are likely to be achieved at year-end review.</p> <p>A service budget review identified £15k of un-utilised budget, which have now been deleted. There was no overspend at the end of Q2 so this saving is being achieved.</p>
Transformation	5	5	0	A saving of £5k was recognised by deleting budgets for low usage telephone lines and mobile phones. No further line savings have been identified to date but, if not found, the savings will be found from elsewhere in the department's budget, as in 2019/20.
Resources	60	60	0	<p>A saving of £10k was proposed by reducing postage budgets as a result of investments in the Payroll and Housing Benefit systems which has allowed the transfer of information electronically rather than posting paper documents. Expenditure for Q2 is slightly above budget, but this is likely due to the timing of the expenditure.</p> <p>A corporate approach to the purchase of goods is expected to release a saving of £50k. Expenditure at Q2 is within budget.</p>
Council Business	8	8	0	Reducing the cost of holding Civic events is expected to achieve a saving of £8k for the year. Expenditure at Q2 is within budget.
<b>Total</b>	<b>307</b>	<b>244</b>	<b>63</b>	



APPENDIX DD

Agency costs April to September 2020

Service	Amount £	Source of Funding (Specific Core Budget / Un- utilised staffing budget / Grant / External Contribution)	Permanent / Temporary	Reason for Cover
Schools	900	Core	Temporary	Teaching cover in specialised areas
	<b>900</b>			
Waste	33,893	Specific Core Budget	Temporary	Short term staff - not available view HR Matrix
	33,087	Specific Core Budget	Temporary	Additional tasks required short term. Staff not available via HR Matrix
	22,468	Specific Core Budget	Temporary	Additional tasks required short term. Staff not available via HR Matrix
	<b>89,448</b>			
Children Services	36,553	Core Budget/ Agency staff Reserve	Temporary	To cover vacant posts
	45,149	Core Budget/ Agency staff Reserve	Temporary	To cover vacant posts
	11,868	Core Budget/ Agency staff Reserve	Temporary	To cover vacant posts
	<b>93,570</b>			
Adult Services	68,814	Core Budget	Temporary	DOLS project
	16,803	Core Budget	Temporary	To cover vacant posts
	<b>85,617</b>			
Transformation	3,240	Un-utilised staffing budget	Temporary	Maternity
	<b>3,240</b>			
<b>Total</b>	<b>272,775</b>			

APPENDIX E

**Summary Consultancy Expenditure Q2 2020/21**

<b>Summary Consultancy Expenditure per Service</b>			
<b>Service</b>	<b>Qtr1 £</b>	<b>Qtr2 £</b>	<b>Total 2020/21 £</b>
Central Education	8,685	10,033	<b>18,718</b>
Culture	0	0	<b>0</b>
Economic & Regeneration	1,125	36,501	<b>37,626</b>
Property	0	0	<b>0</b>
Highways	0	17,655	<b>17,655</b>
Schools	0	0	<b>0</b>
Waste	12,883	40,257	<b>53,140</b>
HRA	0	1,200	<b>1,200</b>
Housing	0	0	<b>0</b>
Corporate & Democratic	0	0	<b>0</b>
Adult's Services	0	0	<b>0</b>
Children's Services	2,466	56	<b>2,522</b>
Corporate	0	0	<b>0</b>
Transformation	630	1,386	<b>2,016</b>
Council Business	11,847	2,582	<b>14,429</b>
Resources	9,515	0	<b>9,515</b>
<b>Total</b>	<b>47,151</b>	<b>109,671</b>	<b>156,822</b>
Funded by:			
Core Budget	46,016	72,640	<b>118,656</b>
Grant	630	1,386	<b>2,016</b>
External Contribution	505	35,645	<b>36,150</b>
Reserves	0	0	<b>0</b>
<b>Total</b>	<b>47,151</b>	<b>109,671</b>	<b>156,822</b>

**Breakdown of Consultancy Costs Quarter 2 2020/21**

	Amount £	Category - Reason Appointed			Source of Funding	Description of work undertaken
		Ongoing to cover specific skill set that doesn't require Permanent Post	Volume of Work	Specific Work / One Off Project	(Specific Core Budget / Unutilised staffing budget / Grant / External Contribution)	
<b>Total Q1 April - June</b>	<b>47,151</b>					
Central Education	9,333		✓		Core	Professional Fees - service as Senior Officer, Education Department
	700			✓	Core	Professional Fees – service to the Learning Service
<b>Total Central Education</b>	<b>10,033</b>					
Economic & Regeneration	1,458			✓	External	Consultancy re commencement of cruise post Covid and economic impact assessment
	19,675	✓			External	Morlais TWAO Application
	870	✓			External	Morlais Project G2624
	1,285	✓			External	Annual Hosting Services
	12,182			✓	External	Arfor Project Management Q1&2
	430			✓	Core	Structural checks
	27			✓	Core	Issue 73 - Law Guide Update
	399	✓			Core	Worldpay - Direct Debits
	175			✓	External	Surfing sessions for care club participants
<b>Total Economic and Regeneration</b>	<b>36,501</b>					
Highways	2,184			✓	Core budget	WPPP levy contribution 2019/20 Q4
	6			✓	Core budget	PCN Charge
	6,316			✓	Core budget	HAMP Assistance 2019
	9,150			✓	Core budget	SCRIM survey 2020
<b>Total Highways</b>	<b>17,655</b>					

	Amount £	Category - Reason Appointed			Source of Funding	Description of work undertaken
		Ongoing to cover specific skill set that doesn't require Permanent Post	Volume of Work	Specific Work / One Off Project	(Specific Core Budget / Unutilised staffing budget / Grant / External Contribution)	
Waste	28,886	✓		✓	Specific Core Budget	Provision of External Technical Support - Procurement of a new waste collection and cleansing contract
	57	✓		✓	Specific Core Budget	DUoS Offtake
	172	✓		✓	Specific Core Budget	Metering and Settlement fee
	3,966	✓		✓	Specific Core Budget	Penhesgyn Landfill Gas Technical Support
	183	✓		✓	Specific Core Budget	Fire risk assessment
	250	✓		✓	Specific Core Budget	Mitigation for Penhesgyn
	1,138	✓		✓	Specific Core Budget	Penhesgyn Landfill Environment Permit Variation Application SEMP
	2,730	✓		✓	Specific Core Budget	HRA and Groundwater Management Plan
	1,856	✓		✓	Specific Core Budget	Bioaerosol monitoring works at the IVC - July 2020
	587	✓		✓	Specific Core Budget	Analysis charges
	250	✓		✓	Specific Core Budget	Mitigation for Penhesgyn
	183	✓		✓	Specific Core Budget	Fire risk assessment
<b>Total Waste</b>	<b>40,257</b>					
HRA	300			✓	Core	Tech OOH evening work - enhancements to LIVE Orchard System
	900			✓	Core	Housing Lettings configuration
<b>Total HRA</b>	<b>1,200</b>					
Children Service	45			✓	Core Funding	Purchase Birth Certificate
	11			✓	Core Funding	Purchase Birth Certificate
<b>Total Children Services</b>	<b>56</b>					
Transformation	1,386	✓			Grant	Assessor - Trainee Social Workers
<b>Total Transformation</b>	<b>1,386</b>					
Council Business	2,582			✓	Unutilised staffing budget	Cover for temporary staff absence
<b>Total Council Business</b>	<b>2,582</b>					
<b>Total Q2 - July - September</b>	<b>109,671</b>					
<b>Cumulative total 2020/21 - April to September</b>	<b>156,822</b>					





<b>ISLE OF ANGLESEY COUNTY COUNCIL</b>	
<b>Report to:</b>	<b>EXECUTIVE COMMITTEE</b>
<b>Date:</b>	<b>30 NOVEMBER 2020</b>
<b>Subject:</b>	<b>BUDGET MONITORING REPORT SECOND QUARTER 2020/21 - CAPITAL</b>
<b>Portfolio Holder(s):</b>	<b>COUNCILLOR R WILLIAMS</b>
<b>Head of Service / Director:</b>	<b>MARC JONES (EXT. 2601)</b>
<b>Report Author:</b>	<b>JEMMA ROBINSON</b>
Tel:	<b>01248 752675</b>
E-mail:	<b>JemmaRobinson@ynysmon.gov.uk</b>
<b>Local Members:</b>	<b>n/a</b>
<b>A –Recommendation/s and reason/s</b>	
<ul style="list-style-type: none"> <li>It is recommended that the Executive note the progress of expenditure and receipts against the capital budget 2020/21 at quarter 2.</li> <li>To approve £4.449m of Unsupported Borrowing in relation to the conditions of the Waste Contract awarded to Biffa, as per paragraph 3.3.1 of this report.</li> </ul>	
<b>B – What other options did you consider and why did you reject them and/or opt for this option?</b>	
n/a	
<b>C – Why is this a decision for the Executive?</b>	
<ul style="list-style-type: none"> <li>This report sets out the financial performance of the Capital budget for the second quarter of the financial year.</li> <li>Budget monitoring is a designated Executive function.</li> </ul>	
<b>CH – Is this decision consistent with policy approved by the full Council?</b>	
Yes	
<b>D – Is this decision within the budget approved by the Council?</b>	
Setting of the annual Capital Budget.	
<b>DD – Who did you consult? What did they say?</b>	
<b>1</b>	<b>Chief Executive / Senior Leadership Team (SLT) (mandatory)</b> Report has been reviewed by the SLT and comments incorporated into the final report.
<b>2</b>	<b>Finance / Section 151 (mandatory)</b> n/a – this is the Section 151 Officer’s report.
<b>3</b>	<b>Legal / Monitoring Officer (mandatory)</b> The Monitoring Officer is part of the SLT and comments made have been considered by the SLT.
<b>4</b>	<b>Human Resources (HR)</b>
<b>5</b>	<b>Property</b>
<b>6</b>	<b>Information Communication Technology (ICT)</b>
<b>7</b>	<b>Procurement</b>
<b>8</b>	<b>Scrutiny</b>
<b>9</b>	<b>Local Members</b>

<b>E – Impact on our Future Generations(if relevant)</b>		
<b>1</b>	<b>How does this decision impact on our long term needs as an Island</b>	The capital budget funds investments in assets and infrastructure which are required to allow the Council to meet the long term objectives which are set out in its Corporate Plan and Capital Strategy.
<b>2</b>	<b>Is this a decision which it is envisaged will prevent future costs / dependencies on the Authority. If so, how:-</b>	Some of the individual investments e.g. flood prevention work, will prevent future costs whilst others e.g. ICF projects, will reduce the dependency on the Council to provide more expensive services.
<b>3</b>	<b>Have we been working collaboratively with other organisations to come to this decision, if so, please advise whom:</b>	Funding of the projects has been agreed and planned with other organisations, notably Welsh Government.
<b>4</b>	<b>Have Anglesey citizens played a part in drafting this way forward? Please explain how:-</b>	The Council's Corporate Plan and Capital Programme 2020/21 have been subject to a consultation process with Anglesey citizens.
<b>5</b>	<b>Outline what impact does this decision have on the Equalities agenda and the Welsh language</b>	Some of the projects funded by the capital programme do impact on the equalities agenda e.g. disabled access in schools, disabled facilities grants. No impact on the Welsh language agenda.
<b>F - Appendices:</b>		
Appendix A - Capital Budget Monitoring Report – Quarter 2 2020/21 Appendix B - Summary of the Capital Projects' Expenditure to date against the Capital Budget and the Projected Expenditure at Year-End		
<b>FF - Background papers (please contact the author of the Report for any further information):</b>		
<ul style="list-style-type: none"> <li>• 2020/21 Capital Budget, as recommended by the full Council on 10 March 2020;</li> <li>• 2020/21 Treasury Management Strategy Statement, approved by the full Council on 10 March 2020;</li> <li>• 2019/20 Capital Outturn Report, presented to this Committee on 15 June 2020; and</li> <li>• 2020/21 Capital Budget Monitoring Quarter 1, presented to this Committee on 28 September 2020.</li> </ul>		



## 1. INTRODUCTION

- 1.1 This is the Capital Budget monitoring report for the second quarter of the financial year, and allows Members to note the progress of Capital Expenditure and Capital Receipts against the Capital Budget.
- 1.2 In March 2020, the Council approved a Capital Programme (which included estimated slippage) for non-housing services of £17.050m for 2020/21 and a Capital Programme of £20.255m for the HRA. In addition, in June 2020, the Executive approved Capital Slippage of £12.109m to be brought forward from 2019/20, bringing the Capital Programme for non-housing services to £22.336m and £19.032m for the HRA. Since the budget setting process, there have been additional schemes added onto the programme, most of which are grant funded, which amounted to £8.098m. This brings the total Capital budget for 2020/21 to £49.466m.

## 2. PROGRESS ON EXPENDITURE 2020/21

- 2.1 Below is a summary table of the Capital expenditure to 30 September 2020, the profiled budget to 30 September 2020 and the proposed funding of the Capital Programme for 2020/21:-

Service	Annual Budget £'000	Profiled Budget £'000	Actual Expenditure £'000	Committed Expenditure £'000	Total Expenditure £'000	Profiled Budget Spend %	Annual Budget Spent %
Housing General Fund	1,860	584	506	13	519	89	28
Housing HRA	19,032	4,930	3,245	435	3,680	75	19
Lifelong Learning	11,727	2,166	1,537	89	1,626	75	14
Economic and Regeneration	3,794	1,822	1,690	122	1,812	99	48
Highways	6,660	2,604	2,071	106	2,176	84	33
Property	2,673	1,203	1,220	0	1,220	101	46
Transformation	529	106	86	28	114	108	21
Planning	1,324	113	10	160	170	151	13
Adult Services	1,867	160	156	0	156	97	8
<b>Total</b>	<b>49,466</b>	<b>13,688</b>	<b>10,521</b>	<b>951</b>	<b>11,471</b>	<b>84</b>	<b>23</b>
<b>Funded By:</b>							
Capital Grant	20,769						
Capital Receipts	793						
Supported Borrowing	7,955						
Unsupported Borrowing	1,796						
Revenue Contribution	16,133						
Reserves	619						
Loan	1,401						
<b>Total Funding</b>	<b>49,466</b>						

- 2.2 The Profiled budget spent to the end of the first quarter for the general fund is 89%, however, only 26% of the annual budget has been spent to date. The reason for this is that a number of the capital schemes are weighted towards the latter part of the financial year. Some capital schemes are underway, with the majority of the profiled budget for quarter 2 being spent, schemes such as Beaumaris and Pentraeth Flood Alleviation schemes, Tourism Gateway scheme, Holyhead Strategic Infrastructure and Gaerwen Park and Share. Some capital schemes have yet to commence, but their budget is profiled towards the latter part of the financial year, such as School Safety, Porth y Wrach Slipway enforcement cameras, Holyhead Landscape Partnership scheme, Resilient Roads scheme, Disabled access to Education buildings, Refurbishing Existing and Education buildings and the adventure playground at Breakwater Park. These schemes and their profile can be seen in Appendix B. There are a number of Capital Grants schemes in 2020/21 and an update on these is provided in Section 3.1 of this report.

**2.3** The Housing Revenue Account has spent 75% of its profiled budget and 19% of the annual budget. It is currently estimated that the budget will not be significantly underspent come the end of the financial year. The coronavirus pandemic brought all planned maintenance contracts to a halt towards the end of quarter 4 2019/20 and sites remained closed during lockdown for the majority of quarter 1 2020/21. The Housing Service worked towards recommencing works at a number of sites during the latter stage of quarter 1 2020/21, which included external planned maintenance contracts. This aim was successfully achieved, with all work undertaken in a safe manner which protects both residents and the contractor's workforce. The recommencing of works was, and will, continue to be centred on strict conditions and compliance with approved Risk Assessments, Social Distancing Guidelines and Government Guidelines in connection with construction works during the coronavirus pandemic. Inevitably, these developments had a serious impact on expected expenditure during quarter 1 and will delay capital investment on work involving internal works during the remainder of 2020/21. During quarter 2, expenditure on traditional planned maintenance recovered to a certain extent following recommencement of work on two major contracts. It is expected that expenditure profiles on these two schemes will continue to gather momentum during quarter 3.

The effects of Covid-19 are still being felt on new build and property acquisition projects. From March 2020 to September 2020, occupied properties could not be visited and, therefore, agreement to purchase any 'buy-back' properties during this time was not managed. The aim is to purchase 15 ex-Council houses per year but, at present, it is a more reasonable assumption that only a third of that figure will be acquired during 2020/21, which will have a knock on effect on the budget. Delays are still being experienced on new building sites due to Covid-19, in particular with regard to certain materials availability and deliveries. This has slowed progress and lessened expenditure. Some projects have also experienced delays attributable to utility companies. Overall, these matters are expected to have quite a significant effect on the 2020/21 budget.

### **3. FUNDING**

#### **3.1 Capital Grants**

**3.1.1** There are a number of Capital Grant schemes in the Capital Programme for 2020/21, most of which are underway and progressing, with a brief update on the schemes provided below:-

- **Llangefni Strategic Infrastructure** – The scheme involves the construction of five new industrial units on the old Môn Training site and an extension to the Business Centre for letting to the private sector. The new industrial units have now been completed, and all five have been let. Work at the Business Centre has now been completed and office space is currently being advertised. A re-profile has been submitted to the Welsh European Funding Office and a 6 month extension to end of September was approved for the project. Due to delays on site as a result of Covid, this extension was reviewed again by WEFO in August and an extension has now been granted to March 2021. The remaining spends have been allocated to upgrade the cladding and other minor works on the current Business Centre and work is currently ongoing. Any underspend will be reviewed later in the year when cladding works are coming to an end and will be considered for IT purposes to meet tenant requirements.
- **Holyhead Strategic Infrastructure** – This scheme is to construct ten new industrial units at Penrhos, Holyhead. The appointed contractor has now completed main works and is off site. Minor snagging works and commissioning works are remaining. Issues have been experienced relating to the electricity connection easements on site which has resulted in increased legal fees. The matter is still ongoing and is currently being prioritized by Property and Economic officers. European Regional Development Funding (ERDF) has been secured and a Joint Venture has been entered into with Welsh Government, which provides the match funding for the scheme. Dependant on the completion of legal matters, it is hoped that the units will be available to let from December 2020/January 2021.

- **Transforming Towns Covid Grant** - All North Wales Local Authorities have been awarded £0.108m of Targeted Regeneration Investment (TRI) urban regeneration funding that has been repurposed to support town centre Covid adjustments. With Welsh Government agreement, the funding has been awarded in £10k grants to the five town councils and £5k grants to five community councils covering busy seaside villages. Items covered include adjustments to public toilets, benches, planters, picnic tables, sanitiser stations and signage. Part of the fund has also been used directly by the Council for social distancing signage and related measures. The £0.108m has now been fully committed and all claims have been requested by the end of December. A briefing on this fund was emailed to all elected Members.
- **21st Century Schools** - From the Band A Projects, new schools at Rhyd y Llan, Ysgol Cybi and Ysgol Santes Dwynwen have all been completed, together with an extension to Ysgol Parc y Bont and a refurbishment at Ysgol Brynsiencyn. The final Band A scheme, which focuses on the school provision in the Llangefni area, was consulted upon over a six week period during quarter 4 2019/20. Following this completion of the consultation, if a new school is the selected option, the costs for the selected scheme will need to be determined and included in the Final Business Case which is submitted to Welsh Government.
- **Childcare Capital Grant** – £2.718m of grant funding has been secured for the period 2019 to 2021 to adapt a number of primary schools to enable the Council to provide sufficient childcare places to meet demand generated by the childcare offer. Additional facilities will be created at Ysgol Santes Dwynwen £0.400m, Ysgol Morswyn £0.413m, Ysgol Pencarnisiog £0.340m, Ysgol Esceifiog £0.364m, Ysgol y Tywyn £0.216m and to deliver a Small Grants Scheme and Project Management £0.165m. Work has been completed at Ysgol Santes Dwynwen, Ysgol Morswyn, Ysgol Pencarnisiog, Ysgol y Tywyn and Ysgol Esceifiog. Surveys have been carried out on other school sites to determine where the remainder of the grant funding will be allocated.
- **Market Hall** - The main contractor has recommenced on site and remaining defects are being attended to. Remaining external works, including the cycle racks and bin store, await planning approval in quarter 3 prior to installation. The initial phase of internal heritage interpretation work has recommenced and Audio Visual is on order both due for installation in quarter 3, also integrating the historic Pollecoff shopfront sign kindly donated to the Council. Our Estates team continue to work on potential occupiers and recent discussions with a prospective office user remain positive and would lead to the majority of the office space being taken.
- **Holyhead Townscape Transformation (Phase II THI)** - Formal third party grant applications are due during the period of late October to mid November for two priority projects, including amongst the longest derelict property in the town centre. Both will involve the conversion of vacant space into housing units. These will be delivered over quarter 3/quarter 4 with practical completion programmed by the end of the financial year. In addition, good progress continues on proposals for the St Cybi's site and adjoining car park. Faculty consent has been received for the viewing platform for the NE Tower and it is envisaged this will be tendered and works commenced by quarter 4. The works to the lower Churchyard gate and overthrow were completed in late September. The tender brief for design services related to the public conveniences on Swift Square was issued but, unfortunately, submissions were non-compliant and this work has now been subsumed into the wider design work for the site, in tandem with other streams for detailed proposals for the remaining site, including working closely with Highways Service on the potential introduction of Electric Vehicle charging points to Swift Square.

- Funding has been approved by Welsh Government for the **Targeted Regeneration Investment Programme (TRIP)**. The purpose of the funding is to bring 108 empty properties back into use through four schemes, being First Time Buyers Support, Vacant Homes Landlord Assistance, Empty Homes Direct Intervention and Town Centre Living. These schemes will be delivered by both the Isle of Anglesey County Council, as the lead authority, and Gwynedd Council, as their joint delivery partner. A revised Offer Letter has been issued for TRIP allocating £1.001m for First Time Buyers Grants, Vacant Homes Landlord Assistance, Town Centre Living and Empty Homes Direct Intervention. These schemes will only be delivered by the Isle of Anglesey County Council in 2020/21, unless further funding can be secured to support schemes in Gwynedd. To the end of quarter 2, £335,596 has been claimed and it is envisaged that the grant will be claimed in full by the end of quarter 4. 107 empty properties have already been brought back into use against the target of 108.
- **The Holy Island Landscape Partnership** – The Landscape Partnership has secured funding of £1.146m from the National Lottery Heritage Fund (NLHF) to deliver a range of projects which focus on the natural environment of Holy Island. Permission to start from NLHF was expected in quarter 3 of 2019/20, but was delayed following a request for a 6 month extension to the European Regional Development Fund (ERDF) funding which is being used as match funding for the Landscape Partnership. The extension to the ERDF has been granted allowing expenditure up to December 2021. The adverts for the Programme Manager, Project Officer and Project Assistant went out in quarter 2 and it is hoped that appointments will be made in quarter 3, allowing delivery to formally begin in quarter 4. The funding has been reprofiled and the Programme will now run until 2024-25.
- **Hwb In-Schools Infrastructure Grant Scheme** – Some progress has been made with infrastructure installation, with 45% of Primary schools having received new equipment (as at start of November 2020). A revised schedule has been proposed which would see 80% completed by December 2020, but that would be dependent on no change in access to schools due to Covid-19. Welsh Government has been informed of a likely slippage to end of March 2021 for the remainder of schools. During the lockdown period and in consultation with schools, a decision was reached to prioritise the funding of Chromebooks to support any future requirement for distance learning and to reflect the altered landscape of education as a result of Covid-19. The entirety of Year 2 funds were used to order 2,951 Chromebooks which are to be distributed to schools based on pupil numbers. Supply of these devices has been further delayed by manufacturing issues at processor fabricators. Delivery is expected imminently for immediate distribution to schools. Further school engagement sessions are being used to inform the revised Delivery Plan for Years 3 and 4 of the programme, should funding be made available.
- **Tourism Gateway** – The Holy Island International Visitor Gateway TAD (Tourism Attractor Destination) Project is a mainly European Regional Development Fund, Welsh Government and Heritage Lottery Fund funded package of projects taking place over several years. Designs for Phase 2 are currently being finalised, with consenting process to be submitted in quarter 3. Consenting process for project adjacent to St Cybi's Church and Swift Square car park is currently being undertaken, with proposed works being presented to Planning Committee in November. Scheduled works at Holyhead Breakwater Country Park to be tendered imminently, with contractor to be appointed during quarter 4.

- **Adventure Playground, Breakwater Country Park** – Welsh Government awarded funding in relation to the Sustainable Development Fund for the Anglesey Area of Outstanding Natural Beauty. £0.100m was awarded for the design and installation of an adventure playground at Breakwater Country Park. Tender documents were sent to Sell2Wales but no applicant met the required criteria in full and therefore no appointment was made. Senior management made the decision to produce a brief to commission consultants to produce a vision for the Breakwater Country Park which would include the design and installation of an adventure playground. Producing a brief to commission consultant subsequently withdrawn and enhanced and realigned tender brief produced to go via Sell2Wales for the design and installation of an adventure playground at Breakwater Country Park. The risk of not completing by March 2021, and potential underspend, is high due to delays, the requirement to seek planning permission, weather restrictions of the winter months and any future Covid-19 restrictions during installation.
- **Resilient Roads Fund** – This is a new grant funding stream, introduced this year. The Council have been successful in obtaining funding under this grant to study what resilience measures could be implemented on the A545 and B5109 either side of Beaumaris. Both these roads have a history of closures in times of adverse weather, and increased storminess associated with climate change will only worsen the situation. Works have begun to procure external consultancy to undertake this study, however, it is anticipated that expenditure will occur in the final quarter of this year.
- **Holyhead and Amlwch Drainage schemes** - These works are currently ongoing. In Holyhead, there is progression in developing a working agreement with Welsh Water such that modelling data can be shared to allow the study to holistically investigate the flooding risks that face both our and Welsh Water's systems in the town. In Amlwch, there is a need to work closely with Natural Resources Wales, such that the main river flood risk can be considered in the study. Currently awaiting agreement from Welsh Government to allow this to proceed. Both these studies will continue well into the next financial year.
- **Small Scale Grants Work** (25 locations) - This grant is the largest grant that has ever been awarded to the Council for small scale schemes. Unfortunately, it was awarded during the Covid-19 pandemic and, as a consequence, construction works could not begin straight away. However, works are now ongoing and over half have been completed with a programme being developed for the remainder. There remains the risk that, with the reduced time now available to carry out these works (that have to be completed within the current financial year) and the difficulties of working under social distancing rules in further lockdowns, some of the 25 schemes may not be completed. We will be working closely with Welsh Government on this.
- **Beaumaris Flood Alleviation** – Site works were substantially completed in the summer with a portion of the works deferred. There will be a need to reach agreement on the deferred element of the works.
- **Pentraeth Flood Alleviation** - Welsh Government allocated funding for the Nant y Felin, Pentraeth Flood Alleviation scheme within their programme for 2019/20 financial year. This scheme was on site but then encountered unforeseen ground conditions. Additional funding was secured for the difficult ground conditions and for the Covid implications. Site works were substantially completed in the summer.
- **Red Wharf Bay** - Consultancy work on the Design and Development of the Coastal Risk scheme in Red Wharf Bay is ongoing. There are some hurdles to overcome, particularly in relation to public consultation during the current restrictions, but it is hoped that the majority of this expenditure will occur within this financial year. With a view to consider construction within the next financial year, subject to Council approval of the required grant match.

- **Llanfair, Menai and Valley Full Business Case (FBC)** - All three schemes are progressing. There are concerns regarding the challenges the preferred option for Llanfair PG poses and further work is anticipated here. It is likely that the FBC (Design and Development) of the Llanfair PG scheme will continue well into the next financial year. There are fewer perceived risks with Menai Bridge and Valley and it is anticipated that Valley may be ready for construction within the next financial year. Again, subject to Council approval of the match funding required.
- **Enable** - £0.093m of Welsh Government Grant has been secured for the delivery of adaptations to support independent living. It is expected that this grant will be fully drawn down by the end of the year.
- **Road Safety Capital** – This scheme incorporates two projects totalling £0.478m. One project involves the installation of road safety measures on the A5025, Valley to Menai Bridge, and the other project is the introduction of 20mph zones outside schools together with improved pedestrian links. There has been £0.220m expenditure in quarter 2 on the A5025. Work on the A5025 will continue in quarter 3, with the implementation of improved pedestrian facilities and road safety signage together with the commencement of the introduction of school 20mph zones across the Island.
- **Active Travel** - £0.200m of Welsh Government Grant has been secured for minor infrastructure improvements, including installation of signage, cycle parking, removal of access barriers and path widening, as well as developing the Integrated Active Travel maps. The purpose of the grant is to promote and increase levels of active travel, improve health & well-being, reduce carbon emissions and improve active travel for employment, education and key services, destinations and public transport. Limited minor improvements have been undertaken so far, with the majority of works to be undertaken in quarter 3 and quarter 4. This includes using the Grant to procure external consultancy to undertake feasibility studies on potential Active Travel improvement schemes which could be delivered in the future.
- **Local Transport Funding** - £0.376m of Welsh Government grant has been secured in relation to Local Transport Fund, Local Transport Network Fund and Ultra Low Emission Vehicle Transformation Fund. The purpose of these funds are to enable development of integrated, effective, accessible, affordable and sustainable transport systems and to enable development and deliver schemes that support the Welsh Government's zero emission taxi/PHV by 2028 ambition.
  - **Local Transport Fund** - £0.242m has been secured for the completion of construction of the Gaerwen Park and Share site. There has been an increase in costs due to unforeseen conditions on site and additional funding will be requested from Welsh Government. Circa. 95% of works have been completed, with the remaining landscaping/planting works to be undertaken in quarter 3.
  - **Local Transport Network Fund** - £0.049m has been secured for bus stop improvements and scheme development for bus passenger facilities at Pencarnisiog junction on the A4080. It is anticipated that works will be delivered in quarter 3 and quarter 4.
  - **Ultra Low Emission Vehicle Transformation Fund** - £0.085m has been secured for the provision of electric vehicle charge points at Llanfairpwll Park and Ride/Share facility as a sustainable transport hub. Works have begun to procure external consultancy to undertake the feasibility and design, however, it is anticipated that expenditure will occur in quarter 3 and quarter 4.

### 3.2 Capital Receipts

3.2.1 The Capital Receipts for this year to date and the budgeted Capital Receipts are:-

	<b>Budget 2020/21 £'000</b>	<b>Received to 30-Sep-20 £'000</b>	<b>Projection to 31-Mar-21 £'000</b>
<b>Council Fund:</b>			
Smallholdings	0	20	20
General	313	359	528
Industrial	0	0	0
Schools	554	370	562
<b>Total</b>	<b>868</b>	<b>749</b>	<b>1,109</b>

3.2.2 The projected Capital Receipts at 31 March 2021 is £1.109m, with £0.749m being received at 30 September 2020 (68%).

3.2.3 Although the Projected Capital Receipts is £1.109m, there is £2.439m of Capital Receipts available to fund the Capital Programme as £1.330m of Capital Receipts were brought forward from 2019/20 in the Capital Receipt Reserve. £1.877m of this can be used to fund the general capital programme, with the other £0.562m available to fund the 21<sup>st</sup> Century Schools programme as part of the Isle of Anglesey County Council's match funding.

### 3.3 Additional Capital Funding

3.3.1 Following the retendering process for the Waste Contract, the Isle of Anglesey County Council awarded the contract to Biffa. As part of the contract negotiations, it was agreed that the Council would fund the capital cost of the new vehicles. The majority of the new vehicles and plant will be purchased ready for the new contract start date of 1 April 2021, with the cost to the Council being £4.449m. This is proposed to be funded by Unsupported Borrowing. This will generate an annual revenue charge of between £550k and £650k (depending on the length of the loan) and this additional cost will have to be factored into the 2021/22 revenue budget.

#### 4. PROJECTED ACTUAL EXPENDITURE 2020/21

4.1 Below is a table with projected Expenditure at 31 March 2021 and the revised funding:-

Service	Annual Budget £'000	Projected Expenditure £'000	Projected (Under) / Over Expenditure £'000	Variance %
Housing General Fund	1,860	1,860	0	0
Housing HRA	19,032	12,788	(6,244)	(33)
Lifelong Learning	11,727	4,068	(7,659)	(65)
Economic and Regeneration	3,794	3,391	(403)	(11)
Highways	6,660	5,941	(719)	(11)
Property	2,673	2,673	0	0
Transformation	529	341	(188)	(35)
Planning	1,324	826	(499)	(38)
Adult Services	1,867	1,867	0	0
<b>Total</b>	<b>49,466</b>	<b>33,755</b>	<b>(15,711)</b>	<b>(32)</b>
Funded By:	Annual Budget £'000	Projected Funding £'000	Variance £'000	Variance %
Capital Grant	20,769	15,070	(5,699)	(27)
Capital Receipts	793	782	(11)	(1)
Supported Borrowing	7,955	5,727	(2,228)	(28)
Unsupported Borrowing	1,796	136	(1,660)	(92)
Revenue Contribution	16,133	10,152	(5,981)	(37)
Reserves	619	487	(133)	(21)
Loan	1,401	1,401	0	0
<b>Total Funding</b>	<b>49,466</b>	<b>33,755</b>	<b>(15,711)</b>	<b>(32)</b>

4.2 As can be seen from table 4.1 (above), the forecast underspend on the Capital Programme for 2020/21 is £15.711m, with this being potential slippage into the 2021/22 Capital Programme. The funding for this slippage will also slip into 2021/22 and will be factored in when producing the Treasury Management Strategy Statement, Capital Strategy and Capital Programme for 2021/22. The main project that is forecast to be underspent is the 21st Century Schools Programme, which is currently 'on-hold' and is dependent on the outcome of the further consultation on the modernisation of the school provision in the Llangefní area. However, should this be resolved in the near future, the forecast underspend may be reduced. The HRA is also forecast to have quite a significant underspend, as explained in paragraph 2.3 above.

4.3 The Capital Finance Requirement forecasted at 31 March 2021 is £140.667m, which is the underlying need for the Authority to borrow to be able to fund its Capital Programme. The external borrowing currently stands at £135.650m, meaning the Authority essentially needs to borrow £5.017m to fund the current Capital Programme. If this borrowing is undertaken externally, the Authority will still be within its authorised borrowing limits as per the 2020/21 Treasury Management Strategy Statement (Appendix 11).

#### 5. FUTURE YEARS

5.1 The Capital Strategy recommended that the 2020/21 Capital Programme funding will be limited to the total of the general capital grant and supported borrowing (as determined by Welsh Government) and estimated value of any capital receipts that will be received. It is expected that the 2021/22 Capital Programme will follow the same principles, with the General Capital Grant and Supported Borrowing used to fund the annual replacement of Vehicles, Investment in ICT, Refurbishing existing assets and an annual allocation to meet the cost of statutory Disabled Facilities Grants. There will also be funding available for the resurfacing of roads and capital projects that attract external grants, and these will be evaluated on a case by case basis.



Once the above projects have been funded, there may be some funding available to fund new capital schemes, with priority given to projects which contribute to the Council's objectives as set out in the Council Plan 2017 – 2022 and any schemes which can generate future revenue savings or generate additional income.

## **6. CONCLUSION**

- 6.1** The results at the end of quarter 2 and the associated projected expenditure shows the impact that Covid-19 and related restrictions are having on the progress and completion of some schemes. The majority of projects are on target to be completed within budget. Due to the 21st Century Schools programme being on hold and being dependent on the outcome of the further consultation on the modernisation of the school provision, there is a risk of significant underspend against this project. The Council has secured many different external grants and work is progressing well on most of these schemes. The Council is also expecting to receive £1.109m of Capital Receipts in 2020/21 to contribute towards the funding of the Capital Programme.

APPENDIX B

**Summary of the Capital Projects' Expenditure to date against the Capital Budget and the Projected Expenditure at Year-End**

Service	Annual Budget (£)	Profiled Budget (£)	Actual Expenditure (£)	Committed Expenditure (£)	Total Expenditure (£)	Variance to profile (£)	Profiled Budget Spent (%)	Annual Budget Spent (%)	Projected Expenditure (£)	Projected Under / Over (£)	Variance (%)
<b>Housing General Fund</b>											
Disabled Facilities Grants	636,000	136,000	87,315	0	87,315	(48,685)	64	14	636,000	0	0
Residential Site for Gypsies and Travellers	523,506	16,275	45,161	12,835	57,996	41,721	356	11	523,506	0	0
Complusory Purchase Scheme	135,000	134,000	134,066	115	134,181	181	100	99	135,000	0	0
Enable Grant	93,200	23,200	1,344	0	1,344	(21,856)	6	1	93,200	0	0
TRIP Landlord Grant Scheme	147,576	74,994	33,960	0	33,960	(41,034)	45	23	147,576	0	0
TRIP First Time Buyer Grant Scheme	294,000	200,000	204,033	0	204,033	4,033	102	69	294,000	0	0
Affordable Housing	30,650	0	0	0	0	0	0	0	30,650	0	0
<b>TOTAL</b>	<b>1,859,932</b>	<b>584,469</b>	<b>505,880</b>	<b>12,950</b>	<b>518,830</b>	<b>(65,639)</b>	<b>89</b>	<b>28</b>	<b>1,859,932</b>	<b>0</b>	<b>0</b>
<b>Housing HRA</b>											
Central Heating Contract	400,000	0	0	0	0	0	0	0	50,000	(350,000)	(88)
Planned Maintenance Contract	6,120,000	1,120,000	1,007,125	410,211	1,417,335	297,335	127	23	5,620,000	(500,000)	(8)
Energy Performance Improvement	537,000	0	0	3,797	3,797	3,797	0	1	100,000	(437,000)	(81)
Environmental Works	750,000	20,000	18,529	780	19,309	(691)	97	3	250,000	(500,000)	(67)
Acquisition of Existing Properties and Development of new properties	9,230,000	3,380,000	1,889,742	2,995	1,892,737	(1,487,263)	56	21	5,292,737	(3,937,263)	(43)
Remodelling Llawr y Dref	2,218	0	5,260	0	5,260	5,260	0	237	5,260	3,042	137
Public Sector Adaptations	350,000	50,000	23,872	16,840	40,713	(9,287)	81	12	150,000	(200,000)	(57)
Fire Risk	450,000	60,000	56,119	0	56,119	(3,881)	94	12	300,000	(150,000)	(33)
Contaminated Land	20,000	0	0	0	0	0	0	0	20,000	0	0
WHQS	1,172,875	300,000	244,286	0	244,286	(55,714)	81	21	1,000,000	(172,875)	(15)
<b>TOTAL</b>	<b>19,032,093</b>	<b>4,930,000</b>	<b>3,244,933</b>	<b>434,623</b>	<b>3,679,557</b>	<b>(1,250,443)</b>	<b>75</b>	<b>19</b>	<b>12,787,997</b>	<b>(6,244,096)</b>	<b>(33)</b>
<b>Lifelong Learning</b>											
Disabled Access in Education Building	500,000	25,000	12,793	13,446	26,240	1,240	105	5	500,000	0	0
Refurbish Education Building	2,034,000	1,000,000	824,221	34,275	858,497	(141,503)	86	42	2,034,000	0	0
School Safety	200,000	0	0	0	0	0	0	0	50,000	(150,000)	(75)
Demolition of schools	324,620	290,000	291,288	0	291,288	1,288	100	90	324,620	0	0
21st Century Schools - Band A Modernisation	5,409,861	45,700	20,452	24,670	45,122	(578)	99	1	184,720	(5,225,141)	(97)
21st Century Schools - Band B Modernisation	2,050,000	0	1,620	0	1,620	1,620	0	0	1,620	(2,048,380)	(100)
Flying Start Capital Grant	39,276	5,000	3,977	0	3,977	(1,023)	80	10	39,276	0	0
Increasing Capacity for Childcare Grant	1,169,197	800,000	382,568	16,242	398,809	(401,191)	50	34	933,722	(235,475)	(20)
<b>TOTAL</b>	<b>11,726,954</b>	<b>2,165,700</b>	<b>1,536,919</b>	<b>88,633</b>	<b>1,625,552</b>	<b>(540,148)</b>	<b>75</b>	<b>14</b>	<b>4,067,958</b>	<b>(7,658,996)</b>	<b>(65)</b>
<b>Economic and Regeneration</b>											
Plas Arthur Works to Fitness Room	102,864	102,864	116,010	356	116,366	13,502	113	113	116,366	13,502	13
Leisure Improvements	250,000	0	170	2,488	2,658	2,658	0	1	250,000	0	0
Tourism Gateway	1,076,233	50,000	0	80,944	80,944	30,944	162	8	700,000	(376,233)	(35)
Holyhead Strategic Infrastructure	1,553,764	1,248,000	1,292,102	1,502	1,293,604	45,604	104	83	1,553,764	0	0
Llangefni Strategic Infrastructure	231,360	231,360	125,964	877	126,840	(104,520)	55	55	231,360	0	0
Planning System Invest to Save	15,252	0	0	0	0	0	0	0	15,252	0	0
Economic Development & Environmental Wellbeing	95,000	0	0	0	0	0	0	0	95,000	0	0
Porth Wrach Slipway – Enforcement Cameras	30,000	0	0	0	0	0	0	0	30,000	0	0
School Site Redevelopment TRIP	7,222	0	0	0	0	0	0	0	7,222	0	0
Economic Development - To seek Match Fund	64,150	0	0	0	0	0	0	0	64,150	0	0
Gateway Units	160,000	160,000	129,355	30,623	159,978	(22)	100	100	160,000	0	0
Transforming Towns Covid Grant	108,000	30,000	26,489	5,000	31,489	1,489	105	29	108,000	0	0
AONB Grant - Breakwater Adventure Playground	100,000	0	0	0	0	0	0	0	60,000	(40,000)	(40)
<b>TOTAL</b>	<b>3,793,845</b>	<b>1,822,224</b>	<b>1,690,089</b>	<b>121,790</b>	<b>1,811,879</b>	<b>(10,345)</b>	<b>99</b>	<b>48</b>	<b>3,391,114</b>	<b>(402,731)</b>	<b>(11)</b>

Service	Annual Budget (£)	Profiled Budget (£)	Actual Expenditure (£)	Committed Expenditure (£)	Total Expenditure (£)	Variance to profile (£)	Profiled Budget Spent (%)	Annual Budget Spent (%)	Projected Expenditure (£)	Projected Under / Over (£)	Variance (%)
<b>Highways</b>											
Upgrade Pay and Display Machines in Car Parks	30,000	30,000	0	30,307	30,307	307	101	101	30,307	307	1
Vehicles	593,367	105,000	33,766	71,490	105,256	256	100	18	593,367	0	0
Highways Resurfacing	1,363,582	873,581	600,655	0	600,655	(272,926)	69	44	1,363,582	0	0
Highways Refurbishment Grant	599,414	360,414	213,326	0	213,326	(147,088)	59	36	599,414	0	0
Beaumaris Flood Alleviation Works (WG)	683,371	90,000	85,621	0	85,621	(4,379)	95	13	463,371	(220,000)	(32)
Pentraeth Flood Alleviation Works (WG)	325,581	250,000	255,027	0	255,027	5,027	102	78	320,027	(5,554)	(2)
Llansadwrn Flood Alleviation	34,922	7,695	7,695	0	7,695	(0)	100	22	12,695	(22,227)	(64)
Holyhead & Amlwch Drainage Studies	69,845	2,500	2,349	0	2,349	(151)	94	3	42,349	(27,496)	(39)
Red Wharf Bay Flood Scheme	104,952	500	419	0	419	(81)	84	0	60,419	(44,533)	(42)
Llanfair Flood Scheme	406,034	5,500	5,419	0	5,419	(81)	99	1	55,419	(350,615)	(86)
FBC Menai Flood Scheme	161,801	500	419	0	419	(81)	84	0	80,419	(81,382)	(50)
FBC Valley Flood Scheme	150,913	500	419	0	419	(81)	84	0	75,419	(75,494)	(50)
Invest to Save - Vehicles	72,980	41,000	40,993	0	40,993	(7)	100	56	72,980	0	0
Small scale grants work	739,921	150,000	143,031	0	143,031	(6,969)	95	19	669,031	(70,890)	(10)
Active Travel	200,000	30,000	30,184	3,776	33,960	3,960	113	17	200,000	0	0
A545 Beaumaris	24,727	10,132	5,635	0	5,635	(4,497)	56	23	24,727	0	0
Road Safety Capital	478,000	220,000	220,004	0	220,004	4	100	46	478,000	0	0
Resilient Roads Fund	105,000	0	0	0	0	0	0	0	105,000	0	0
Local Transport Fund - Gaerwen Park and Share	242,000	300,000	296,222	0	296,222	(3,778)	99	122	335,000	93,000	38
Local Transport Network Fund - Bus Stop improvement works	49,000	0	2,547	0	2,547	2,547	0	5	49,000	0	0
Vehicle Transformation Fund - Electric Vehicle Charge Points	85,000	0	0	0	0	0	0	0	85,000	0	0
Holyhead Gateway Hub	139,443	127,000	126,952	0	126,952	(48)	100	91	225,443	86,000	62
<b>TOTAL</b>	<b>6,659,853</b>	<b>2,604,322</b>	<b>2,070,683</b>	<b>105,572</b>	<b>2,176,255</b>	<b>(428,067)</b>	<b>84</b>	<b>33</b>	<b>5,940,969</b>	<b>(718,884)</b>	<b>(11)</b>
<b>Property</b>											
Refurbish Existing Assets	918,773	150,000	167,371	0	167,371	17,371	112	18	918,773	0	0
Invest To Save Property	1,650,921	1,053,000	1,052,477	0	1,052,477	(523)	100	64	1,650,921	0	0
Smallholding Refurbishments	100,000	0	0	0	0	0	0	0	100,000	0	0
Cromlech Farm	3,172	0	0	0	0	0	0	0	3,172	0	0
<b>TOTAL</b>	<b>2,672,866</b>	<b>1,203,000</b>	<b>1,219,848</b>	<b>0</b>	<b>1,219,848</b>	<b>16,848</b>	<b>101</b>	<b>46</b>	<b>2,672,866</b>	<b>0</b>	<b>0</b>
<b>Transformation</b>											
ICT- Core Infrastructure	292,662	40,000	23,000	0	23,000	(17,000)	57	8	104,935	(187,727)	(64)
ICT - Desktop Refresh	121,000	50,000	59,314	0	59,314	9,314	119	49	121,000	0	0
ICT - Anglesey Connected (AC) to PSBA transition	32,405	15,619	3,748	12,455	16,203	584	104	50	32,405	0	0
ICT - Kit out the meeting rooms	19,964	0	0	0	0	0	0	0	19,964	0	0
Hwb IT Infrastructure	63,124	0	0	15,236	15,236	15,236	0	24	63,124	0	0
<b>TOTAL</b>	<b>529,155</b>	<b>105,619</b>	<b>86,062</b>	<b>27,691</b>	<b>113,753</b>	<b>8,134</b>	<b>108</b>	<b>21</b>	<b>341,428</b>	<b>(187,727)</b>	<b>(35)</b>
<b>Planning</b>											
Holyhead Market Hall Hub Project	281,000	95,000	0	126,122	126,122	31,122	133	45	267,122	(13,878)	(5)
Holyhead Landscape Partnership	143,300	0	0	0	0	0	0	0	65,000	(78,300)	(55)
Holyhead Regeneration (THI Phase II)	900,000	17,500	10,244	33,433	43,677	26,177	250	5	493,677	(406,323)	(45)
<b>TOTAL</b>	<b>1,324,300</b>	<b>112,500</b>	<b>10,244</b>	<b>159,555</b>	<b>169,799</b>	<b>57,299</b>	<b>151</b>	<b>13</b>	<b>825,799</b>	<b>(498,501)</b>	<b>(38)</b>
<b>Adult Services</b>											
ICF	1,732,800	160,000	155,854	0	155,854	(4,146)	97	9	1,732,800	0	0
Bryn Hwfa Community Hub	13,155	0	0	0	0	0	0	0	13,155	0	0
Plas Criqyll Refurbishment	37,978	0	1	0	1	1	0	0	37,978	0	0
Plas Mona Refurbishment	83,371	0	0	0	0	0	0	0	83,371	0	0
<b>TOTAL</b>	<b>1,867,304</b>	<b>160,000</b>	<b>155,854</b>	<b>0</b>	<b>155,854</b>	<b>(4,146)</b>	<b>97</b>	<b>8</b>	<b>1,867,304</b>	<b>0</b>	<b>0</b>
<b>TOTAL</b>	<b>49,466,302</b>	<b>13,687,834</b>	<b>10,520,512</b>	<b>950,815</b>	<b>11,471,326</b>	<b>(2,216,508)</b>	<b>84</b>	<b>23</b>	<b>33,755,367</b>	<b>(15,710,935)</b>	<b>(32)</b>

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## ISLE OF ANGLESEY COUNTY COUNCIL

<b>REPORT TO:</b>	<b>THE EXECUTIVE</b>
<b>DATE:</b>	<b>30 NOVEMBER 2020</b>
<b>SUBJECT:</b>	<b>HRA BUDGET MONITORING, QUARTER 2 2020/21</b>
<b>PORTFOLIO HOLDER(S):</b>	<b>COUNCILLOR ROBIN WILLIAMS</b>
<b>DIRECTOR:</b>	<b>MARC JONES</b>
<b>REPORT AUTHOR:</b>	<b>STEPHEN MOORE</b>
TEL:	01248 752634
E-MAIL:	StephenMoore@ynysmon.gov.uk
<b>LOCAL MEMBERS:</b>	<b>n/a</b>

### A - Recommendation/s and reason/s

1. The Executive is requested to note the following:-
  - (i) The position set out in respect of the financial performance of the Housing Revenue Account (HRA) for quarter 2 2020/21.
  - (ii) The forecast outturn for 2020/21.
  
2. **Background**
  - (i) In March 2020, the Council agreed a revenue budget for 2020/21 that showed a planned surplus of £7.8m.
  - (ii) The capital budget for 2020/21 was £19.1m, including allowance for expenditure that was not completed from the 2019/20 capital budget.
  - (iii) The combination of both the revenue budget and adjusted capital budget gave a planned budget deficit of £7.2m, which would be funded from the HRA reserve.
  - (iv) The HRA is 'ringfenced' and its reserves cannot be transferred to the General Fund, nor can General Fund reserves be used to fund the HRA.
  
3. This report sets out the financial performance of the HRA for the period from 1<sup>st</sup> April 2020 to 30<sup>th</sup> September 2020.
  
4. **Overview**
  - (i) The revenue financial position for Q2 shows an underspend of £324k, compared to £220k at the end of Q1. The forecast for income is £100k below the original budget, and expenditure is forecast to be £112k below the original budget as explained below. More detail is shown in Appendix A.
  - (ii) The Capital expenditure is £1,250k below the profiled budget (£421k at Q1). The forecast expenditure is £6,244k below budget as explained below. More detail is shown in Appendix B.
  - (iii) The forecast deficit (combining both revenue and capital) is £6,256k less than the budget (reducing the planned deficit to £832k), compared to a forecast deficit of £2,112k less than the budget at the end of Q1. This is largely the result of lower than budgeted capital expenditure.

## 5. Income

- (i) At the end of the second quarter the level of income received was £140k (£52k at Q1) better than the profiled budget as noted below.
- (ii) Rental income was £105k above budget (£52k Q1). The budget, however, assumes that new properties will come on stream during the year that have been delayed (see also the 'capital' section below). Consequently the forecast is that income will be £100k below budget by the end of the year.
- (iii) Service charge income, which is based on the actual costs incurred, is just £3k better than budget. The budget was completely reviewed following last year's significant budget underspend.
- (iv) Other income is £32k better than the profiled budget as the result of the timing of Feed in Tariff (FIT) receipts from the feed in tariff. The forecast for the year is unchanged.
- (v) The 30 year plan includes a provision of £280k towards bad debts, 1.5% of the total rent income. This was an increase from 1.25% in the previous year to allow for the continuing roll out of Universal Credit. A bad debt only arises when there is no realistic prospect of recovering the arrears of rent owed. The actual provision in the 2019/20 annual account was £118k, just 0.65% of the total rent income, reflecting the efforts made to ensure that the rent due is recovered. These provisions were made before the Covid 19 pandemic affected Anglesey. At the end of March 2020, the level of rent arrears was 2.41% of rental income (£438k). At the end of June, this had risen to 3.4% (£625k), an increase of 50%, and, at the end of September, this had decreased to 3.33% (£612k). In a recent Welsh Government analysis of rent arrears amongst the 11 Welsh stock owning authorities, this placed Anglesey 3<sup>rd</sup> best out of 11. At this stage, there can be no certainty how much of this will be recovered over time, or will become irrecoverable and so have to be written off. Past experience would seem to indicate that the provision is currently adequate, but this will be kept under review.
- (vi) The overall forecast for income is now a reduction of £100k compared to the original budget by the end of the year (a £50k reduction at the end of Q1).

## 6. Non Repairs and Maintenance Expenditure

- (i) At the end of the second quarter, non repairs and maintenance expenditure was £59k above the profiled budget (£12k below at Q1) . Mostly, this is the result of the annual cost of the Orchard Computer system being committed now, offset by the reduced level of work due to Covid (in particular the suspension of clean up days). The forecast has been reviewed, and is now £12k better than budget (compared to a zero variance at Q1), taking into account the reduced work from the Tenant Participation team (£26k) and the additional costs from the development of the mobile working module (£14k).

## **7. Repairs and Maintenance**

- (i) The Housing Maintenance Unit (HMU) shows an underspend of £332k (£226k at Q1). This is the direct result of the Covid 19 situation where only essential repairs are being undertaken, which has reduced the costs of materials and the use of subcontractors. The effect of increased activity once normal service can be offered is hard to quantify, but a conservative forecast of a £70k (£50k at Q1) reduction in expenditure, compared to the original budget has been made. The situation will continue to be monitored.
- (ii) Expenditure on non HMU building maintenance staff is £36k (£15k at Q1) below the profiled budget at the end of Q2. The forecast year end position is that expenditure should be £30k below budget (zero at Q1).
- (iii) Other Repairs and Maintenance costs are overspent by £124k (£83k in Q1) compared to the profiled budget. This is largely due to the seasonal nature of grounds maintenance, so the forecast is that it will be on budget by the end of the year.

## **8. Year End Adjustments**

- (i) This heading covers items of expenditure (capital financing costs and recharges from the General Fund) that form part of the year end accounting process. At this stage, no changes are envisaged.

## **9. Capital Expenditure**

- (i) The original capital programme approved by the Council in March 2020 totalled £19,114k, which was to be funded by the Major Repairs Allowance (£2,660k), other capital grants (£1,450k) and a contribution from the HRA reserve of £15,034. This includes expenditure carried forward from the 2019/20 capital programme. In the event, not all of the expenditure to be carried over was required, so there is now a revised budget of £19,032k (£14,992k after allowing for £4,110k of grant funding). Based on the current information, it is forecast that the actual expenditure after grants will be £8,678k, which is £6,244k below the revised budget.
- (ii) Capital projects have been seriously affected by Covid 19, leading to significant delays in projects. This is particularly so in the case of acquiring ex right to buy properties due to the effective suspension of the house property market. The capital forecast has been completely revised on this basis, and expenditure is forecast to be £6,244k below the revised budget at the end of the year. Further details are shown in Appendix B below.
- (iii) The underspend on capital expenditure means that the amount funded from the HRA revenue account is similarly reduced. The balance is then available to fund the projects that have been deferred into next year.

## **10. HRA balance**

- (i) The opening balance of the HRA reserve stood at £8,597k. The revised budget allowed for the use of £7,088k of this balance. However, forecast underspend will result in an additional £6,256k being transferred into the reserve. This will give a reserve balance of £7,765k by the end of the financial year. This balance is ringfenced, so is available to fund future HRA expenditure only.

<b>B - What other options did you consider and why did you reject them and/or opt for this option?</b>		
n/a		
<b>C - Why is this a decision for the Executive?</b>		
This matter is delegated to the Executive.		
<b>CH - Is this decision consistent with policy approved by the full Council?</b>		
Yes		
<b>D - Is this decision within the budget approved by the Council?</b>		
Yes		
<b>DD - Who did you consult?</b>		<b>What did they say?</b>
1	<b>Chief Executive / Strategic Leadership Team (SLT) (mandatory)</b>	The draft report was considered by the SLT and any comments have been incorporated into the final report.
2	<b>Finance / Section 151 (mandatory)</b>	n/a – this is the Section 151 Officer's report.
3	<b>Legal / Monitoring Officer (mandatory)</b>	Consulted with the Officer as part of SLT.
4	<b>Human Resources (HR)</b>	
5	<b>Property</b>	
6	<b>Information Communication Technology (ICT)</b>	
7	<b>Scrutiny</b>	
8	<b>Local Members</b>	
9	<b>Any external bodies / other/s</b>	
<b>E - Risks and any mitigation (if relevant)</b>		
1	<b>Economic</b>	
2	<b>Anti-poverty</b>	
3	<b>Crime and Disorder</b>	
4	<b>Environmental</b>	
5	<b>Equalities</b>	
6	<b>Outcome Agreements</b>	
7	<b>Other</b>	
<b>F - Appendices:</b>		
Appendix A – Revenue expenditure and forecasts to end of quarter 1. Appendix B – Capital expenditure and forecast to end of quarter 1.		
<b>FF - Background papers (please contact the author of the Report for any further information):</b>		
<ul style="list-style-type: none"> <li>• 2020/21 HRA budget (as approved by this Committee in March 2020).</li> <li>• HRA 30 Year Business Plan 2020/50 (as approved by this Committee in June 2020).</li> </ul>		



## APPENDIX A

**HRA ACCOUNT 2020/21**

	Annual Budget 2020/21	Profiled Budget to Month 6	Actual to Month 6	Variance to Month 6	Year End Forecast	Year End Variance
	£	£	£	£	£	£
<b>REVENUE ACCOUNT</b>						
<b>Income</b>						
Dwellings	(18,407,000)	(9,203,502)	(9,308,977)	(105,475)	(18,307,000)	100,000
Garages	(218,000)	(109,002)	(108,042)	960	(218,000)	0
Service Charges	(212,000)	(106,000)	(108,604)	(2,604)	(212,000)	0
Other	(199,000)	(78,000)	(110,521)	(32,521)	(199,000)	0
Bad Debt Provision	280,000	0	0	0	280,000	0
<b>TOTAL INCOME</b>	<b>(18,756,000)</b>	<b>(9,496,504)</b>	<b>(9,636,144)</b>	<b>(139,640)</b>	<b>(18,656,000)</b>	<b>100,000</b>
<b>Non Repairs &amp; Maintenance Expenditure</b>						
Tenant Participation	136,170	68,050	41,793	(26,257)	110,170	(26,000)
Rent Administration	450,220	224,780	246,002	21,222	450,220	0
Estate Management	247,430	123,564	82,506	(41,058)	247,430	0
Other Revenue	899,340	426,944	531,976	105,032	913,340	14,000
<b>Total Non R &amp; M Expenditure</b>	<b>1,733,160</b>	<b>843,338</b>	<b>902,277</b>	<b>58,939</b>	<b>1,721,160</b>	<b>(12,000)</b>
<b>Repairs and Maintenance</b>						
Housing Maintenance Unit (HMU)	3,112,000	1,555,710	1,223,406	(332,304)	3,042,000	(70,000)
Building Maintenance Staff (non HMU)	926,020	462,352	426,466	(35,886)	896,020	(30,000)
Other Repairs and Maintenance	448,200	224,114	348,529	124,415	448,200	0
<b>Total Repairs &amp; Maintenance</b>	<b>4,486,220</b>	<b>2,242,176</b>	<b>1,998,401</b>	<b>(243,775)</b>	<b>4,386,220</b>	<b>(100,000)</b>
<b>Year End Adjustments</b>						
Capital Financing Charges	3,093,000	0	0	0	3,093,000	0
Recharge from Housing Services	790,630	0	0	0	790,630	0
Recharge from Central Services	818,990	0	0	0	818,990	0
<b>Total Year End Adjustments</b>	<b>4,702,620</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>4,702,620</b>	<b>0</b>
<b>TOTAL REVENUE EXPENDITURE</b>	<b>10,922,000</b>	<b>3,085,514</b>	<b>2,900,678</b>	<b>(184,836)</b>	<b>10,810,000</b>	<b>(112,000)</b>
<b>TOTAL REVENUE (SURPLUS) / DEFICIT</b>	<b>(7,834,000)</b>	<b>(6,410,990)</b>	<b>(6,735,466)</b>	<b>(324,476)</b>	<b>(7,846,000)</b>	<b>(12,000)</b>

<b>CAPITAL EXPENDITURE ACCOUNT</b>						
2020/21 Expenditure	19,032,093	4,930,000	3,679,557	(1,250,443)	12,787,997	(6,244,096)
Major Repairs Allowance	(2,660,000)	0	0	0	(2,660,000)	0
<b>Other Grants</b>	(1,450,000)	0	0	0	(1,450,000)	0
<b>TOTAL CAPITAL (SURPLUS) / DEFICIT</b>	<b>14,922,093</b>	<b>4,930,000</b>	<b>3,679,557</b>	<b>(1,250,443)</b>	<b>8,677,997</b>	<b>(6,244,096)</b>
<b>NET (INCREASE) / DECREASE IN HRA RESERVE</b>	<b>7,088,093</b>	<b>(1,480,990)</b>	<b>(3,055,909)</b>	<b>(1,574,919)</b>	<b>831,997</b>	<b>(6,256,096)</b>
<b>Opening HRA Balance</b>	(8,597,000)				(8,597,000)	
<b>Net (Increase) / Decrease in HRA Reserve</b>	7,088,093				831,997	
<b>Closing HRA Balance</b>	<b>1,508,097</b>				<b>(7,765,003)</b>	

**APPENDIX B**

<b>Service</b>	<b>Annual Budget (£)</b>	<b>Profiled Budget (£)</b>	<b>Total Expenditure (£)</b>	<b>Variance To Profile (£)</b>	<b>Projected Expenditure (£)</b>	<b>Projected Under / Over (£)</b>
<b><u>Housing HRA</u></b>						
Central Heating Contract	400,000	0	0	0	50,000	(350,000)
Planned Maintenance Contract	6,120,000	1,120,000	1,417,335	297,335	5,620,000	(500,000)
Energy Performance Improvement	537,000	0	3,797	3,797	100,000	(437,000)
Environmental Works	750,000	20,000	19,309	(691)	250,000	(500,000)
Acquisition of Existing Properties / Development of New Properties	9,230,000	3,380,000	1,892,737	(1,487,263)	5,292,737	(3,937,263)
Premises Remodelling of Existing Stock	2,218	0	5,260	5,260	5,260	3,042
Public Sector Adaptations	350,000	50,000	40,713	(9,287)	150,000	(200,000)
Fire Risk	450,000	60,000	56,119	(3,881)	300,000	(150,000)
WHQS	1,172,875	300,000	244,286	(55,714)	1,000,000	(172,875)
Remediation Work	20,000	0	0	0	20,000	0
<b>Totals for Housing HRA</b>	<b>19,032,093</b>	<b>4,930,000</b>	<b>3,679,556</b>	<b>(1,250,444)</b>	<b>12,787,997</b>	<b>(6,244,096)</b>

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<b>Isle of Anglesey County Council</b>	
<b>Report to:</b>	<b>EXECUTIVE COMMITTEE</b>
<b>Date:</b>	<b>30 NOVEMBER 2020</b>
<b>Subject:</b>	<b>THE COUNCIL TAX BASE FOR 2021/22</b>
<b>Portfolio Holder(s):</b>	<b>COUNCILLOR ROBIN WILLIAMS (PORTFOLIO HOLDER - FINANCE)</b>
<b>Head of Service / Director:</b>	<b>MARC JONES - DIRECTOR OF FUNCTION (RESOURCES) / SECTION 151 OFFICER</b>
<b>Report Author:</b>	<b>GERAINT H JONES (REVENUE AND BENEFITS SERVICE MANAGER)</b>
Tel:	01248 752651
E-mail:	<a href="mailto:ghifi@ynysmon.gov.uk">ghifi@ynysmon.gov.uk</a>
<b>Local Members:</b>	<b>N/A</b>

**A –Recommendation/s and reason/s**

I recommend that the Executive makes the following decisions:-

1. To note the calculation of the Council Tax Base by the Director of Function (Resources) and the Section 151 Officer, this will be used by the Welsh Government in the calculation of the Revenue Support Grant for the Isle of Anglesey County Council for the 2021/22 financial year, being 30,880.22 (see **Appendix A** in respect of the calculation of the Council Tax Base for this purpose – Part E6).
2. That the calculation by the Director of Function (Resources) and the Section 151 Officer for the purpose of setting the Council Tax Base for the whole and parts of the area for the year 2021/22 is approved (see **Appendix A** for the calculation of the tax base – Part E5).
3. That, in accordance with the Local Government Finance Act 1992 and the Local Authorities (Calculation of Council Tax Base) (Wales) Regulations 1995 (SI1995/2561) as amended by SI1999/2935 and the Local Authorities (Calculation of Council Tax Base) and Council Tax (Prescribed Classes of Dwellings) (Wales) (Amendment) Regulations 2004 and the Local Authorities (Calculation of Council Tax Base) (Wales) (Amendment) Regulations 2016, the amounts calculated by Isle of Anglesey County Council as its tax base for the year 2021/22 shall be 31,548.20, and as follows for the parts of the area listed below :-

Amlwch	1,519.66	Llaneilian	580.02
Beaumaris	1,081.50	Llannerch-y-medd	529.34
Holyhead	3,990.91	Llaneugrad	184.19
Llangefni	1,976.50	Llanfair Mathafarn Eithaf	1,850.63
Menai Bridge	1,478.06	Cylch y Garn	400.30
Llanddaniel-fab	381.29	Mechell	556.99
Llanddona	385.84	Rhos-y-bol	479.47
Cwm Cadnant	1,159.87	Aberffraw	306.84
Llanfair Pwllgwyngyll	1,331.84	Bodedern	427.24
Llanfihangel Ysceifiog	693.53	Bodffordd	426.65
Bodorgan	464.26	Trearddur	1,271.33
Llangoed	653.68	Tref Alaw	266.44
Llangristiolus and Cerrigceinwen	629.11	Llanfachraeth	226.29
Llanidan	415.21	Llanfaelog	1,270.30
Rhosyr	1,025.44	Llanfaethlu	270.72
Penmynydd	246.78	Llanfair-yn-Neubwll	589.19

Pentraeth	579.06	Valley	1,009.83
Moelfre	621.39	Bryngwran	359.06
Llanbadrig	683.74	Rhoscolyn	358.31
Llanddyfnan	503.92	Trewalchmai	363.47

## REASONS AND BACKGROUND

The calculations have been made in accordance with the Welsh Government Guidelines for Council Tax Dwellings (CT1 v.1.0) 2021/22 based on the number of properties in various bands on the valuation list on 31 October 2020 and summarised by the Authority under Section 22B (7) of the Local Government Finance Act 1992. The calculations take into account discounts, exemptions and premiums as well as changes to the valuation list likely during 2021/22.

The Isle of Anglesey County Council, as the billing authority, is required to calculate the Council Tax Base for its area and different parts of its area and these amounts must be notified to the precepting and levying bodies by 31 December 2020. This year, the Welsh Government has requested the information for the purpose of setting the Revenue Support Grant by 13 November 2020, and for tax setting purposes (ratified by Executive decision) by 4 January 2021.

The calculations in **Appendix A** are based on discounts of nil being confirmed for Classes A, B and C; the premium of 100% on long term empty homes and a premium of 35% on second homes for 2020/21 by the full Council at its meeting on 23 February 2020. The calculations are also based on the full Council decision at its meeting on 11 December 2018, that its current local Council Tax Reduction Scheme would apply for subsequent years unless substantially amended. For 2021/22, only the usual benefit upratings will apply. The Welsh Government is continuing to fully meet the costs of the previous UK national scheme, but costs arising from caseloads and / or increase in Council Tax will fall on local councils.

## THE COUNCIL TAX BASE FOR CALCULATING THE REVENUE SUPPORT GRANT

The total band D equivalent discount, before adjusting for the collection rate (and which includes allowance for Ministry of Defence properties), will be used in calculating claims for the Revenue Support Grant for 2021/22. This total, which is used in calculating the RSG, excludes adjustments for premiums and discounts granted by some authorities in respect of Classes A, B and C. This figure is calculated to be 30,880.22 (compared to 30,927.17 for 2020/21). This is a reduction of 0.15%.

## THE TAX BASE FOR TAX SETTING PURPOSES

The total band D equivalent discount that is used for tax setting purposes has been adjusted by a provision for non-collection, which continues to be 1.5%, and also includes allowance for Ministry of Defence properties. This figure is calculated to be 31,548.20. Note, therefore, that the figures under recommendation 3 includes the adjustments for premiums.

The total base proposed for 2021/22 for the purpose of tax setting purposes is 31,548.20. This compares with 31,532.53 for 2020/21 and is an increase of 0.05%. This apparent static tax base is subject to volatility. The decrease in the tax base is caused by an increase in single person discounts and a reduction in the number of chargeable properties on the one side, with an increase of long term empty property/second homes subject to the premium and new properties coming into the tax base on the other side. These changes nearly cancelling each other out.

The tax base for long term empty properties for 2021/22 is 372.78, as compared to 318.11 for 2020/21.

The tax base for second homes for 2021/22 is 773.42, as compared to 765.53 for 2020/21.

**B – What other options did you consider and why did you reject them and/or opt for this option?**

The full Council has the discretion, under regulations made under Section 12 of the Local Government Finance Act 1992 and, subsequently, under the Local Government Act 2003, to set discounts for prescribed classes of dwellings (mainly holiday homes and second homes (Classes A and B)). When this was introduced, the full Council decided to set a discount of nil for both prescribed classes A and B and this has been confirmed annually thereafter. In March 2007, the full Council, on the recommendation of the Executive, also set a discount of nil for Prescribed Class C (certain types of long term empty properties) for the first time and has done so annually thereafter.

To award discounts of 25%, 50% or 100% would be contrary to full Council policy and this option was rejected.

The full Council, on 27 February 2019, set a Council Tax premium of 100% on long term empty properties and a premium of 35% on second homes from 1 April 2019. The calculation and recommendations herein are in accordance with that decision.

**C – Why is this a decision for the Executive?**

Until 2004, this calculation was determined by the full Council. This function has now been removed from the list of functions reserved for the full Council. Decisions relating to discounts and premiums, along with the setting of a local Council Tax Reduction Scheme, however, still remains the responsibility of the full Council rather than the Executive.

**CH – Is this decision consistent with policy approved by the full Council?**

The calculation of the tax base takes into account the full Council's current approved policy on the granting of discounts for prescribed classes A, B and C, and also the full Council's policy on awarding up to 100% Council Tax Reduction to those eligible under the Council's local scheme.

The calculation and recommendations herein are in accordance with that decision and also that the full Council, in its meeting on 27 February 2019, set a Council Tax premium of 100% on long term empty properties and a premium of 35% on second homes from 1 April 2019.

**D – Is this decision within the budget approved by the Council?**

The tax base calculation will enable the full Council to set its Council Tax requirement to meet its approved budget for 2021/22.

**DD – Impact on our Future Generations(if relevant)**

1	<b>How does this decision impact on our long term needs as an Island</b>	This is an annual calculation of the tax base for the Council to set its Council Tax requirement.
2	<b>Is this a decision which it is envisaged will prevent future costs / dependencies on the Authority. If so, how:-</b>	This is an annual calculation of the tax base for the Council to set its Council Tax requirement.

3	Have we been working collaboratively with other organisations to come to this decision, if so, please advise whom:	No.
4	Have Anglesey citizens played a part in drafting this way forward? Please explain how:-	No.
5	Outline what impact does this decision have on the Equalities agenda and the Welsh language	This is an annual calculation of the tax base for the Council to set its Council Tax requirement.
<b>E – Who did you consult?</b>		<b>What did they say?</b>
1	Chief Executive / Senior Leadership Team (SLT) (mandatory)	No comment.
2	Finance / Section 151 (mandatory)	Author of the report.
3	Legal / Monitoring Officer (mandatory)	No comment.
4	Human Resources (HR)	
5	Property	
6	Information Communication Technology (ICT)	
7	Procurement	
8	Scrutiny	
9	Local Members	
<b>F - Appendices:</b>		
Appendix A: Calculation for the Local Tax Base 2021/22		
<b>FF - Background papers (please contact the author of the Report for any further information):</b>		
Welsh Government Notes for Guidance on Council Tax Dwellings (CT1) 2021/2122		



CALCULATION OF LOCAL TAX BASE 2021/22

	BAND	A*	A	B	C	D	E	F	G	H	I	TOTAL
<b>Part A</b>	<b>CHARGEABLE DWELLINGS</b>											
A.1	All Chargeable Dwellings		4,676	6,614	6,502	7,042	5,333	2,602	1,029	158	53	34,009
A.2	Dwellings subject to disability reduction		13	49	48	84	72	54	11	10	6	347
A.3	Adjusted chargeable dwellings (taking into account disability reductions)	13	4,712	6,613	6,538	7,030	5,315	2,559	1,028	154	47	34,009
<b>Part B</b>	<b>DISCOUNT AND PREMIUM ADJUSTMENTS</b>											
B.1	Dwellings with no discount or premium (including long-term empty properties and second homes with no discount or premium)	6	1,849	3,546	3,655	4,291	3,609	1,855	731	98	27	19,667
B.2a	Dwellings with a 25% discount (excluding long-term empty properties and second homes)	7	2,603	2,745	2,387	2,106	1,250	483	167	20	4	11,772
B.2b	Dwellings with a 50% discount (excluding long-term empty properties and second homes)	0	13	12	21	23	21	3	12	4	0	109
B.3a	Dwellings with a variable discount other than 25% or 50%	0	0	0	0	0	0	0	0	0	0	0
B.3b	Dwellings with long term empty or second homes discount		0	0	0	0	0	0	0	0	0	0
B.3c	Dwellings with long term empty property or second homes premium		247	310	475	610	435	218	118	32	16	2,461
B.4	Total adjusted chargeable dwellings	13	4,712	6,613	6,538	7,030	5,315	2,559	1,028	154	47	34,009
B.5	Total variable discounts	0	0	0	0	0	0	0	0	0	0	0
B.6	Long term empty property and second homes discount adjustment		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
B.7	Long term empty property and second homes premium adjustment		142.4	161.8	204.6	262.9	190.0	88.0	49.1	12.5	6.3	1,117.5

**CALCULATION OF LOCAL TAX BASE 21/22**

	<b>BAND</b>	<b>A*</b>	<b>A</b>	<b>B</b>	<b>C</b>	<b>D</b>	<b>E</b>	<b>F</b>	<b>G</b>	<b>H</b>	<b>I</b>	<b>TOTAL</b>
<b>Part C</b>	<b>CALCULATION OF CHARGEABLE DWELLINGS WITH DISCOUNTS AND PREMIUMS</b>											
<b>C.2</b>	Total dwellings including discounts and premiums	11	4,197	6,083	6,135	6,755	5,182	2,525	1,029	160	52	31,880.58
<b>C.3</b>	Ratio to Band D	<b>5/9</b>	<b>6/9</b>	<b>7/9</b>	<b>8/9</b>	<b>1</b>	<b>11/9</b>	<b>13/9</b>	<b>15/9</b>	<b>18/9</b>	<b>21/9</b>	
<b>C.4</b>	Band D equivalents (rounded to two decimal places)	6.25	2,798.07	4,730.87	5,453.64	6,754.90	6,333.49	3,646.86	1,715.58	319.00	121.92	
<b>C.7</b>	Total discounted dwellings excluding long term empty and second homes adjustment	11	4,055	5,921	5,931	6,492	4,992	2,437	980	147	46	
<b>C.8</b>	Band D equivalents excluding long term empty and second homes adjustment	6.25	2,703.17	4,605.03	5,271.78	6,492.00	6,101.33	3,519.75	1,633.75	294.00	107.33	30,734.39
<b>Part E</b>	<b>CALCULATION OF COUNCIL TAX BASE</b>											
<b>E.1</b>	Chargeable dwellings: Band D equivalents											31,880.58
<b>E.2</b>	Collection rate (rounded to two decimal places)											98.50%
<b>E.3</b>	= E1 x E2 (rounded to 2 decimal places)											31,402.37
<b>E.4</b>	Class O exempt dwellings: Band D equivalents (Ministry of Defence properties)											145.83
<b>E.5</b>	<b>Council Tax Base for tax setting purposes</b>											<b>31,548.20</b>
<b>E.5a</b>	Discounted chargeable dwellings excluding long term empty and second home adjustment											30,734.39
<b>E.6</b>	<b>100% Council Tax Base for calculating revenue support grant</b>											<b>30,880.22</b>



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<b>ISLE OF ANGLESEY COUNTY COUNCIL</b>	
<b>Report to:</b>	<b>Executive</b>
<b>Date:</b>	<b>30 November 2020</b>
<b>Subject:</b>	<b>Final Growth Deal</b>
<b>Portfolio Holder(s):</b>	<b>The Leader: Councillor Llinos Medi Huws</b>  <b>Portfolio Holder for Major Projects and Economic Development : Councillor Carwyn Jones</b>
<b>Head of Service / Director:</b>	<b>Chief Executive : Annwen Morgan</b>
<b>Report Author:</b>  Tel: E-mail:	<b>Director of Function (Council Business) / Monitoring Officer : Lynn Ball</b> <b>01248 752586</b> <a href="mailto:lynnball@ynysmon.gov.uk">lynnball@ynysmon.gov.uk</a>
<b>Local Members:</b>	<b>Relevant to all Members</b>

## SUMMARY

The purpose of this report is to present the key documents required to reach Final Deal Agreement for the North Wales Growth Deal with the UK Government and Welsh Government.

To agree the Final Deal with both Governments, the North Wales Economic Ambition Board (NWEAB) has prepared a suite of documents, namely the Overarching Business Plan, Portfolio Business Case, Draft Final Deal Agreement and Governance Agreement 2.

The relevant documents were considered by the Partnership and Regeneration Scrutiny Committee on 10<sup>th</sup> November 2020 when the Committee endorsed the recommendations. A copy of the Scrutiny Decision Record is attached at **Appendix 10**.

## RECOMMENDATIONS

1. That the Executive and Council approve the Overarching Business Plan as the document that sets out the arrangements to deliver the North Wales Growth Deal as the basis for entering into the Final Deal Agreement and acceptance of the Grant Funding Letter with the UK and Welsh Governments.
2. That the Executive approves the provisions in Governance Agreement 2 relating to executive functions, recommends that Council approves the provisions relating to non-executive functions, and that the Executive specifically adopts the delegations and

Terms of Reference in “Governance Agreement 2: Appendix 1” thereof as the basis for completing the Final Deal Agreement and acceptance of the Grant Funding Letter with the UK and Welsh Governments.

3. That the Executive formally endorse and recommend that the Council authorise the accountable body, Gwynedd Council, to sign the Grant Funding Offer letter on behalf of the Partners.
4. That the Executive formally endorses and recommends that Council approves the method used to calculate the cost of borrowing notionally required to facilitate the negative cash flow for the Growth Deal, and to include a provision within the Council’s budget to pay this contribution and the established core and supplementary contributions as set out in GA2 (and in paragraphs 2.5 - 2.7 below).
5. That the Chief Executive in consultation with the Leader, Monitoring Officer and Section 151 Officer be granted delegated authority to agree minor changes to the documents with the Partners as necessary to complete the agreement.

## **CONTEXT**

### **1.00 EXPLAINING THE NORTH WALES ECONOMIC AMBITION BOARD FINAL GROWTH DEAL**

#### **1.01 Background**

1.02 The North Wales Growth Deal is a portfolio consisting of 5 programmes to be delivered over the next 15 years. It is to be delivered by the Portfolio Management Office on behalf of the North Wales Economic Ambition Board.

1.03 The Growth Deal is seeking to deliver a total investment of up to £1.1bn in the North Wales economy (£240m from the Growth Deal), to create 3,400 – 4,200 net additional jobs and generate £2.0- £2.4 billion in net additional GVA.

1.04 The five programmes include 14 projects, which have been carefully designed and developed with stakeholders to address specific market failures and barriers to economic growth. Individual project business cases will be developed and will be presented to the NWEAB for approval from January 2021 onwards.

#### **1.05 Overarching Business Plan**

The Overarching Business Plan (OBP) developed by the Portfolio Management Office sets out the arrangements for delivering the North Wales Growth Deal, including an overview of the programmes and projects and to seek approval from each partner for the financial implications of delivering the Deal.

1.06 A copy of the OBP is available in ***Appendix 1***.

- 1.07 The OBP summarises the contents of the Portfolio Business Case and 5 Programme Business Cases. The portfolio business case provides a summary investment proposal for the North Wales Growth Deal, and the Programme Business Cases set out the detail for the programmes. These documents will be presented to both Governments for approval of the Final Deal Agreement.
- 1.08 The portfolio and programme business cases once approved will be live documents used to manage the delivery of the Growth Deal on an ongoing basis and updated regularly as the programmes and projects develop.
- 1.09 **Final Deal Agreement**
- 1.10 The Heads of Terms Agreement was agreed by the NWEAB, Welsh Government and UK Government in November 2019, with the aim for Final Deal Agreement to be completed in 2020.
- 1.11 The Draft Final Deal Agreement was developed collaboratively between the NWEAB and both Governments.
- 1.12 The Final Deal Agreement is the contract between the NWEAB, UK Government and Welsh Government for the delivery of the North Wales Growth Deal.
- 1.13 The Final Deal will be signed on the basis of the portfolio business case and five programme business cases.
- 1.14 A copy of the Draft Final Deal Agreement is included in **Appendix 2**.
- 1.15 **Governance Agreement 2**
- 1.16 Governance Agreement 2 has been developed by the regional Heads of Legal with expert and independent advice by legal advisers Pinsent Masons.
- 1.17 Governance Agreement 1 was adopted in order to take forward the formal offer of funding to both Governments. Government Agreement 2 will take the partnership into the implementation stage of the Growth Deal. The agreement is a partnership agreement between the 6 Local Authorities and the Partner University and College bodies. It continues the governance model adopted in GA1 namely a Joint Committee supported by a host authority and provides for the commitments and responsibilities of the Partners to the partnership. It also defines the relationship between the NWEAB and its constituent Partner organisations, the limits of delegation and accountability.
- 1.18 Governance Agreement 2 is a necessary element for implementing the Growth Deal. It provides assurance to the Governments as to the governance of the partnership. It establishes a legally binding commitment by and to the Partners and Accountable Body which is necessary to enable the Growth Deal Final Agreement and Grant Letter to be agreed. Without that assurance the Final Deal Agreement and the Grant Offer Letter could not be entered into on behalf of the Partners.

1.19 A more detailed explanatory summary of Governance Agreement 2 is provided in **Appendix 3** and a copy of Governance Agreement 2 is included in **Appendix 4**.

## **1.20 REASONS FOR THE DECISION**

1.21 In 2016 the North Wales Economic Ambition Board adopted A Growth Vision for the Economy of North Wales. Based on the Growth Vision Strategy, a Growth Deal was prepared and agreed by all the partners working with both the UK and Welsh Government and the private sector in October 2018. In November 2019 the NWEAB and the Welsh and UK Governments agreed the Heads of Terms, for a Final Deal Agreement to be completed in 2020.

1.22 The NWEAB is committed to achieving Final Deal Agreement with both Governments before the end of December 2020.

1.23 The Portfolio Management Office has developed the documentation required to submit to both Governments to reach Final Deal Agreement. The contents of these documents are outlined within this report, and copies of the documents attached as appendices.

## **1.24 Covid-19**

1.25 Covid-19 has had an significant economic impact on North Wales as in other parts of the UK and globally. The NWEAB has worked closely with the six local authorities, UK and Welsh Governments and private sector representatives to co-ordinate the regional response to economic recovery. The longer term effects of Covid-19 on the regional economy at this stage is still unknown.

1.26 The Growth Deal is designed to address structural, long-term barriers to economic growth. However, the Board is fully aware that in the short-term a range of actions will be needed to facilitate recovery and alignment between those short term measures and the Growth Deal is key.

1.27 The Growth Deal on its own cannot address all the challenges facing the North Wales economy, particularly in light of Covid-19. However, such a significant injection of capital investment into the North Wales economy through the Growth Deal will be a boost to the construction and related sectors at a time when there is likely to be spare capacity in the economy.

## **1.28 Final Deal Agreement Process**

1.29 To agree the Final Deal with both Governments, the NWEAB have prepared a suite of documents, namely the OBP, Portfolio Business Case, Draft Final Deal Agreement and Governance Agreement 2.

## **1.30 LEGAL IMPLICATIONS**



- 1.31 The report explains relevant provisions of Governance Agreement 2 (GA2), The OBP and the Final Deal Agreement. They form part of the legal implications, but in order to avoid duplication are not repeated in this section.
- 1.32 The recommendations in the report are made pursuant to the powers conferred on the Councils under sections 101, 102, 111 and 113 of the Local Government Act 1972, section 1 of the Local Authority (Goods & Services) Act 1970, section 25 of the Local Government (Wales) Act 1994, section 2, 19 and 20 of the Local Government Act 2000, section 9 of the Local Government Wales Measure 2009 and all other enabling powers now vested in the Councils.
- 1.33 The provisions of the Local Government and Elections Bill (Wales) 2019 in relation to proposed Corporate Joint Committees (CJC's) and the recent publication of a consultation document on the proposed regulations are clearly of relevance to the matters addressed in this report. However, the North Wales Economic Ambition Board has been in operation as a formal Joint Committee since January 2019. GA2 does not change this basic governance model but is a necessary component to enable the Partners to commit to the Growth Deal within the given time frame. As a result there is no proposal to make any changes to the recommendations pending the advent of CJC's although GA2 does acknowledge the provisions of the Bill and the possibility of future review.
- 1.34 The OBP is a key document in relation to the delivery of the Growth Deal. The content of the Plan serves to create a legitimate expectation that the Programmes will be progressed as set out in the Plan. Accordingly, it is important that each Partner is content with the content of the OBP. Decisions relating to the delivery of the programmes and projects will need to be considered in accordance with the provision set out in GA2 at which stage any legal issues raised in relation to a specific project can be considered and detailed legal advice provided.
- 1.35 In considering this matter regard should be had, amongst other matters, to the Councils' duties under the Wellbeing of Future Generations (Wales) Act 2015. In summary the Act places a duty on public bodies in to act in accordance with the principle of sustainable development so as to ensure that the needs of the present can be met without undermining the ability of future generations to meet their needs. This is in order to improve the economic, social, environmental and cultural well-being of Wales. The OBP explains that the Wellbeing of Future Generations (Wales) Act 2015 will be intrinsic to the development and implementation of the Growth Vision and Growth deal.
- 1.36 A Well-being Assessment has been undertaken and is included in **Appendix 5**. Regard should be had to the same in reaching a decision on this matter.
- 1.37 Regard has been given to public sector duties under the Equalities Act 2010 (including specific Welsh public sector duties). Pursuant to these legal duties Councils must in making decisions have due regard to the need to:

- a. eliminate unlawful discrimination, harassment and victimisation and other conduct that is prohibited by that Act;
- b. advance equality of opportunity between people who share a relevant protected characteristic and those who do not;
- c. foster good relations between people who and share a protected characteristic and those who do not.

1.38 In Wales, public sector bodies listed are required to take certain steps in order to demonstrate that they have due regard to the public sector equality duty. These Welsh specific equality duties include assessing the impact of policies and procedures on equality (often called Equality Impact-Assessment).

1.39 The Well-being and Equalities Assessment demonstrates that the detail contained in the preparation of and in the draft OBP complies with the well-being 5 ways of working, supports the well-being goals and identifies that the Growth Vision and Growth Deal will a positive impact on all groups and people with protected characteristics.

## **2. FINANCIAL IMPLICATIONS**

2.1 There is a medium-term temporary funding gap between the expected expenditure profile of the Growth Deal and the expected profile of government funding received over 15 years. The NWEAB, through the host authority, will be responsible for managing this negative cash flow, and have worked with Arlingclose to model the cost of borrowing notionally required to facilitate the negative cash flow for the Growth Deal, and the corresponding annual partner contributions required to meet this cost.

2.2 With a range of assumptions to consider, the NWEAB have forecasted a range of figures, modelled as the best case scenario (Version 1) and the worst case scenario (Version 2), to reflect the timing of finalising the Growth Deal and consequent timing of government grant funding. The difference between the best and worst case scenarios highlights the importance of finalising the Growth Deal by the end of the calendar year. In both versions the other variables, i.e. interest rate and NNDR income have remained the same. The interest rate used was 2.2% and is considered to be a prudent assumption. The NWEAB will utilise its “retained” NNDR grant from Welsh Government to offset against the negative cash flow, with the net total cost (£12.46m - £17.73m) met by the local authorities (proportional to population) for regional NWEAB projects, and with project lead sponsors responsible for the cost in relation to their projects.

2.3 Any changes to the projects, will result in a reserved matter if it means increasing partner contributions (e.g. change from project lead sponsor to NWEAB, lower NNDR yield, higher cost, earlier spend profile).

2.4 With capital projects, there is always a risk of overspending, and controls will be put in place to limit overspending costs on specific projects. For regional projects, the Portfolio Management Office would be responsible for controlling expenditure and

ensuring sufficient contingency budgets are included in the project business cases. Overspend would be a matter for the Lead Sponsor to deal with in relation to their projects.

- 2.5 The table below shows **the total (15 years) partner contributions** to cover the cost of 'borrowing' notionally required to facilitate the negative cash flow.

Version	Bangor University	Glyndwr University	Grŵp Llandrillo Menai	Coleg Cambria	Other Commerical Partners	Conwy	Denbighshire	Flintshire	Gwynedd	Isle of Anglesey	Wrexham	Total
	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m
1	1.40	0.51	0.75	0.52	2.29	1.17	0.96	1.56	1.24	0.70	1.36	12.46
2	1.99	0.73	1.07	0.74	3.24	1.67	1.36	2.22	1.77	1.00	1.94	17.73

- 2.6 The table below shows the **annual partner contributions** to cover the cost of 'borrowing' notionally required to facilitate the negative cash flow.

Version	Bangor University	Glyndwr University	Grŵp Llandrillo Menai	Coleg Cambria	Other Commerical Partners	Conwy	Denbighshire	Flintshire	Gwynedd	Isle of Anglesey	Wrexham	Total
	£	£	£	£	£	£	£	£	£	£	£	£
1	93,330	34,000	50,000	34,670	152,660	78,010	64,000	104,000	82,670	46,670	90,670	830,680
2	132,670	48,670	71,330	49,330	216,000	111,340	90,670	148,000	118,000	66,670	129,340	1,182,020

- 2.7 These annual partner contributions above are in addition to the established 'core' and 'supplementary' annual contributions below.

Contributions	Bangor University	Glyndwr University	Grŵp Llandrillo Menai	Coleg Cambria	Conwy	Denbighshire	Flintshire	Gwynedd	Isle of Anglesey	Wrexham	Total
	£	£	£	£	£	£	£	£	£	£	£
Core	25,000	25,000	25,000	25,000	50,000	50,000	50,000	50,000	50,000	50,000	400,000
Supplementary	0	0	0	0	40,000	40,000	40,000	40,000	40,000	40,000	240,000

### 3. IMPACT ASSESSMENT

See Appendices 5, 6 and 7

Appendix 5 – Future Generations Impact Assessment

Appendix 6 – Welsh Language Impact Assessment

Appendix 7 – Equality Impact Assessment

### 4. CONSULTATIONS UNDERTAKEN

- 4.1 On 7<sup>th</sup> of October, 2020 the contents of this report and the documentation was supported by the Executive Officers Group.

- 4.2 A report and the relevant documents were presented to the NWEAB on 23<sup>rd</sup> October, 2020 when these proposals were approved for submission to the Partners. Please find

a copy of the Covering Report in **Appendix 8** and the complete documentation is available [HERE](#).

- 4.3 A report and the relevant documents have been circulated to all partner organisations. The covering report and appendices will be presented to all six local authority Scrutiny, Executive and Council Meetings. The Partnership and Regeneration Scrutiny Committee of this Council was consulted in a meeting on 10<sup>th</sup> November 2020 (**see Appendix 10**).
- 4.4 This Council's Chief Executive, deputy Chief Executive, Section 151 Officer and Monitoring Officer have all contributed to this report and endorse its recommendations.

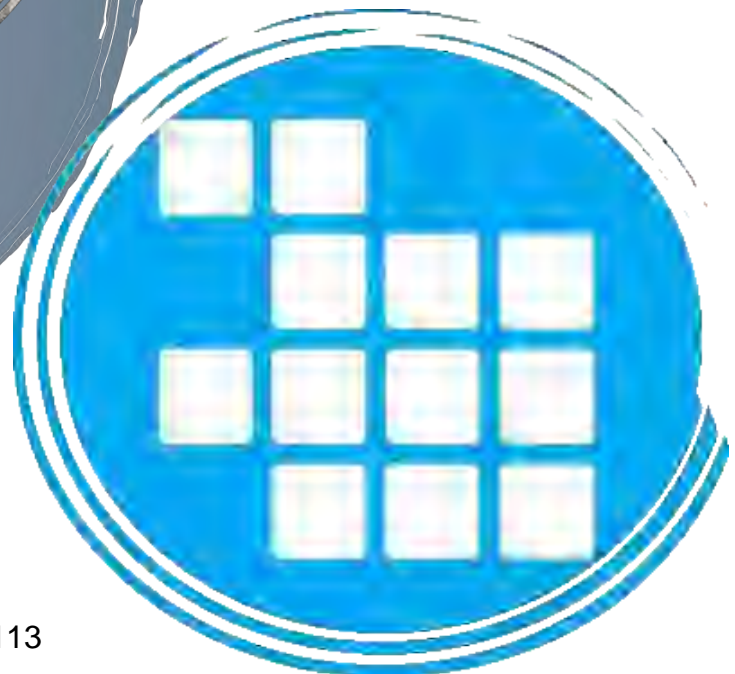
## 5. APPENDICES

<b>Appendix 1</b>	Overarching Business Plan*
<b>Appendix 2</b>	Draft Final Deal Agreement*
<b>Appendix 3</b>	A summary of Governance Agreement 2*
<b>Appendix 4</b>	Governance Agreement 2*
<b>Appendix 5</b>	Future Generations Impact Assessment
<b>Appendix 6</b>	Welsh Language Impact Assessment
<b>Appendix 7</b>	Equality Impact Assessment
<b>Appendix 8</b>	NWEAB Report
<b>Appendix 9</b>	Benefits to Anglesey
<b>Appendix 10</b>	Scrutiny Decision Record

*\*subject to final edit and proof read*

# NORTH WALES GROWTH DEAL OVERARCHING BUSINESS PLAN

2020-25



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## Foreword

The **Growth Deal** has been developed through close collaboration and commitment, from partners across all sectors including the UK and Welsh Governments, to deliver long-lasting positive investment and change that will enable economic and employment growth for the long-term.

Over the next fifteen years, the deal empowers us to work together and take control of how we invest in our future.

It's a unique opportunity to de-centralise government investment, make those investment decisions locally and demonstrate the value this brings. Ultimately, as part of a broader programme of investment, the Growth Deal will enable us to build a more vibrant, sustainable and inclusive economy for us all in North Wales.

We will be **smart** with our investment - building on our strengths to boost productivity, foster innovation and be competitive in the markets we serve. We already have well-established research and innovation hubs, which are helping us to push the boundaries in discovering new growth areas for our high value manufacturing business. We will invest further to create centres of excellence to enhance our reputation and enable growth in this important industry.

We will tackle the long-term market failure that has been a barrier for commercial investment - making North Wales more investable and unlocking the potential for new high-value skilled jobs, for young people and our future generations to thrive. We'll address the shortage of suitable land and property for business growth and to bring forward sites to provide the employment land and housing we need.

By investing now, we build our **resilience** for the future.

We are **connected** as a region. Our partnership across the six local authorities, universities, colleges and the private sector is well established and growing in strength. We're also driving a step change in digital connectivity by balancing investment in infrastructure and technology. We address those areas most in need of faster and more reliable broadband connections and exploit the potential of 5G access and new digital innovation. Opportunities also lie in our close connections with our neighbouring economies such as the Northern Powerhouse, Ireland and Mid-Wales. We can build stronger economies by working together.

We will strengthen our reputation as a cohesive region; leveraging our partnerships to promote growth in the economy that is scalable, sustainable and inclusive. Our Investment in low-carbon energy projects enable us to contribute directly to the climate change emergency, not only helping to make North Wales a cleaner, greener environment, but also positioning ourselves as one of the leading UK locations within the low carbon energy sector. Not forgetting our foundation economies in agriculture and tourism, we will help to

enable and encourage diversification to improve the long-term future of these key industries, ensuring they have opportunity to develop sustainably and thrive.

We will invest in a way that promotes social value and builds wealth in our communities. We recognise and value our obligation to deliver the Growth Deal in a way that improves and enhances our social, cultural, environmental and economic well-being.

We look forward to leading this important investment in our home and our region, North Wales.



**Dyfrig Siencyn,**  
Cadeirydd | Chair,

Bwrdd Uchelgais Economaidd Gogledd Cymru |  
North Wales Economic Ambition Board



**Mark Pritchard,**  
Is-gadeirydd | Vice Chair,

Bwrdd Uchelgais Economaidd Gogledd Cymru |  
North Wales Economic Ambition Board



**Alwen Williams,**

Cyfarwyddwr Rhaglen | Programme Director,  
Bwrdd Uchelgais Economaidd Gogledd Cymru |  
North Wales Economic Ambition Board

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The North Wales Growth Deal is a crucial package of capital investments for our region and will bring a substantial boost to the North Wales economy at a time when major market changes such as Brexit and global events including the Covid-19 pandemic, continue to impact our Communities and Economy. The North Wales Mersey Dee Business Council as the regional umbrella body for the private sector in North Wales has from the inception of the developing Growth Deal in partnership with the NWEAB, worked exceptionally hard to ensure that the investments proposed in the Deal are distributed across the region and our sectors to provide the maximum benefit to our businesses.

A Growth Deal that delivers on supporting business and productivity growth for both our home grown SME's and the International businesses based in North Wales in our key sectors e.g. Manufacturing, Tourism & Hospitality, Agriculture and Energy, has the potential to make a once in a lifetime positive impact for us all. It is imperative though that the proposed projects and programmes not only provide the catalyst for growth but with the fundamental tenet that they do so whilst contributing to the region's journey towards a Net Zero Carbon and Circular economy. We look forward to continuing meaningful engagement with the NWEAB on this key investment package.



**Jim Jones,**  
Cadeirydd | Chair,

Cyngor Busnes Gogledd Cymru Merswy Dyfrdwy |  
North Wales Mersey Dee Business Council



**Ashley Rogers,**

Cyfarwyddwr Masnachol | Commercial Director,  
Cyngor Busnes Gogledd Cymru Merswy Dyfrdwy |  
North Wales Mersey Dee Business Council



North Wales has a unique and powerful coalition of private and public sector leaders who, through the North Wales Economic Ambition Board and the Business Delivery Group have been working as united partners to make sure that the Growth Deal leverages a substantial return on investment.

Members on the Business Delivery Group predominately entrepreneurs, have an independent voice with well-established track records within their sectors and industries which is recognised internationally. Members have influential and extensive business networks in Wales, UK and beyond and very importantly, they have a real passion for North Wales, which is where the majority call home.

To the East we're fortunate to be situated close to two major cities; Liverpool and Manchester, home to two international airports connecting us to the global market, whilst London is just a couple of hours away by train. To the West, the port of Holyhead facilitates our trade via sea-freight and opens up the path to international tourism and Ireland. Every inch of North Wales has a great history, rich culture, fantastic castles and beaches, unique tourist attractions, amazing wildlife and, irrefutably, the most breath-taking natural landscapes on planet Earth.

The Growth Deal programmes are concentrated on areas of the economy in which we have long-established experience and strong expertise; such as Advanced Manufacturing, Renewable Energy and Tourism. As an example, Morlais, the tidal power project on Anglesey has the potential to make North Wales one of the world leaders in tidal energy. There are very few places in the world that are suitable and the investment could put North Wales in the top three biggest tidal power generators in the world.

The Growth Deal also invests in the regions digital infrastructure. This is essential and underpins economic growth. Accessible and reliable high-speed fibre broadband and 5G capability is throughout the whole of North Wales is essential.

Throughout history, North Wales has demonstrated its resilience to combat all past economic shocks and come out battle-hardened and stronger. This recent pandemic has created a devastating social and economic earthquake.

I firmly believe that, North Wales, with a credible economic plan, investment in skills and education, and with determined, well-resourced local leadership, has a great opportunity and the potential to re-establish itself as a powerful economy in Wales, which will be greatly supported by the Growth deal investment over the next 15 years and beyond.



**Askar Sheibani.**  
Cadeirydd | Chair,

Grŵp Cyflawni Busnes | Business Delivery Group

# 1. Executive Summary

1.1 The aim of the North Wales Growth Deal (*hereafter referred to as the Growth Deal*) is to build a more vibrant, sustainable and resilient economy in North Wales, building on our strengths to boost productivity while tackling long-term challenges and economic barriers to delivering inclusive growth. Our approach is to promote growth in a scalable, inclusive and sustainable way in line with the Wellbeing of Future Generations (Wales) Act 2015.

1.2 The Growth Deal is a partnership between the public sector and the private sector, supported by funding from UK Government and Welsh Government. The UK Government and Welsh Government are investing £240million into the North Wales Growth Deal over the next 15 years. The Growth Deal is seeking to deliver a total investment of up to £1.1bn in the North Wales economy (£240m from the Growth Deal), to create 3,400 – 4,200 net additional jobs and generate £2.0- £2.4 billion in net additional GVA.

Spending Objective 1 - Jobs	<b>To create between 3,400 and 4,200 net new jobs in North Wales through the Growth Deal by 2036.</b>
Spending Objective 2 - GVA	<b>To support a net additional GVA uplift of between £2.0 billion and £2.4 billion for the North Wales Economy through the Growth Deal by 2036.</b>
Spending Objective 3 - Investment	<b>To deliver a total investment of up to £1.1 billion in the North Wales Economy through the Growth Deal by 2036.</b>

1.3 This Overarching Business Plan (OBP) is the basis on which Partners are entering into the North Wales Growth Deal (*hereafter referred to as the Growth Deal*). It provides an overview of the deal including the programmes and projects to be delivered. It sets out what the Growth Deal will deliver in terms of outputs and benefits for the region, the financial contributions of each partner and the governance and performance management arrangements to ensure the Growth Deal is delivered.

## The Case for Change

1.4 North Wales is home to nearly 700,000 residents and contributes £14.2 billion to the UK economy each year,<sup>1</sup> representing 22% of the Welsh economy.<sup>2</sup> However, there remains a persistent and growing productivity gap between North Wales and the UK with wide variations in GVA (Gross Value Added) average per person across the region. **Addressing this disparity is an important priority for the Growth Deal.**

1.5 North Wales has a diverse economy with key sectors being manufacturing, energy and tourism as well as public sector jobs. Some of the productivity gap is accounted for by the sectoral structure of the North Wales economy with some areas particularly reliant on relatively low paid sectors including tourism and retail. At the same time, there are

<sup>1</sup> Measured by Gross Value Added (GVA). Source: ONS, 2018 data.

<sup>2</sup> <https://statswales.gov.wales/Catalogue/Business-Economy-and-Labour-Market/Regional-Accounts/Gross-Value-Added-GDP/gva-by-measure-welsh-economic-region-year>

areas of strength, with 64,000 people employed in high value sectors, defined as manufacturing; information and communication; and professional, scientific and technical activities.

**1.6 Supporting high value sectors and addressing long-term barriers to growth is at the heart of the North Wales Growth Deal.** Key challenges and opportunities have been identified as follows:

- Improving productivity
- Supporting innovation and Research and Development (R&D)
- Supporting the low carbon agenda and driving low carbon growth
- Supply chain integration
- Meeting skills needs
- The need for modern employment floorspace and serviced residential land
- Addressing the digital divide
- Expanding digital research capacity.

**1.7 A logic model is a way of articulating the context for change and investment. A summary logic model for the Growth Deal is set out in Figure 1.1 below and provides an overview of the strategic drivers, objectives, inputs and impact of the Growth Deal.**

Figure 1.1 Portfolio Logic Model



Source: Hatch

## COVID-19 Recovery

- 1.8 Covid-19 has had an immense economic impact on North Wales as in other parts of the UK and globally. The Economic Ambition Board works closely with the six local authorities, UK and Welsh Governments and private sector representatives to co-ordinate the regional response to economic recovery. The longer term effects of Covid-19 on the regional economy at this stage is still unknown.
- 1.9 The Growth Deal is designed to address structural, long-term barriers to economic growth. However, the Board is fully aware that in the short-term a range of actions will be needed to facilitate recovery and alignment between those short term measures and the Growth Deal is key.
- 1.10 The Growth Deal on its own cannot address all the challenges facing the North Wales economy, particularly in light of Covid-19. However, such a significant injection of capital investment into the North Wales economy through the Growth Deal will be a significant boost to the construction and related sectors at a time when there is likely to be spare capacity in the economy.

## The Growth Deal Programmes

- 1.11 The Growth Deal is based on the delivery of 14 transformational projects across 5 programmes. The programmes have been defined as either high growth programmes or enabling programmes. The programmes have been defined as either high growth programmes or enabling programmes.

### High growth sectors to drive productivity in the region

- 1.12 The projects within the Growth Deal aimed at increasing the value and impact of high growth sectors will be focused on three key programmes:
  - **Low carbon energy**
  - **Innovation in high value manufacturing**
  - **Agri-food and tourism**

### Addressing key barriers to enable and achieve economic growth

- 1.13 We have identified enabling sectors through the Growth Deal to tackle key economic barriers and address structural issues that have impacted on productivity and jobs. Delivery in these sectors will create the appropriate conditions for businesses to invest in the region and for the labour market to take advantage of new employment opportunities. A strategic approach will be taken with our investments, ensuring that they are well-targeted in order to enable economic and employment growth across the region. This will be done in partnership with key partners, especially the UK and Welsh Governments.
- 1.14 The projects within the Growth Deal to address key barriers to growth will be focused on two key programmes:
  - **Land and Property**

- **Digital**

Figure 1.2. The Growth Deal Programmes



Source: North Wales Economic Ambition Board

- 1.15 The Skills and Employment and Strategic Transport programmes sit outside the Growth Deal. The programmes remain key to delivering the wider vision for North Wales and the Economic Ambition Board is working with the Regional Skills Partnership and through its Transport Sub-Board to identify and secure alternative funding sources to deliver these programmes.
- 1.16 All of the programmes and projects contribute to achieving the three key spending objectives. They also generate a set of additional benefits that have been classed as direct, indirect and wider benefits. These are set out in Figure 1.1 below.

Figure 1.3. Benefits Framework



Source: Hatch

## Growth Deal Funding Profile

1.17 The capital funding profile for each programme is summarised in the table 1 below.

Table 1 : North Wales Growth Deal Financial Summary

Programme Area	Government Contribution (£m)	Public Contribution (£m)	Private Contribution (£m)	Total Programme Costs (£m)
Innovation in High Value Manufacturing	13.0	26.5	0.0	39.5
Digital Connectivity	37.0	3.1	1.6	41.7
Agri-food and Tourism	24.5	12.4	4.4	41.3
Land and Property	79.1	1.9	274.4	355.4
Low Carbon Energy	86.4	140.4	441.7	668.5
<b>Total</b>	<b>240.0</b>	<b>184.3</b>	<b>722.1</b>	<b>1,146.4</b>

## North Wales Economic Ambition Board Partner Contributions

- 1.18 No revenue funding is provided through the Growth Deal for the delivery of the projects or the operational running costs of the project once completed. Revenue funding to support the Portfolio Management Office is provided through NWEAB partner contributions (including supplementary local authority contributions) and additional ESF funding has also been secured for the first three years of operation (from May 2020). An amount equivalent to the ‘top slice’ of the annual government grant at 1.5% can also be used to fund this, subject to Welsh Government flexibility to manage funding.
- 1.19 The annual partner contributions towards the Portfolio Management Office (PMO) costs are set out in the table below:

Table 2 : Annual partner contributions towards the PMO costs			
	Local Authority Contribution	HE/FE Annual Contributions	Total Annual Contribution
<b>Annual Core Contributions</b>	£50k per LA	*£25k per partner	£400k
<b>Annual Supplementary Contribution*</b>	£40k per LA	0	£240k

\* this is set at 50% of the Local Authority core contribution as agreed in GA1 (to be succeeded by GA2)

\*\* this contribution is a supplementary contribution agreed by the Councils only

- 1.20 The Growth Deal funding (£240m) grant contribution to the North Wales Growth Deal is provided by the UK and Welsh Government in annual instalments over a 15 year period. The nature of these government grant payments results in a medium term funding gap between the expected expenditure profile of the Growth Deal and the government funding received.
- 1.21 The North Wales Economic Ambition Board, through Gwynedd Council as the host authority will be responsible for managing this negative cash flow. This will be met by the local authorities (proportional to population) for regional NWEAB projects, and with project sponsors responsible for the cost in relation to their projects.
- 1.22 The total (15 year) contributions that will be required from the North Wales Economic Ambition Board partners, to enable the delivery of the Growth Deal, are set as a range for each partner. The best (version 1) and worst (version 2) case scenario below for the partners reflect the timing of finalising the Growth Deal and consequent timing of government grant funding. Any proposed increase in agreed contributions would need to be approved as a reserved matter. The table below shows the total contributions over the 15 year period. Annual contributions are shown in the main report in section 10.7.

Version	Bangor University	Glyndwr University	Grŵp Llandrillo Menai	Coleg Cambria	Other Commerical Partners	Conwy	Denbighshire	Flintshire	Gwynedd	Isle of Anglesey	Wrexham	Total
	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m
1	1.40	0.51	0.75	0.52	2.29	1.17	0.96	1.56	1.24	0.70	1.36	12.46
2	1.99	0.73	1.07	0.74	3.24	1.67	1.36	2.22	1.77	1.00	1.94	17.73

## Growth Deal Governance

- 1.23 Having Secured the Growth Deal the Partners have agreed to enter into a second Governance Agreement (GA2) which will support the partnership into the next Growth Deal implementation phase and further development of the Growth Vision.
- 1.24 The agreement, which is a legally binding document, defines the role and function of the North Wales Economic Ambition Board and its delegated powers. It also provides for its decision making structures and democratic accountability. Provision is made for the commitments of the partners to the projects and how these are managed and apportioned. GA2 provides assurance for Gwynedd Council, the host authority, in assuming that role. The underlying arrangements providing for legal and compliance matters within the partnership and the governance of the Portfolio Management Office are also addressed.
- 1.25 GA2 is a key document, providing a clear structure and foundation, for taking the implementation of the Growth Deal forward.
- 1.26 The North Wales Economic Ambition Board has adopted a delivery model based on a best practice approach to portfolio, programme and project management delivery and has established a Portfolio Management Office to deliver the Growth Deal.
- 1.27 Programme and project performance will be monitored on a monthly basis through the relevant programme and project boards with formal quarterly reports submitted to the North Wales Economic Ambition Board, their partners, UK and Welsh Government.

## 2. Purpose

- 2.1 This Overarching Business Plan (OBP) is the basis on which Partners are entering into the North Wales Growth Deal (*hereafter referred to as the Growth Deal*). It provides an overview of the deal including the programmes and projects to be delivered. It sets out what the Growth Deal will deliver in terms of outputs and benefits for the region, the financial contributions of each partner and the governance and performance management arrangements to ensure the Growth Deal is delivered.

## 3. North Wales Economic Ambition Board

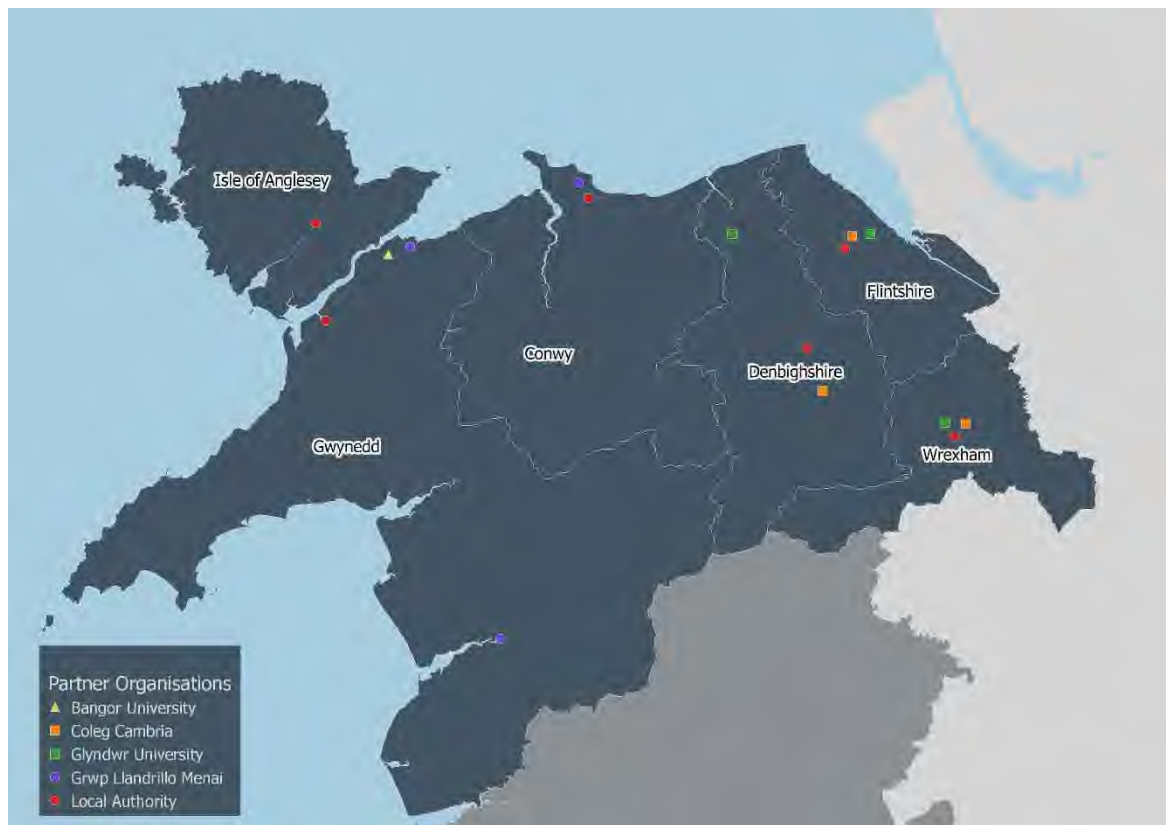
- 3.1 The North Wales Economic Ambition Board (hereafter referred to as Economic ambition Board or the Board) was established in 2012 as a partnership between the



six local authority areas of North Wales comprising the councils of Gwynedd, Anglesey, Conwy, Denbighshire, Wrexham and Flintshire. The Board also includes Bangor University, Glyndwr University, Coleg Cambria and Grŵp Llandrillo Menai.

- 3.2 In early 2019, the North Wales Economic Ambition Board was formally established as a joint committee following the adoption of Governance Agreement 1 (hereafter referred to as GA1) by the partnership. GA1 set out the framework through which the Board would operate in order to secure the Growth Deal.

Figure 3.1 Map of North Wales and NWEAB Partners



- 3.3 The Growth Deal is a partnership between the public and private sectors. The private sector has been strongly represented by the North Wales Mersey Dee Business Council, who, as a founding member of the North Wales Economic Ambition Board, have worked in close collaboration with partners and regional public and private sector stakeholders to shape and influence the Growth Deal proposition. Representing various member organisations including the Chamber of Commerce, Confederation of British Industry (CBI) and the Federation of Small Businesses (FSB), their active involvement in shaping the deal has been invaluable. As of August 3rd 2020, due to challenges caused by Covid-19, the Business Council withdrew membership. The Business Council remain a key stakeholder and will be an integral, more strategic and less operational, partner moving forward.
- 3.4 The private sector remains strongly represented in the Growth Deal through the Business Delivery Group who act as an independent advisory body to the Economic Ambition Board.

## 4. Background to the North Wales Growth Deal

4.1 Growth Deals first emerged from the 2010-2015 coalition government in Westminster as part of its long-term plan to boost local economies. The purpose of City and Growth Deals is to support cities and regions to deliver responsive and flexible local strategies. They are designed to promote decentralisation and stimulate local economic growth by giving more power and flexibility to regions, to make the case for investment, to drive inclusive economic activity and growth.

4.2 In response to this policy, partners across North Wales established the Board in 2012 to develop a regional approach to economic growth and to address the challenges and barriers facing the North Wales economy.

4.3 In 2016 the Economic Ambition Board's partners adopted a Growth Vision for the Economy of North Wales (the Growth Vision).

4.4 The adopted vision is to develop "a confident, cohesive region with sustainable economic growth, capitalising on the success of high value economic sectors and our connection to the economies of the Northern Powerhouse & Ireland."

4.5 The Growth Vision was founded on three key principles:

- **Smart North Wales** – with a focus on innovation and high value economic sectors to advance economic performance.
- **Resilient North Wales** – with a focus on retaining young people, increasing employment levels and skills to achieve inclusive growth.
- **Connected North Wales** – with a focus on improving transport and digital infrastructure to enhance strategic connectivity to and within the region.

4.6 In the 2017 Autumn Budget the UK Government stated that it would begin negotiations to agree a Growth Deal for North Wales. Following this statement the Economic Ambition Board worked collaboratively with Welsh Government, UK Government and representatives of the public and private sector to develop the North Wales Growth Deal, which was outlined in the Proposition Document

4.7 Based on the Growth Vision strategy, the Proposition Document was agreed by the Economic Ambition Board's partners in October 2018. This set out a proposed package of 24 transformational projects across 9 strategic programmes, seeking £334.5m in capital funding plus £8m in revenue funding from the Growth Deal. The programmes were defined as a group of related projects managed in a co-ordinated way to obtain benefits and to deliver the overall vision and aims.

4.8 In the Autumn Budget 2018, the then Chancellor of the Exchequer, Rt Hon Phillip Hammond MP, announced £120 million in capital funding for the North Wales Growth Deal. The Welsh Government confirmed that it would match the UK Government's financial contribution to the North Wales Growth Deal, securing commitment for £240m as a grant contribution in capital funding from governments.

4.9 Following this announcement and in response to the UK Government's desire to see a consolidated portfolio of ambitious projects, and because the funds committed were

less than the proposition's original scope and capital funding only, the Economic Ambition Board developed and agreed a Draft Implementation Plan, setting out a streamlined package of 14 transformational projects, which was submitted to both governments in March 2019.

- 4.10 The Draft Implementation Plan became the basis for the Heads of Terms agreement signed by both governments in November 2019, and securing, in principle, £240m of capital funding for the North Wales Growth Deal. The Heads of Terms committed all parties to complete a Final Deal Agreement (FDA) within 12-15 months, which, once achieved would see funding released from governments to the region. This overarching business plan forms part of the agreed process to achieve the FDA.

## 5. The Case for Change

### The North Wales Economy

- 5.1 There remains a persistent and widening productivity gap between North Wales and the UK with wide variations in GVA (Gross Value Added) average per person across the region. Addressing this disparity is an important priority for the Growth Deal.
- 5.2 North Wales is home to nearly 700,000 residents and contributes £14.2 billion to the UK economy each year,<sup>3</sup> representing 22% of the Welsh economy.<sup>4</sup> Economic performance has been resilient following the financial crisis and during the period of austerity, with real<sup>5</sup> GVA increasing by 20% since 2009. This is compared to 14.9% increase in the Swansea Bay City Region and 12.6% increase in the Mid-Wales Growth Deal area.

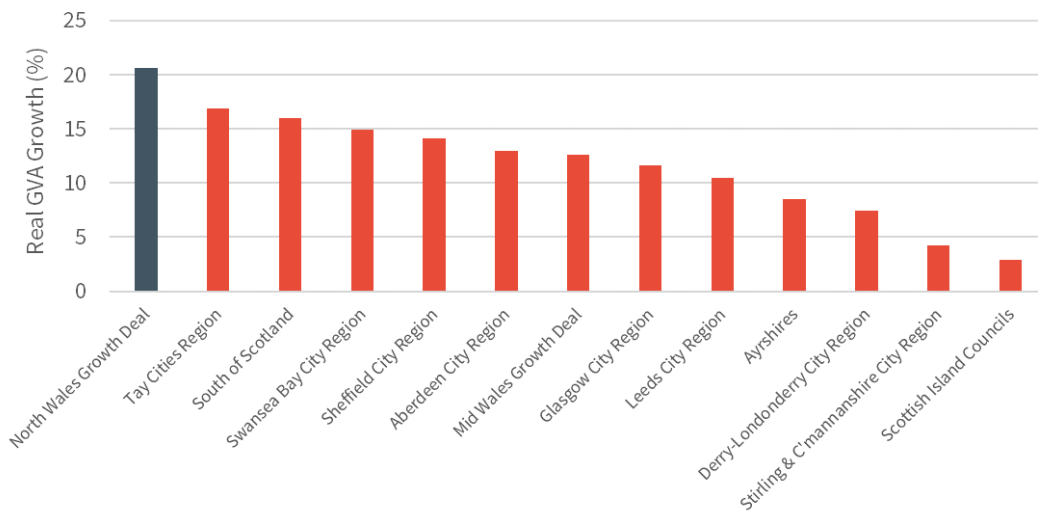
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<sup>3</sup> Measured by Gross Value Added (GVA). Source: ONS, 2018 data.

<sup>4</sup> <https://statswales.gov.wales/Catalogue/Business-Economy-and-Labour-Market/Regional-Accounts/Gross-Value-Added-GDP/gva-by-measure-welsh-economic-region-year>

<sup>5</sup> i.e. inflation-adjusted.

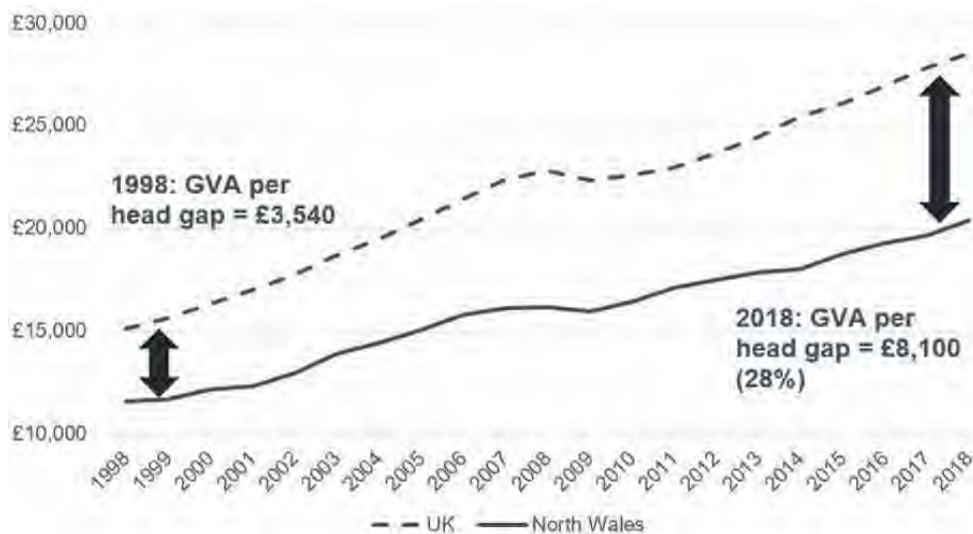
Figure 5.1 Real GVA Growth since 2009 in selected Locations in the UK



Source: Regional GVA, ONS, 2018

5.3 Nonetheless, there remains a persistent and widening productivity gap on the UK. GVA average per person is around 28% below the UK average, at £20,400 per annum. If London and the South East are removed, this gap is reduced but remains at 16%.

Figure 5.2 GVA per Head (£) 1998-2018

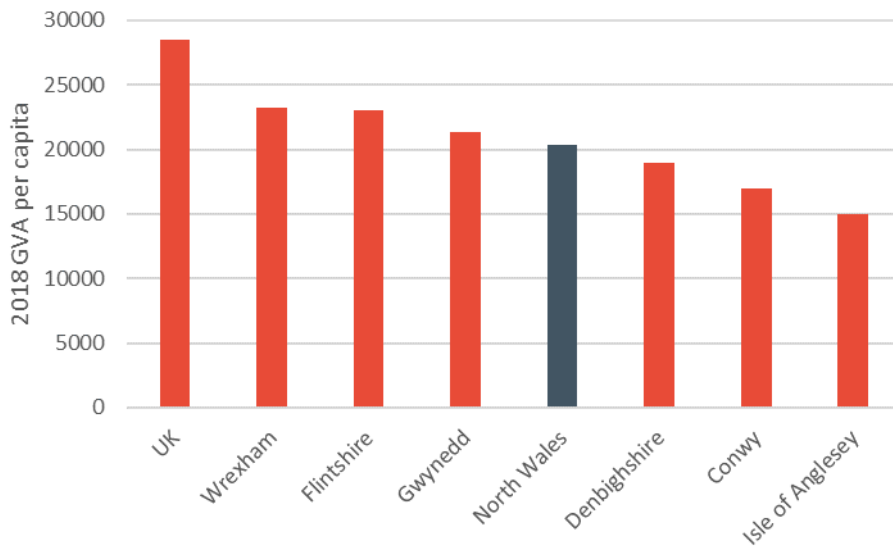


Source: Regional GVA, ONS, 2018

5.4 Within North Wales there are wide variations in GVA per capita, with particularly weak productivity in the Isle of Anglesey (53% of the UK average) but stronger performance in Flintshire and Wrexham (both of which are 81% of the UK average).<sup>6</sup> This is also reflected in average earnings, which lag behind the UK average. Indeed, some local authorities in the West have the lowest earnings in Wales and the UK.

<sup>6</sup> <https://statswales.gov.wales/Catalogue/Business-Economy-and-Labour-Market/Regional-Accounts/Gross-Value-Added-GDP/qvaperhead-by-area-year>

Figure 5.3 GVA per Head (£), 2018

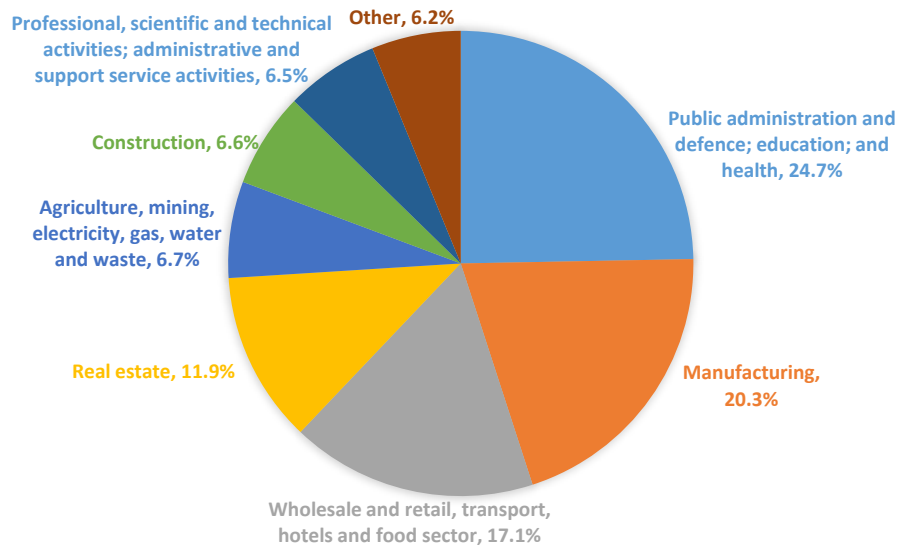


Source: Regional GVA, ONS, 2017

- 5.5 As a consequence of the lower productivity in Anglesey, Gwynedd, Conwy and Denbighshire, these areas have previously qualified for the highest level of EU structural funding intervention.

## Key Sectors

- 5.6 **Supporting high value sectors and addressing long-term barriers to growth is at the heart of the North Wales Growth Deal.**
- 5.7 North Wales has a diverse economy with key sectors being manufacturing, energy and tourism as well as public sector jobs. The public sector accounts for nearly a quarter (24.7%) of the region's GVA. A fifth (20.3%) of the economy is accounted for by manufacturing, which is significantly more important in North Wales than in Wales as a whole (where it accounts for 17% of GVA). Wholesale and retail, transport, hotels and food sector accounts for 17% of the economy of North Wales. The chart below shows the breakdown of industry contribution to 2018 GVA in North Wales.



5.8 A portion of the productivity gap is accounted for by the sectoral structure of the North Wales economy, with some areas particularly reliant on relatively low paid sectors including tourism and retail. At the same time, there are areas of strength, with 64,000 people employed in high value sectors, defined as manufacturing; information and communication; and professional, scientific and technical activities.

5.9 In particular, the Economic Ambition Board recognise the significant potential offered by high value and foundation sectors including:

- **Advanced manufacturing:** 36,000 people work in advanced manufacturing in North Wales, with particular strengths in aerospace, automotive, chemicals and pharmaceuticals, engineering, opto-electronics, food and drink, and metal and steel.<sup>7</sup> This includes anchor employers such as Airbus and Toyota, and areas of research and innovation excellence within the region’s universities. The AMRC (Advanced Manufacturing Research Centre) Cymru, a £20m state-of-the-art R&D facility, recently opened in Broughton and has been described by Welsh Government ministers as a “game changer” for the region.
- **Low carbon energy:** An estimated 16,750 people worked in specialist energy and environmental companies in North Wales in 2016. Wales has committed to a 95% reduction in carbon emissions by 2050. North Wales is already a hub for low carbon energy generation, with the equivalent of 82% of its electricity consumption already coming from local renewable sources. The region hosts over a third of Wales’ renewable energy capacity and also has two nuclear licensed sites, Wylfa and Trawsfynydd. The region’s geography, natural resources and heritage of energy production allow unique opportunities to deploy a broad range of low carbon energy technologies, with resources to scale-up offshore and on shore wind generation, tidal stream energy, tidal range energy, hydro-power, solar and new nuclear generation. This is supported by significant research and innovation capabilities including the Nuclear Futures Institute at Bangor University.

<sup>7</sup> Source: North Wales Regional Skills Partnership

- **Agri-food:** Agri-food is a pillar for the North Wales economy, employing an estimated 20,900 people and contributing £370m in GVA.<sup>8</sup> A fifth of all businesses in Gwynedd and Môn are in agriculture. The Welsh Government planned to grow sales in the Food and Drink industry by 30% to £7 billion by 2020<sup>9</sup>. The revised Action Plan is currently going through a consultation process however, the new Action Plan sets ambitious targets for the Food and Drink sector. This includes ensuring the turnover of the Food and Drink Sector will grow annually to match the change in the Consumer Price Index (CPI), plus an additional 2%.
- **Tourism:** Tourism is another well-established and vital sector for the North Wales economy, with around 37,200 people working in tourism and hospitality in the region, representing 12% of the workforce. The sector has seen increases in visits and expenditure in recent years, with a 4% increase in trips and a 10% increase in expenditure between 2013-2015 and 2014-2016.<sup>10</sup> There has been a welcome growth in adventure tourism, capitalising on the post-industrial landscape and the area's natural assets. According to the latest available STEAM summary data for North Wales the total economic impact of tourism to the North Wales economy is now £3.69billion.
- **Digital:** the deepening effect of digitalisation means that technology is increasingly disruptive and valuable to the North Wales economy, being a driver of both productivity and competitiveness. Whilst the digital sector has established itself as an important generator of employment and economic output, in reality, a much broader base of sectors have been shaped by digital technologies and processes. This is reflected in national policy – the sector has the backing of the UK and Welsh Governments, within respective Digital Strategies, aligning with the opportunity to exploit digital growth as set out in the UK Industrial Strategy. Ensuring that businesses, households and communities, have access to the very best digital connectivity, is seen as key to unlocking North Wales' and growth potential.

## Population and labour market

### 5.10 Investing in skills that match the needs of the region's new employment opportunities is fundamental to the future economic health of North Wales.

5.11 There is an ageing population in the region and a net outward migration of talent from the region. Whilst the population of North Wales is expected to increase to 722,317 by 2039, the share of the population aged 65 or above is expected to increase from 23.6% to 29.8%. This means a smaller share of working age people, which may place pressures on the supply of skills.

5.12 The employment rate amongst working age residents in North Wales stood at 75.9% at March 2020, which was the same as the UK. Over 5 years, between March 2015 and March 2020, 18,300 jobs were added to the economy, a growth of 6.2% for the region.

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<sup>8</sup> Source: North Wales Regional Skills Partnership; Labour Market Insights, June 2020

<sup>9</sup> Source: Welsh Government Action Plan for Food and Drink

<sup>10</sup> Source: Welsh Government August 2018 'Tourism Profile- North Wales (2014-2016)'

The specific impacts of Covid-19 on the North Wales economy and the Growth Deal are set out in section 4.21-4.23.

## Sites and premises

### **5.13 The Growth Deal programme will address the shortages of sites and premises in the region and invest to enable the growth of Holyhead Port.**

5.14 Recent research has identified a lack of modern industrial and employment space across the region. Whilst there are business parks located along the A55 with land available for development, planning restrictions and plot sizes together with the lack of development funding and property values that are lower than build costs, has meant these have seen limited new development since 2008. A recent review by Jones Lang LaSalle (JLL, a leading property consultancy) for Welsh Government found that there was relatively weak and fragmented network of readily developable strategic sites, capable of supporting both local business growth and inward investment.<sup>11</sup> The SQW report for Welsh Government completed in March 2020 confirms the conclusions of the JLL report.

## Holyhead Port

5.15 Holyhead Port is of strategic and economic significance both for North Wales and the UK. The Port is the second busiest Roll on – Roll off ferry port in the UK: in 2018 the Port handled 75% of passengers, 71% of passenger vehicles and 81% of freight vehicles passing through Welsh ports to Ireland<sup>12</sup>. The port has the second highest number of short sea ferry crossings by total number of passengers in the UK.<sup>13</sup> The Port is owned and operated by Stena Line Ports Limited who are also the statutory Port Authority.

5.16 The Holyhead-Dublin route is the principal ferry link to the Republic of Ireland from the UK and serves primarily the North Wales and Central and Northern England markets and is currently operated by Stena Line and Irish Ferries. The ports usage by cruise ships has increased substantially over the past decade from 18 visits in 2013 to 51 in 2018<sup>14</sup>, in the same period passenger visits have increased from 15,000 to 50,000<sup>15</sup>.

5.17 The Holyhead Gateway scheme is a series of targeted investments to address life expired assets essential to the operation of the port and to increase capacity for both vehicle and ship movements for both passenger and freight traffic.

## Digital Connectivity

### **5.18 Enhancing digital connectivity is an important priority for unlocking economic growth.**

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<sup>11</sup> Source : JLL (2017) Priority Property Interventions for Economic Development Report.

<sup>12</sup> DfT Port Freight Stats 2019

<sup>13</sup> DfT Port Freight Stats 2019

<sup>14</sup> Stena Line Ports, 2018

<sup>15</sup> Stena Line Ports, 2018



- 5.19 Demand for high-speed broadband and mobile connectivity in North Wales has kept pace with supply. However, the infrastructure in the region has historically lagged behind the rest of the UK in terms of coverage and capacity.
- 5.20 With the emergence of commercially available fibre optic technology towards the end of the 20th century, the widening of the 'digital divide' now has the potential to increase exponentially. Especially as the difference in affordable bandwidth can now be typically 100s of Megabits per second compared to other regions (e.g. 4.9% premises in Denbighshire with availability of ultrafast at >100Mbps compared to 49% in North West England). All four counties in North West Wales rank in bottom 25% of UK areas for Superfast (>30Mbps) broadband coverage.

### **The economic impact of Covid-19**

- 5.21 Covid-19 has had an immense economic impact on North Wales as in other parts of the UK and globally. The Economic Ambition Board works closely with the six local authorities, UK and Welsh Governments and private sector representatives to co-ordinate the regional response to economic recovery. The longer term effects of Covid-19 on the regional economy at this stage is still unknown.
- 5.22 Work is underway to define a situational analysis to describe the state of the economy in North Wales during what has been a volatile and challenging period for businesses and employees across many sectors. This period of uncertainty caused by the pandemic is ongoing and with the transition period for leaving the EU ending on the 31 December the outlook for winter is bleak. In terms of strengthening the economy in the long term, the Growth Deal will be a welcomed source of hope and investment for the citizens of North Wales.
- 5.23 Interventions already undertaken and planned to create a reliable and evidence based approach to the situational analysis include a regional survey of businesses which attracted over 1,800 responses. A commissioned report on tourism to identify the strengths, weaknesses and opportunities to preserve and revive and develop the tourism economy sustainably. The appointment of an independent economic partner to co-develop the situational analysis and framework for recovery planning for North Wales. Looking initially at the near-term economic recovery post-Covid but also recognising the need to measure and evaluate the impact of the Growth Deal investment on the North Wales economy in the long term throughout the lifetime of the deal.
- 5.24 The Growth Deal is designed to address structural, long-term barriers to economic growth. However, the Board is fully aware that in the short-term a range of actions will be needed to facilitate recovery and alignment between those short term measures and the Growth Deal is key.
- 5.25 The Growth Deal on its own cannot address all the challenges facing the North Wales economy, particularly in light of Covid-19. However, such a significant injection of capital investment into the North Wales economy through the Growth Deal will be a significant boost to the construction and related sectors at a time when there is likely to be spare capacity in the economy.

## 6. The Growth Deal Programmes

6.1 The aim of the Growth Deal is to build a more vibrant, sustainable and resilient economy in North Wales, building on our strengths to boost productivity while tackling long-term challenges and economic barriers to delivering inclusive growth. Our approach is to promote growth in a scalable, inclusive and sustainable way in line with the Wellbeing of Future Generations (Wales) Act 2015. The Growth Deal is based on the delivery of 14 transformational projects across 5 programmes. The programmes have been defined as either high growth programmes or enabling programmes.

### High growth sectors to drive productivity in the region

6.2 The projects within the Growth Deal aimed at increasing the value and impact of high growth sectors will be focused on three key programmes:

- **Low carbon energy**
- **Innovation in high value manufacturing**
- **Agri-food and tourism**

### Addressing key barriers to enable and achieve economic growth

6.3 We have identified enabling sectors through the Growth Deal to tackle key economic barriers and address structural issues that have impacted on productivity and jobs. Delivery in these sectors will create the appropriate conditions for businesses to invest in the region and for the labour market to take advantage of new employment opportunities. A strategic approach will be taken with our investments, ensuring that they are well-targeted in order to enable economic and employment growth across the region. This will be done in partnership with key partners, especially the UK and Welsh Governments.

6.4 The projects within the Growth Deal to address key barriers to growth will be focused on two key programmes:

- **Land and Property**
- **Digital**

6.5 By focusing delivery on these programmes collectively, the Growth Deal will achieve a greater impact in terms of our ambition and use of resources rather than delivering them in isolation.

6.6 Two further enabling programmes sit outside the scope of the North Wales Growth Deal due to funding constraints:

- **Skills and Employment** - This programme aims to tackle economic inactivity and deliver a co-ordinated and integrated skills and employment approach in the region.
- **Strategic Transport** - This programme aims to enable improved accessibility and connectivity, to and within the region.

- 6.7 The programmes remain key to delivering the wider vision for North Wales and the Economic Ambition Board is working with the Regional Skills Partnership and through its Transport Sub-Board to identify and secure alternative funding sources to deliver these programmes.

Figure 6.1 The Growth Deal Programmes



Source: North Wales Economic Ambition Board

- 6.8 All programmes and projects within the Growth Deal will contribute to the achievement of the Growth Vision and the delivery of benefits for North Wales. The benefits from the Growth Deal will support sustainable and inclusive growth across the region – in accordance with the Growth Vision as well as the priorities of the Well-Being of Future Generations (Wales) Act 2015.

### Summary of the Programmes

- 6.9 The strategic aims to address in each programme, and the types of intervention they are intended to facilitate, are summarised below.

#### Low carbon energy

**Strategic aims:** To unlock the economic benefits of transformational low carbon energy projects and position North Wales as a leading UK location for low carbon energy generation, innovation and supply chain investment.

**Types of intervention:** Enabling works for new low carbon energy generation, enhancing research and innovation facilities for low carbon energy sectors, transport decarbonisation and support for local energy projects.

#### Innovation in high value manufacturing

**Strategic aims:** To consolidate North Wales' position as a powerful and innovative high value manufacturing cluster, building on existing specialisms and leading expertise to create a higher value, more diverse economic base that supports the transition to a low carbon economy

**Types of intervention:** Industry and research collaborations along with the establishment of centres of excellence in targeted technologies to help overcome barriers and market failures in the research commercialisation process.

#### **Agri-food and tourism**

**Strategic aims:** To build a more sustainable, vibrant and resilient foundation economy within the region, optimising opportunities for employment and prosperity through our environment and landscape.

**Types of intervention:** Introducing new technologies & innovation, skills and practices to these sectors, via business support and upskilling.

#### **Land and property**

**Strategic aims:** To address the shortage of suitable land and properties for business growth and to bring forward sites for housing development and to deliver improvements that stimulate investment in the Port of Holyhead and the wider region. These projects will play an enabling role for the other programmes by ensuring that serviced sites are available for investors and developers.

**Types of intervention:** The provision of primary services and enabling works to bring forward commercial and housing development sites, delivery of employment floor space and future proofing and capacity enhancement works to the port of Holyhead.

#### **Digital**

**Strategic aims:** To deliver the step change in digital connectivity needed to ensure North Wales is able to satisfy user demand, maintain pace with the rest of UK, unlock the growth potential of priority sectors and sites and underpin a flourishing innovation ecosystem. Plays an enabling role for other programmes to deliver maximum benefit.

**Types of intervention:** The programme has identified a need to which balance investment in infrastructure and technology, through enhanced fixed broadband footprint at key sites in rural areas, unlocking applications through 5G access, and furthering digital innovation.

## 7. The Projects

7.1 The Growth Deal is based on 14 transformational projects to be delivered across 5 programmes. These projects have been identified by the Economic Ambition Board on the basis that they:

- deliver against the North Wales Growth Vision and are aligned with relevant Wales and UK strategies;
- are spatially targeted across the whole region;
- deliver benefits that will have a positive impact on as many communities as possible across the region;
- are enablers for economic growth;
- support growth and attract private sector investment;
- promote innovation.

Table 4: Summary of North Wales Growth Deal Projects

Programme	Project	Project Sponsor	Project Summary
Innovation in High value manufacturing	Centre for Environmental Biotechnology (CEB)	Bangor University	The Centre for Engineering Biotechnology will be a world-leading centre in the discovery and characterisation of novel extremophilic enzymes of industrial relevance. The Centre for Engineering Biotechnology will provide a strong foundation for attracting world-leading researchers, significant public and commercial research funding, and inward investment to Wales, building on an initial £5mERDF investment into research capacity. The project also aims to draw companies in the biocatalysis sector to North Wales to take advantage of clustering and agglomeration benefits the regions offers due to its well-established specialism in bioengineering.
	Enterprise Engineering & Optics Centre	Glyndwr University	The Enterprise Engineering & Optics Centre will provide facilities (in Wrexham and St. Asaph) targeted to boost high level skills development for the region and enable SME's and large businesses to work in partnership with Wrexham Glyndwr University on commercially driven research and development.
Agri-food and tourism	Tourism TALENT Network	Grŵp Llandrillo Menai	The Tourism Talent Network sets out ambitious plans to future-proof skills provision and increase commercial benefits from one of the most established and fastest growing sectors in the region. The North Wales Tourism Talent Network aims to stimulate public-

Programme	Project	Project Sponsor	Project Summary
			private collaboration to coordinate action on skills and product development to transform and accelerate the growth of the tourism and hospitality sector in the region.
	<b>Glynllifon Rural Economy Hub</b>	Grŵp Llandrillo Menai	The vision is to create a distinctive, world-class Rural Economy Hub at Glynllifon, offering a range of facilities and services to strengthen and enhance the regional economy, specifically through growing the food and drink sector.
	<b>The Llyfasi Carbon Neutral Centre</b>	Coleg Cambria	Llyfasi Carbon Neutral Centre aims to lead North Wales to a resilient future where carbon neutral land management is at the centre of a developing renewable energy sector supporting a sustainable, thriving and healthy community covering the rural/urban mix of the region.
<b>Land and property</b>	<b>Holyhead Gateway</b>	Stena Line	Future proof the Holyhead Port by providing new deep-water heavy loading and cruise facilities, improved vehicular access, guaranteeing the future of the breakwater and providing for the demands of regional energy projects.
	<b>Regional Land and Property</b>	North Wales Economic Ambition Board	Comprised initially of five development sites: <b>Denbigh Hospital Site</b> -A planning application has been submitted to bring forward a mixed use commercial and residential development. The Growth Deal funding will assist in the delivery of a cleared and remediated site with primary services. <b>Bodelwyddan Strategic Site</b> -A mixed use commercial and residential development site of 137 hectares. The Growth Deal funding will provide the primary services to enable the site to be bought to the market for development. <b>Parc Bryn Cegin Strategic Site</b> -Provide industrial floor space to meet known demand for units. <b>Wrexham Gateway</b> - Growth Deal funding will provide the necessary statutory consents and deliver primary services to enable the site to be bought to the market for sale and development. <b>Warren Hall Strategic Site</b> - Growth Deal funding will provide the necessary statutory consents and deliver primary services to enable the 65-hectare mixed use site to be bought to the market for sale and then development by the private sector.
<b>Digital</b>	<b>Digital Connectivity Project</b>	North Wales Economic Ambition Board	Comprises of four elements: <b>Full fibre</b> - This project seeks to deliver full fibre connectivity (gigabit capable) to 28 key business sites across NWEAB. The focus of the project is to provide access to full fibre services that are more affordable, scalable and able to service the needs of SMEs, in lieu

Programme	Project	Project Sponsor	Project Summary
			<p>of and complementing more expensive leased line circuits. Some 4,100 business premises and 450 residential premises able to access gigabit capable full fibre broadband once complete.</p> <p><b>Connected Campus</b> This project aims to accelerate the development of Connected Campuses at 19 key regional economic sites. It will target key sites which present uses cases for 5G and low power Wi-Fi networks in the context of heavy industry, light industry, research sites, commercial sites and across a much larger rural campus (encompassing thousands of farms and agricultural clusters). It is estimated some 2,600 business premises will have access to high bandwidth 5G and low power Wi-Fi services once complete.</p> <p><b>Connected Corridor</b> - This project aims seeks to respond to industry demand and technology drivers by supporting the more efficient operation of supply chains, and major transport operations (such as ports). In total, 156km of road and rail corridor will be connected to 5G/Low Power Wireless Access Networks, along the A55 corridor and adjacent mainline rail route. It is estimated that up to 1.57 million rail journeys and 1.3 million road journeys will benefit from enhanced 5G connectivity once complete.</p> <p><b>Connecting the last few %</b> - This project targets universal superfast coverage across North Wales, which have yet to be served by other means and cannot obtain speeds of at least 30Mbps (download).</p> <p>A lack of reliable and in some cases basic broadband (Ofcom defines as 10Mbps download) is an established and growing challenge facing rural businesses and communities. A widely acknowledged 'digital divide' is affecting residents' access to online services and preventing SMEs from developing and sustaining trade. The growing trend of working from home is also restricted by poor connectivity.</p> <p>Up to 10,100 residential and 4,300 business premises with will access to superfast broadband once complete.</p>

Programme	Project	Project Sponsor	Project Summary
	<b>Digital Signal Processing Centre Project (DSP)</b>	Bangor University	The project will bring together Bangor University researchers to work alongside high-profile international companies and Welsh SMEs enabling them to work together to explore disruptive solutions for 5G. The project will allow the DSP Centre to expand its presence and remit, integrating fully with the National Strategy Project (NSP) and enable the scaling of key assets including a 5G testbed, research capacity and state-of-the-art equipment. The project is expected to create 160 jobs in total.
<b>Low carbon energy</b>	<b>Morlais</b>	Menter Môn	Constructing the infrastructure that connects the Morlais Zone with the electricity grid system, readying the site for private sector developers investing to lease parts of the zone for deploying tidal energy technologies. This would position the zone as the first consented, expandable and technology-agnostic site in the world with up to 180 MW of potential.
	<b>Trawsfynydd Power Station</b>	Cwmni Eginio	The Trawsfynydd site is uniquely placed for a 'First of A Kind' deployment of a Small Modular Reactor (SMR) or Advanced Modular Reactor (AMR) due to its status as a publicly owned asset, its highly skilled workforce, and the supportive community. In combination with the public and private sector, the Growth Deal will contribute funding towards enabling infrastructure for this development, helping to secure jobs as well as position North Wales at the cutting edge of innovation and R&D in a technology that has significant potential for deployment across the UK.
	<b>Low Carbon Energy Centre of Excellence</b>	Bangor University	Developing infrastructure at Bangor University and Menai Science Park, enhancing the North Wales and UK capabilities for innovation in low carbon energy and related areas, helping to create the conditions for new inward investment and business growth in the low carbon energy supply chain in North Wales
	<b>Smart Local Energy</b>	North Wales Economic Ambition Board	To help achieve renewable energy, decarbonisation and local ownership targets, the project will support innovative enabling projects and demonstrators that overcome market failures and unlock private and community sector investments in smart local energy solutions.
	<b>Transport Decarbonisation</b>	North Wales Economic Ambition Board	Support delivery of a demonstrator project involving the production of green hydrogen from low carbon energy sources and its use within regional transport networks.



## 8. Economic Impact

### Spending Objectives

**8.1** The Heads of Terms agreement set out that the Government investment would be used to create up to 4,000 new jobs, support 5% GVA uplift and secure £500million in private sector investment over the 15-year period. In the development of a portfolio and five programme business cases to secure the Final Deal agreement with Welsh and UK Government these have been refined into the following spending objectives for the North Wales Growth Deal. All the programmes and projects within the Growth Deal contribute to these overall objectives.

Spending Objective 1 - Jobs	To create between 3,400 and 4,200 net new jobs in North Wales through the Growth Deal by 2036.
Spending Objective 2 - GVA	To support a net additional GVA uplift of between £2.0 billion and £2.4 billion for the North Wales Economy through the Growth Deal by 2036.
Spending Objective 3 - Investment	To deliver a total investment of up to £1.1 billion in the North Wales Economy through the Growth Deal by 2036.

### Benefits Summary

**8.2** In developing each of the five programmes for the Final Deal, a high-level assessment of the relevant economic benefits has been produced. Each of the programmes will generate a set of benefits that have been classed as direct, indirect and wider benefits. The precise nature of these vary between the programmes. The key types are summarised below, by programme.

**8.3** The core measures across all programmes and projects are jobs and Gross Value Added (GVA) created, reflecting the core spending objectives of the Growth Deal. Growth in GVA is a function of both sectoral growth (with accompanying growth in jobs) and productivity enhancements (e.g. generated by investments in digital infrastructure).

Figure 1.2 Benefits Framework



Source: Hatch

## Net additional benefits

- 8.4 After taking account of likely levels of additionality within the projects and programmes, the Growth Deal programmes are expected to generate a total of **£1.97 to £2.41 billion** in net additional GVA, and **3,400 to 4,200 net additional FTE jobs** per annum at steady state.
- 8.5 A breakdown across all of the projects is provided in Appendix B.

Table 5: Net Additional Economic Benefits (GVA is cumulative to 2036 and expressed in 2020/21 prices, undiscounted; jobs are annual at steady state)

	GVA (£m)	Jobs Created (FTEs)
Low carbon energy	430 - 530	800 – 980
Innovation in high value manufacturing	90 – 110	150 – 180
Agri-food and tourism	230 – 280	310 – 380
Land and property	1,060 – 1,290	1,870 – 2,280
Digital	150 – 190	310 – 380
<b>Total, North Wales Growth Deal</b>	<b>1,970 – 2,410</b>	<b>3,440 – 4,210</b>

Source: Hatch calculations based on project level data. Rounded to the nearest £10m/10 FTEs. Ranges apply a ± 10% margin of error.

## Benefit-cost ratio

- 8.6 Drawing the analysis together, the Growth Deal Programme has an estimated benefit-cost ratio of between **2.8:1 and 3.4:1**, i.e. for every £1 in public sector investment (after Optimism Bias\*) the Growth Deal is expected to return net additional economic benefits of between £2.80 and £3.40. This rises to between £4.90 and £6.00 for every £1 of Growth Deal investment only.
- 8.7 This places the overall Growth Deal into the category of “high” value for money, as defined by Central Government.<sup>16</sup>

	Based on Total Public Sector Cost	Based on Growth Deal cost only
Discounted net additional benefits	£1,370m - £1,670m	
Discounted costs, after optimism bias	£488m	£273m
Net Present Social Value	<b>£930 – £1,140</b>	<b>£1,120 - £1,370</b>
BCR	<b>2.8:1 - 3.5:1</b>	<b>5.0:1 - 6.1:1</b>

Source: Hatch calculations based on project level data

Optimum Bias Note: Prior to calculating the final Benefit Cost Ratio (BCR), we have discounted all costs and benefits at 3.5%, in line with HM Treasury Green Book Guidance

## 9. Growth Deal Funding Profile

- 9.1 The Growth Deal is based on the delivery of fourteen projects across five programmes with an anticipated total capital expenditure of £1.1billion of which £240million is derived from the Growth Deal with the remainder provided by public and private sector partners.
- 9.2 A breakdown of capital expenditure per project is provided in the table below:

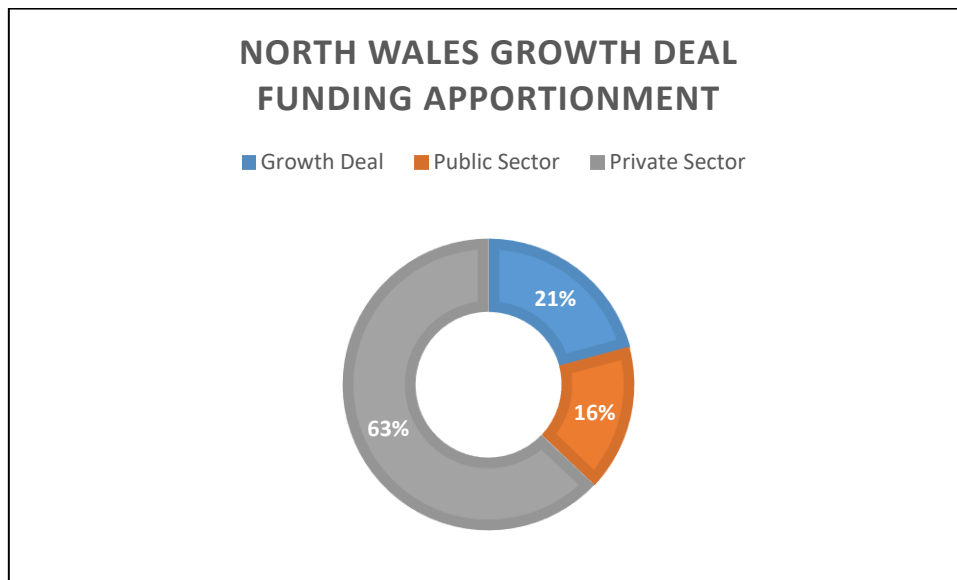
Project	Project Sponsor	Growth Deal Investment (£m)	Other Public Sector Investment (£)	Private Sector Investment (£)	Total Capital Investment (£)
<b>Digital Programme</b>					
Digital Signal Processing Centre Project	Bangor University	3.0	3.1	1.1	<b>7.3</b>
Digital Connectivity Project	Full Fibre at key sites	6.8	-	0.411	<b>7.2</b>
	Connected Corridor	2.2	-	-	<b>2.2</b>

<sup>16</sup> See, for example, [https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/918481/valuing-for-money-supplementary-guidance-on-categories.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/918481/valuing-for-money-supplementary-guidance-on-categories.pdf)

Project		Project Sponsor	Growth Deal Investment (£m)	Other Public Sector Investment (£)	Private Sector Investment (£)	Total Capital Investment (£)
	Advanced Connectivity ('Connected Campus')	Economic Ambition Board	21.0	-	-	<b>21.0</b>
	Last few %	Economic Ambition Board	4.0	-	-	<b>4.0</b>
<b>Low Carbon Energy Programme</b>						
Morlais		Menter Môn	9.0	27.0	-	<b>36.0</b>
Low Carbon Energy Centre of Excellence		Bangor University	21.0	75.7	1.0	<b>97.7</b>
Trawsfynydd Power Station		Welsh Government	20.0	20.0	360.0	<b>400.0</b>
Transport Decarbonisation		Economic Ambition Board	11.4	11.45	5.7	<b>28.6</b>
Smart Local Energy		Economic Ambition Board	25.0	6.2	75	<b>106.2</b>
<b>Land and Property Programme</b>						
Holyhead Gateway		Stena Line	35.0	-	45.0	<b>80.0</b>
Land and Property Project	Warren Hall	Economic Ambition Board	15.0	-	55.0	<b>70.0</b>
	Former North Wales Hospital, Denbigh	Economic Ambition Board	4.0	-	70.0	<b>74.0</b>
	KSS, Bodelwyddan	Economic Ambition Board	10.0	-	72.0	<b>82.0</b>
	Parc Bryn Cegin	Economic Ambition Board	6.0	-	-	<b>6.0</b>
	Western Gateway, Wrexham	Economic Ambition Board	9.1	1.9	32.4	<b>43.4</b>
<b>Innovation in High Value Manufacturing</b>						
Centre of Environmental Botechnology		Bangor University	3.0	6.6	-	<b>9.6</b>
Enterprise Engineering & Optics Centre		Glyndwr University	10	19.9	-	<b>29.9</b>
<b>Agrifood and Tourism Programme</b>						
Glynllifon Rural Economy Hub		Grŵp Llandrillo Menai	10.0	3.0		<b>13.0</b>

Project	Project Sponsor	Growth Deal Investment (£m)	Other Public Sector Investment (£)	Private Sector Investment (£)	Total Capital Investment (£)
The Llysfasi Carbon Neutral Centre	Coleg Cambira	10.0	2.7	2.7	15.4
Tourism TALENT Network	Grŵp Llandrillo Menai	4.5	6.7	1.7	13.0

<b>GROWTH DEAL TOTAL</b>	<b>240</b>	<b>184.3</b>	<b>722.1</b>	<b>1146.4</b>
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## 10. North Wales Economic Ambition Board Partner Contributions

### Annual Partner Contributions

- 10.1 No revenue funding is provided through the Growth Deal for the delivery of the projects or the operational running costs of the project once completed.
- 10.2 Revenue funding to support the Portfolio Management Office is provided through Economic Ambition Board partner contributions (including supplementary local authority contributions) and additional ESF funding has also been secured for the first three years of operation (from May 2020). An amount equivalent to the 'top slice' of the annual government grant at 1.5% can also be used to fund this, subject to Welsh Government flexibility to manage funding. Any additional Portfolio Management

Office costs directly attributable to the delivery of the projects will be accounted for within project business cases.

- 10.3 The annual partner contributions toward Portfolio Management Office costs are set out in the table below:

	Local Authority Contribution	HE/FE Annual Contributions	Total Annual Contribution
<b>Annual Core Contributions</b>	£50k per LA	£25k per partner	£400k
<b>Annual Supplementary Contribution*</b>	£40k per LA	0	£240k

\* this contribution is a supplementary contribution agreed by the Councils only

## Growth Deal Cash-flow Financing Contributions

- 10.4 A total of £240m grant contribution to the North Wales Growth Deal is provided by the UK and Welsh Government in annual instalments over a 15 year period.
- 10.5 Due to the nature of the annual Growth Deal grant payments from government, there is a medium term temporary funding gap between the expected expenditure profile of the Growth Deal and the funding received.
- 10.6 The Economic Ambition Board, through Gwynedd Council as the host authority, will be responsible for managing this negative cash flow. This will be met by the local authorities (proportional to population) for regional NWEAB projects, and with project lead partners responsible for the cost in relation to their projects (which create assets).
- 10.7 The total (15 years) contributions that will be required from the North Wales Economic Ambition Board partners, to enable the delivery of the Growth Deal, are set as a range for each partner. Version 1 is modelled as the best case scenario and Version 2 as a worst case scenario, to reflect the timing of finalising the Growth Deal and consequent timing of government grant funding. Any proposed increase in agreed contributions would need to be approved as a reserved matter.

Version	Bangor University	Glyndwr University	Grŵp Llandrillo Menai	Coleg Cambria	Other Commerical Partners	Conwy	Denbighshire	Flintshire	Gwynedd	Isle of Anglesey	Wrexham	Total
	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m
1	1.40	0.51	0.75	0.52	2.29	1.17	0.96	1.56	1.24	0.70	1.36	12.46
2	1.99	0.73	1.07	0.74	3.24	1.67	1.36	2.22	1.77	1.00	1.94	17.73

- 10.8 The table below shows the annual partner contributions to cover the cost of 'borrowing' notionally required to facilitate the negative cash flow.

Version	Bangor University	Glyndwr University	Grŵp Llandrillo Menai	Coleg Cambria	Other Commerical Partners	Conwy	Denbighshire	Flintshire	Gwynedd	Isle of Anglesey	Wrexham	Total
	£	£	£	£	£	£	£	£	£	£	£	£
1	93,330	34,000	50,000	34,670	152,660	78,010	64,000	104,000	82,670	46,670	90,670	830,680
2	132,670	48,670	71,330	49,330	216,000	111,340	90,670	148,000	118,000	66,670	129,340	1,182,020

## 11. Commercial Strategy

- 11.1 The Economic Ambition Board is committed to maximising the impact of the North Wales Growth Deal.
- 11.2 The primary driver for all projects within the Growth Deal is to deliver economic and social benefits to North Wales in line with the strategic outcomes set out in the portfolio business case. The Growth Deal aims to maximise private sector direct investment and leverage across the portfolio.
- 11.3 There is significant potential across the portfolio to generate a commercial return on investment that could be reinvested in the region. Each project business case will be expected to explore commercial investment opportunities. These opportunities may include provision of Growth Deal funding as a loan, investment or profit share arrangement subject to relevant project state aid advice.
- 11.4 The Economic Ambition Board expects to generate a return on investment across the overall portfolio, with a particular focus on opportunities within the Land and Property and Low Carbon Energy programmes that would subject to UK and Welsh Government agreement be reinvested in the region.
- 11.5 Procurement represents a significant commercial opportunity for the North Wales Growth Deal. Collaborative procurement opportunities will be explored where appropriate across the Growth Deal in line with the procurement strategy outlined below.

## 12. Procurement Approach

- 12.1 The Economic Ambition Board is committed to securing value for money and maximising benefits to the region through the North Wales Growth Deal. Procurement will play a key role in the delivery of the Growth Deal projects but also in the realisation of benefits to the region. This section sets out the approach that the Board will take to procurement, with a particular focus on maximising social and community benefits to be delivered through procurement activity.
- 12.2 The following procurement principles will underpin all Growth Deal procurement activity:
  - **Regional Leadership and strategic approach**

The Economic Ambition Board will:

    - *have a clear strategy and principles for achieving innovative and sustainable procurement practices with clients, contractors and communities working together*
    - *engage with contractors and supply chain in an open and transparent manner with a two way exchange*
    - *promote and champion collaborative procurement opportunities, supporting innovation and growth*

- *will work with the PSB's and directly support the local wellbeing plans and evolving community resilience plans for the region to recover and build back fairer and better*
  - *promote and champion the delivery of social value and community benefits through procurement activity align with and test key policies such as the socio economic duty and the social partnerships bill.*
  - *embed 'The Wellbeing of Future Generations (Wales) Act 2015' lens into all procurement activity contributing where relevant to the 46 national wellbeing indicators for Wales.*
- **Engagement and supply chain support, and the Foundational economy**
    - *Engage in two way exchange with partners, contractors and communities and ensure local and regional needs and priorities are part of the social value clauses*
    - *Support and improve access for SMEs and support collaboration between SMEs within the region.*
    - *Open and fairness support local supply chains to engage with larger contracts through supply chain briefings and joint bidding opportunities and pipeline of projects.*
    - *Ensure fair and ethical working practices, including prompt payment to contractors and within the supply chain*
    - *Supporting the foundational economy in the region with skills and innovation mapped across the Regional Skills and employment plan.*
- **Skills, Jobs & Growth**
    - *Focus on innovative targeted recruitment and training working with our partners to ensure we support people to retrain, develop new skills through volunteering or contribute to education/apprenticeships.*
    - *Target opportunities and engage with existing mechanisms to support this and target specific groups such as young people or those in areas of deprivation to engage in education and learning/development.*
- **Contribution to education and supporting young people**
    - *Work with evolving projects such as the Children's University to support contractors engage and deliver learning and skills development for young people.*
    - *Support engagement and connections with schools to offer opportunities to all support the new Curriculum 2022 in Wales, with a focus on digital inclusion.*
- **Community resilience and well being**
    - *Work directly with the PSB to include community resilience and wealth building developing assets in our communities to include supporting positive mental health in workforces, supply chain and in communities*



- *Engage with new partnership such as museums, theatres and arts to support developing our cultural and Welsh language considerations in contract opportunities.*
  - *Work with procurement partners and third sector organisations to maximise community wealth building opportunities.*
  - *Support and engage with the third sector in a valued based approach that support resilience in the third sector to work with and support contractors and the supply chain.*
- **Environmental Sustainability and Green Recovery**
    - *Ensure we have environmental considerations in contract opportunities, minimising our impact on the environment and supporting new technologies, approaches and innovation with contractors and the supply chain, with a focus on the circular economy*
    - *Seek to minimise the carbon footprint of projects and support low carbon economy, focused on the commitment by welsh government to achieve a carbon neutral public sector by 2030, reducing greenhouse gases, improving our natural environment and protecting our biodiversity.*
  - **Innovation and new practices**
    - *Test and explore new ways of working with all partners to seek to maximise value from regional collaboration*
    - *Establish effective arrangements for monitoring impact, exploring the most appropriate tool to do this*
    - *Work collaboratively across the partnership to effectively resource procurement activity and focus on developing and delivering new forums to support capacity and capability to use procurement as an effective tool such as community of practices etc.*

## 13. Governance Arrangements

### Governance Agreement 2

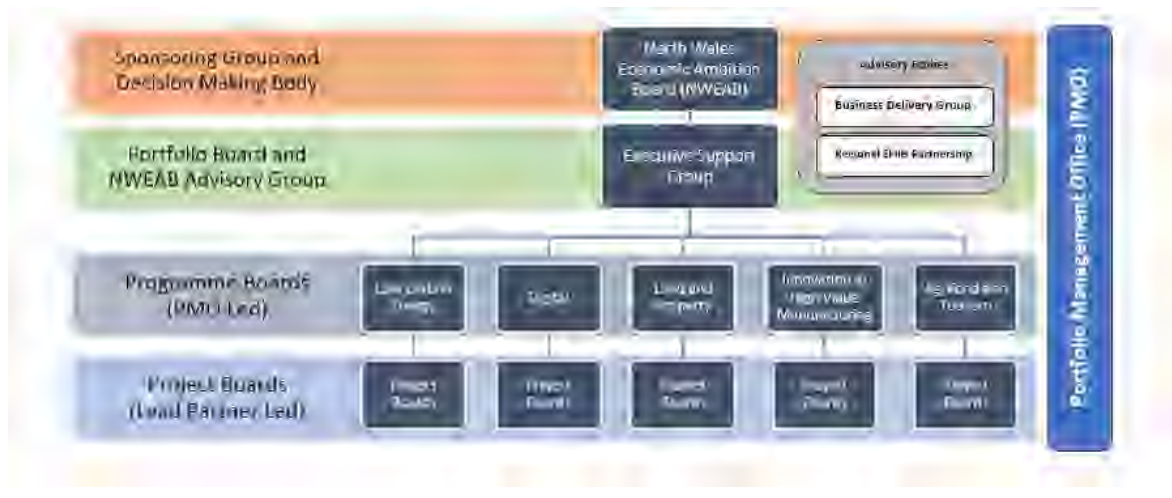
- 13.1 Having Secured the Growth Deal the Partners have agreed to enter into a second Governance Agreement (GA2) which will support the partnership into the next phase of implementation of the Growth Deal and further development of the Growth Vision.
- 13.2 The agreement, which is a legally binding document defines the role and function of the Board and its delegated powers. It also provides for its decision making structures and democratic accountability. Provision is made for the commitments of the Partners to the project and how these are managed and apportioned. GA2 provides assurance for the Host Authority (Gwynedd Council) in assuming that role. The underlying arrangements providing for legal and compliance matters within the partnership and the governance of the Programme Office are also addressed.

- 13.3 It is a key document providing a clear structure and foundation for taking the implementation of the Growth Deal forward.

### Portfolio, Programme and Project Management Arrangements (PPM)

- 13.4 The Board has adopted a delivery model based on a best practice approach to portfolio, programme and project management as set out in 'Government Functional Standard GovS 002: Project Delivery'. Portfolio, programme and project management is an integrated way of meeting an organisation's ambitions, driving better decisions and increasing the likelihood of successful outcomes.
- 13.5 The diagram below sets the PPM governance delivery structure for the Growth Deal:

Figure 1.3 Growth Deal Delivery Structure



Source: North Wales Economic Ambition Board

### Strategic and Portfolio Level

- 13.6 **North Wales Economic Ambition Board (Sponsoring Group)** - The Economic Ambition Board acts as the Sponsoring Group (Organisation) and the Decision-Making Body. All authority below this level is delegated to relevant parties as required through a formal decision by the Board. A member of the Economic Ambition Board will take on a Lead Member role for each of the programmes and sit on the relevant Programme Board. The Board will be responsible for the consideration and approval of project business cases within the portfolio and with responsibility for delivery delegated to the relevant programme and project boards.
- 13.7 **Executive Support Group (Portfolio Board)** - This group is the advisory body to the Economic Ambition Board but also acts as the Portfolio Board for the Growth Deal to support and challenge the Growth Deal Programme Director to ensure delivery. The group is made up of senior officers from each of the Economic Ambition Board partner organisations. A member of the Executive Support Group will act as a Senior Responsible Owner (SRO) for each of the programmes and lead the relevant Programme Board.

- 13.8 **Programme Director** - The Programme Director is accountable to the Economic Ambition Board for the delivery of the Growth Deal portfolio.

### **Programme and Project Level**

- 13.9 **Portfolio Management Office (PMO)** – The PMO supports and co-ordinates activity across the programmes acting as an information hub and ensuring a consistent approach to reporting, control of risk and issues. It also acts as a valuable assurance function, providing advice and challenge to programmes and projects. Each programme is assigned a Programme Manager from within the PMO.
- 13.10 **Programme Boards** - Each programme will have a formal Programme Board and an appointed Senior Responsible Owner (SRO). These boards will be focused on the development (initially) and delivery of the agreed Programme Business Case, with a specific focus on the benefits and outcomes to be achieved. Programme Boards escalate to the Portfolio Board via the Programme Director.
- 13.11 **Project Boards** - All projects within the Growth Deal will be managed via a Project Board with appointed SROs and project managers in place to ensure delivery. These boards will be focused on the development and delivery of the agreed business case, with a focus on the delivery of specified outputs. Projects and Project Boards will be the responsibility of the Project Sponsor and clear arrangements for the delivery of projects in line with best practice will be set out in each project business case. Projects will report through to the relevant Programme Board. Terms of Reference for Project Boards will be agreed between the Project Sponsor and the Portfolio Management Office to ensure the appropriate links and reporting arrangements between the project and the Programme Board are understood by both parties.

### **Project Approval Process**

- 13.12 The Growth Deal is to be signed on the basis of a portfolio business case and five programme business cases. Once the final deal has been agreed, project business cases can be brought forward for the NWEAB to consider.
- 13.13 Full (5 Case Model) business cases will be developed for each project within the North Wales Growth Deal in line with the 'Better Business Case' guidance developed by Welsh Government and HM Treasury.
- 13.14 Preparing a Project Business Case using the five Case model provides decision makers and stakeholders with a proven framework for structured 'thinking' and assurance that the project provides and strategic fit, maximise public value, is commercially viable, is affordable and is fundable over time.
- 13.15 Project business cases will be required to demonstrate how they deliver against the objectives and aspirations of the North Wales Growth Deal and specifically the relevant programme business case.
- 13.16 It is recognised that through the development and agreement of portfolio and programme business cases between the Economic Ambition Board and UK/Welsh Government that the strategic case for projects will have been established.
- 13.17 Each project business case will be subject to independent gateway reviews at agreed points as agreed with the Welsh Government Assurance Hub.

13.18 Project business cases will first be considered by the relevant Programme Board. Business cases will only be presented to the Economic Ambition Board following endorsement by the Portfolio Board and the Programme Board and the completion of required gateway reviews. The PMO retains the right to commission external reviews of project business cases where required.



### Process for Considering New Projects

13.19 The Growth Deal is a portfolio spanning 15 years and there is potential that not all the current 14 projects will be delivered if the economic benefits of certain projects cannot be demonstrated through project business cases or if new priorities emerge for the region. It is also possible that further funding sources may be identified or income generated through the Growth Deal for reinvestment in new projects.

13.20 Any new or replacement projects will be a matter for the Economic Ambition Board to decide upon within the agreed affordability envelope for the partnership and where the projects deliver against the objectives of the Growth Deal and its programmes. Project proposals that sit outside the agreed funding envelope for the partnership and outside the parameters agreed with UK and Welsh Government would need the approval of individual partners and/or both governments.

13.21 New or replacement project proposals would be assessed at the relevant programme board before consideration by the portfolio board and the Economic Ambition Board. Should the Economic Ambition Board endorse a new project for development, a project business case would be developed in accordance with the process set out above.



### Monitoring and Evaluation

13.22 Programme and project performance will be monitored on a monthly basis through the relevant programme and project boards with formal quarterly reports submitted to the Portfolio Board and the North Wales Economic Ambition Board.

13.23 A Monitoring and Evaluation Plan has been developed for the North Wales Growth Deal. The key components of the Monitoring and Evaluation Plan are set out below:

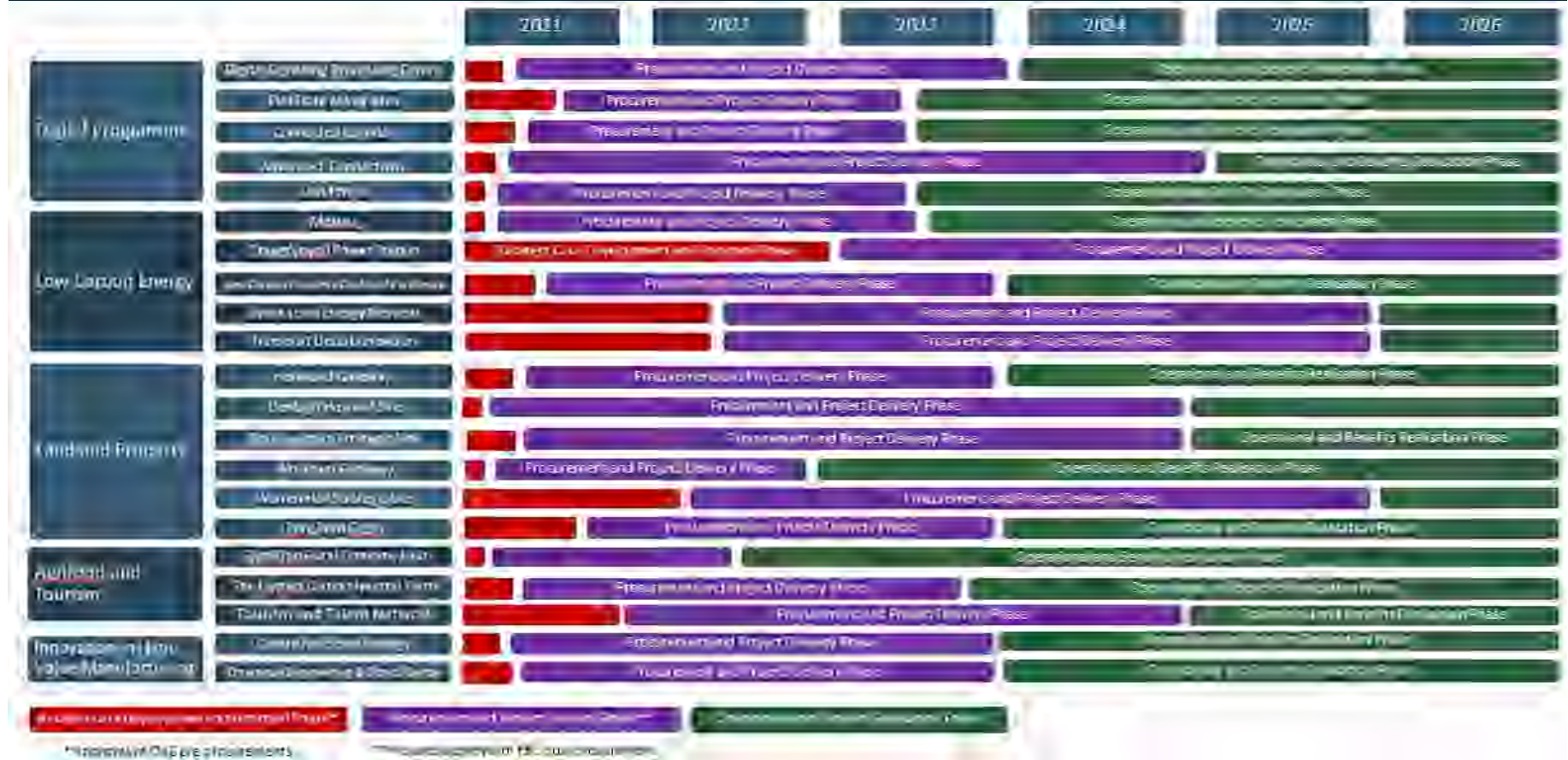
13.24 Monthly Highlight Reports for all programmes and projects;

13.25 Formal Quarterly Reports to the Economic Ambition Board, UK Government and Welsh Government;

- 13.26 Formal Annual Report to Economic Ambition Board, its partners, UK Government and Welsh Government;
- 13.27 Independent economic impact evaluation to be undertaken every 3-5 years against suite of indicators agreed with UK Government and Welsh Government.
- 13.28 Wider benefits to be achieved through procurement, particularly social and community value will be monitored and evaluated to ensure maximum benefit is derived to the region from such activity.
- 13.29 The Economic Ambition Board will work with the Welsh Government to ensure that evaluation against the Wellbeing of Future Generations (Wales) Act 2015 is a key component of all monitoring and evaluation activities.
- 13.30 The Economic Ambition Board is committed to developing an appropriate feedback mechanism for the North Wales Growth Deal with both governments to ensure lessons learned during the delivery of the Growth Deal are captured and shared.

# 14. Growth Deal Project Delivery Timescales

Figure A.1 Growth Deal Delivery Timescale



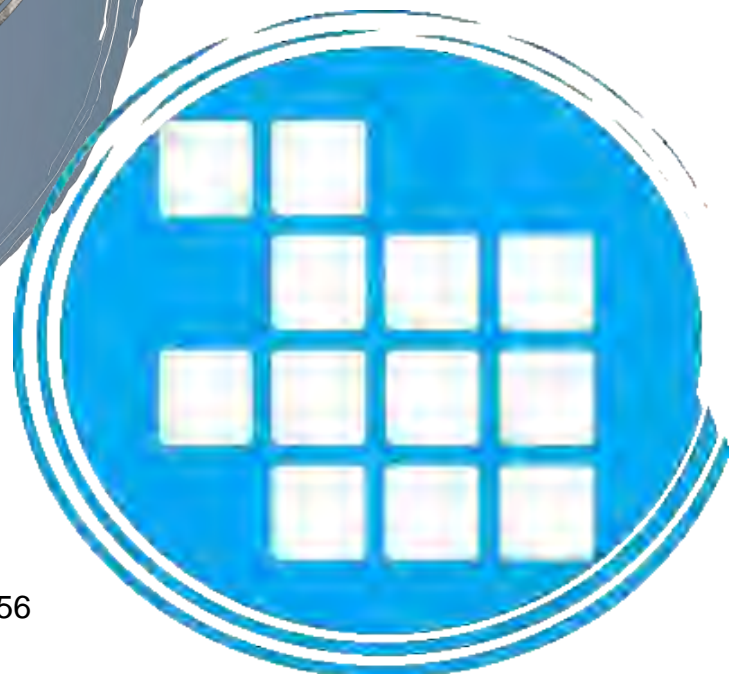
Source: NWEAB

Explanatory Note on Private Delivery in the Land and Property Programme

Due to the scale of the proposed development, the following projects will have delivery timescales extending beyond 2026 - Western Gateway, Warren Hall, Bodelwyddan, Former North Wales Hospital. The timetable above refers to the Growth Deal funded elements of these projects. The full indicative delivery timeline for these projects is shown in Table 5.4 of the Financial Case of the Land and Property Programme Business Case



# NORTH WALES GROWTH DEAL DRAFT FINAL DEAL AGREEMENT





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## 2. Definitions

**[Note: To be inserted]**

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### 3. Foreword

The **Growth Deal** has been developed through close collaboration and commitment, from partners across governments and sectors, to deliver long-lasting positive investment and change that will enable economic and employment growth for the long-term.

Over the next fifteen years, the deal empowers us to work together and take control of how we invest in our future.

It's a unique opportunity to de-centralise government investment, make those investment decisions locally and demonstrate the value this brings. Ultimately, as part of a broader programme of investment, the Growth Deal will enable us to build a more vibrant, sustainable and inclusive economy for us all in North Wales.

The UK Government and Welsh Government are investing £240million into the North Wales Growth Deal over the next 15 years. Alongside the North Wales Economic Ambition Board partners and the private sector, the Growth Deal seeking to deliver a total investment of up to £1.1bn in the North Wales economy (£240m from the Growth Deal), to create 3,400 – 4,200 net additional jobs and generate £2.0- £2.4 billion in net additional GVA.

Building on the [Heads of Terms](#), signed in November 2019, this document sets out a compelling vision for North Wales. The aim of the Growth Deal is to build a more vibrant, sustainable and resilient economy in North Wales, building on our strengths to boost productivity while tackling long-term challenges and economic barriers to delivering inclusive growth. Our approach is to promote growth in a scalable, inclusive and sustainable way in line with the Future Generations Act.

Our signing of this document reaffirms our joint commitment to achieve the full implementation of the North Wales Growth Deal together over the next 15 years.

We look forward to leading this important investment in our home and our region, North Wales.

**[Insert signatures – NWEAB/UK/WG]**

## 4. Executive Summary

[Note: To be inserted once content agreed with UK and Welsh Government]

A logic model is a way of articulating the context for change and investment. A summary logic model for the Growth Deal is set out in Figure 1.1 below and provides an overview of the strategic drivers, objectives, inputs and impact of the Growth Deal.

Figure 1.1 Portfolio Logic Model



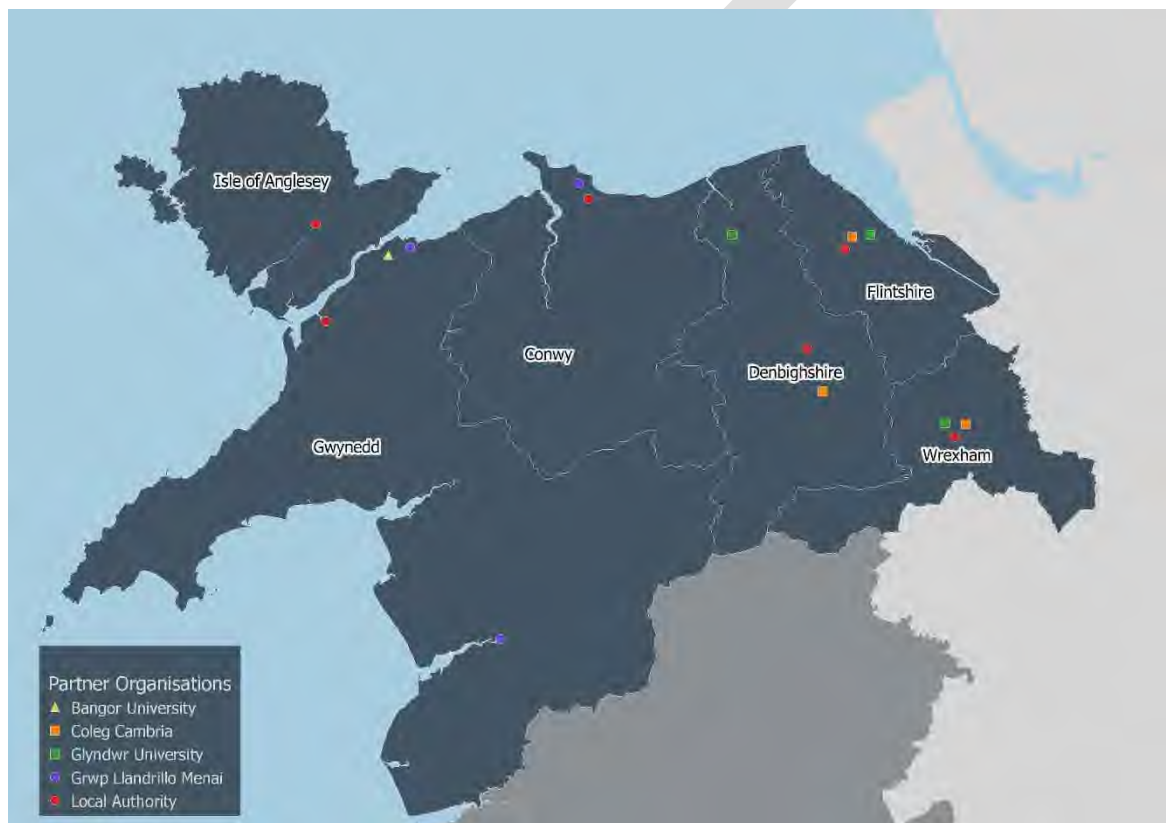
Source: Hatch; NWEAB. A Note on Market Failure: **Positive externalities:** third party economic/social/environmental benefits to the wider economy/ society. These cannot be captured in entirely by commercial organisations and so public investment is required. **Information failure:** businesses do not have full information on technologies/developments that could secure growth. Public investment is required to bridge these information gaps. **Co-ordination failure:** no one organisation may have the incentive to invest in a venture that secures benefits for wider partners. Public investment is required to initiate a partnership investment.

## 5. Introduction

### North Wales Economic Ambition Board

The North Wales Economic Ambition Board (*hereafter referred to as Economic Ambition Board or the Board*) was established in 2012 as a partnership between the six Local Authority areas of North Wales comprising the Councils of Gwynedd, Anglesey, Conwy, Denbighshire, Wrexham and Flintshire. The Board also includes Bangor University, Glyndwr University, Coleg Cambria and Grwp Llandrillo-Menai. In early 2019, the Economic Ambition Board was formally established as a joint committee.

Figure 5.1 Map of North Wales and North Wales Economic Ambition Board Partners



The North Wales Growth Deal is a partnership between the public and private sectors. The private sector has been strongly represented by The North Wales Mersey Dee Business Council, who, as a founding member of the Economic Ambition Board, have worked in close collaboration with partners and regional public and private sector stakeholders to shape and influence the Growth Deal proposition. As of August 3<sup>rd</sup> 2020, due to challenges caused by Covid-19, the Business Council withdrew membership yet remain a key stakeholder and will be an integral, albeit more distant, partner moving forward.

The private sector remains strongly represented in the North Wales Growth Deal through the Business Delivery Group who act as an independent advisory body to the North Wales Economic Ambition Board.

## The Vision for North Wales

In 2016 the Economic Ambition Board partners adopted *A Growth Vision for the Economy of North Wales* (the Growth Vision).

The adopted Vision is to develop “*a confident, cohesive region with sustainable economic growth, capitalising on the success of high value economic sectors and our connection to the economies of the Northern Powerhouse & Ireland.*”

The Growth Vision was founded on three key principles for North Wales:

- **Smart** – with a focus on innovation and high value economic sectors to advance economic performance.
- **Resilient** – with a focus on retaining young people, increasing employment levels and skills to achieve inclusive growth.
- **Connected** – with a focus on improving transport and digital infrastructure to enhance strategic connectivity to and within the region.

The North Wales Growth Deal will play a key role in delivering this vision. We will be **smart** with our investment - building on our strengths to boost productivity, foster innovation and be competitive in the markets we serve. We already have well-established research and innovation hubs, which are helping us to push the boundaries in discovering new growth areas for our high value manufacturing business. We will invest further to create centres of excellence to enhance our reputation and enable growth in this important industry.

We will tackle the long-term market failure that has been a barrier for commercial investment - making North Wales more investable and unlocking the potential for new high-value skilled jobs, for young people and our future generations to thrive. We'll address the shortage of suitable land and properties for business growth and to bring forward sites to provide the employment land and housing we need as well as invest in our Port at Holyhead.

By investing now, we build our **resilience** for the future.

We are **connected** as a region. Our partnership across the six local authorities, universities, colleges and the private sector is well established and growing in strength. We're also driving a step change in digital connectivity by balancing investment in infrastructure and technology. We address those areas most in need of faster and more reliable broadband connections and exploit the potential of 5G access and new digital innovation. Opportunities also lie in our close connections with our neighbouring economies such as the Northern Powerhouse, Ireland and Mid-Wales. We can build stronger economies by working together.

We will strengthen our reputation as a cohesive region; leveraging our partnerships to promote growth in the economy that is scalable, sustainable and inclusive. Our Investment in low-carbon energy projects enable us to contribute directly to the climate change emergency, not only helping to make North Wales a cleaner, greener environment, but also

positioning ourselves as one of the leading UK locations within the low carbon energy sector. Not forgetting our foundation economies in agriculture and tourism, we will help to enable and encourage diversification to improve the long-term future of these key industries, ensuring they have opportunity to develop sustainably and thrive.

We will invest in a way that promotes social value and builds wealth in our communities. We recognise and value our obligation to deliver the Growth Deal in a way that improves and enhances our social, cultural, environmental and economic well-being.

## The Region

North Wales is known for its beautiful landscapes, its history, heritage, culture and it has the highest proportion of Welsh speakers in Wales at an estimated 41.9%<sup>1</sup>.

North Wales is home to nearly 700,000 residents and contributes £14.2 billion to the UK economy each year,<sup>2</sup> representing 22% of the Welsh economy.<sup>3</sup> In North Wales, the population is projected to increase by 2.1 per cent in the 2018-2028 period, and 3.1 per cent in the 2018-2038 period. North Wales has an ageing population. Between 1998 and 2018, the proportion of the population aged 65 and over has increased from 18.5 per cent to 23 per cent, while the proportion of the population aged 15 and under has fallen from 19.8 per cent to 17.8 per cent<sup>4</sup>. The profile of young people in the region aged 14-18 has remained flat for a decade but is projected to increase from 2020, meaning the region must consider the skills and employment opportunities to service this growing demographic.

Economic performance has been resilient following the financial crisis and during the period of austerity, with real<sup>5</sup> GVA increasing by 20% since 2009. This is compared to 14.9% increase in the Swansea Bay City Region and 12.6% increase in the Mid-Wales Growth Deal area.

**The total GVA in North Wales in 2018 was £14,239million**, up 4.1 percent over the previous year, which accounted for 21.9 percent of Wales total GVA (£65,089million) and 0.8 percent of UK total GVA (£1,892,681million) in that year.<sup>6</sup> Within North Wales there are **wide variations in GVA per capita**, with particularly weak productivity in the Isle of Anglesey (53% of the UK average) but stronger performance in Flintshire and Wrexham (both of which are 81% of the UK average).<sup>7</sup> This is also reflected in average earnings, which lag behind the UK average. Indeed, some local authorities in the West have the lowest earnings in Wales and the UK. For the year ending 30 June 2018, North Wales had the highest employment rate and lowest unemployment and

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<sup>1</sup> Welsh Government – Summary Statistics for Welsh economic regions: North Wales, May2020

<sup>2</sup> Measured by Gross Value Added (GVA). Source: ONS, 2018 data.

<sup>3</sup> <https://statswales.gov.wales/Catalogue/Business-Economy-and-Labour-Market/Regional-Accounts/Gross-Value-Added-GDP/gva-by-measure-welsheconomicregion-year>

<sup>4</sup> Welsh Government – Summary Statistics for Welsh economic regions: North Wales, May2020

<sup>5</sup> i.e. inflation-adjusted.

<sup>6</sup> <https://statswales.gov.wales/Catalogue/Business-Economy-and-Labour-Market/Regional-Accounts/Gross-Value-Added-GDP/gva-by-measure-welsheconomicregion-year>

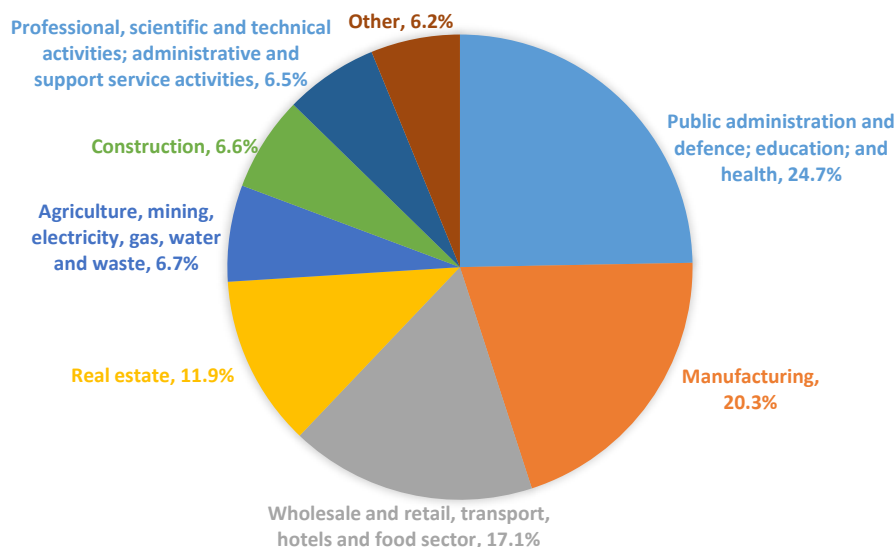
<sup>7</sup> <https://statswales.gov.wales/Catalogue/Business-Economy-and-Labour-Market/Regional-Accounts/Gross-Value-Added-GDP/gvaperhead-by-area-year>

economic inactivity rates of the Welsh regions<sup>8</sup>. However, there is a greater need in the region for high value employment opportunities.

North Wales has a number of areas that are within the top 10% most deprived areas in Wales. Many of the most deprived areas are based in rural communities.

**There remains a persistent and widening productivity gap between North Wales and the UK with wide variations in GVA (Gross Value Added) per capita across the region. Addressing this productivity gap and disparities within Wales is an important priority for the Growth Deal.**

North Wales has a diverse economy with key sectors being manufacturing, energy and tourism as well as public sector jobs. The public sector accounts for nearly a quarter (24.7%) of the region’s GVA. A fifth (20.3%) of the economy is accounted for by manufacturing, which is significantly more important in North Wales than in Wales as a whole (where it accounts for 17% of GVA). Wholesale and retail, transport, hotels and food sector accounts for 17% of the economy of North Wales. The chart below shows the breakdown of industry contribution to 2018 GVA in North Wales.<sup>9</sup>



A portion of the productivity gap is accounted for by the sectoral structure of the North Wales economy, with some areas particularly reliant on relatively low paid sectors including tourism and retail. At the same time, there are areas of strength, with 64,000 people employed in *high value sectors*, defined as manufacturing; information and communication; and professional, scientific and technical activities.

**Supporting high value sectors and addressing long-term barriers to growth is at the heart of the North Wales Growth Deal.**

There is an ageing population in the region and a net outward migration of talent from the region. Whilst the population of North Wales is expected to increase to 722,317 by 2039, the share of the population aged 65 or above is expected to increase from 23.6% to 29.8%. This

<sup>8</sup> Welsh Government – Summary Statistics for Welsh economic regions: North Wales, May2020

<sup>9</sup> Source: ONS.

means a smaller share of working age people, which may place pressures on the supply of skills.

The employment rate amongst working age residents in North Wales stood at 75.9% at March 2020, which was the same as the UK. Over 5 years, between March 2015 and March 2020, 18,300 jobs were added to the economy, a growth of 6.2% for the region. The specific impacts of Covid-19 on the North Wales economy and the Growth Deal are set out in the next section.

**Investing in skills that match the needs of the region's new employment opportunities is fundamental to the future economic health of North Wales.**

## The Case for Change

This section sets out the challenges and opportunities across the key sectors in the North Wales economy that the Growth Deal is seeking to address:

### High value manufacturing

- **Supporting innovation and R&D:** there is a need for facilities and technical support with individual businesses unable to access the skills and expertise to innovate and improve productivity via efficiency savings.
- **Supporting the low carbon agenda:** there is a strong need to decarbonise industry in order to meet national targets for clean growth, as well as to capitalise on market opportunities, with the number of green-collar jobs expected to grow to 2 million and the value of UK exports from the low carbon economy to grow to £170 billion a year by 2030.
- **Supply chain integration:** A progressive depletion or 'hollowing out' of the Welsh and UK-based supply chain over recent decades represents a long-term threat to production and manufacturing capability and its future prosperity. There is a need to re-build and sustain SMEs within supply chains to drive competitiveness.
- **Improving productivity:** North Wales' advanced manufacturing sectors are relatively high productivity sectors in the economy, but there is great potential to increase productivity via targeted investments in R&D and skills.

### Agri-food and tourism

- **Under-investment in R&D and Innovation:** Engineering & Physical Science Research Council (EPSRC) data suggests that only 2% (c. £95 million) of all grants being offered directed to the Food & Drink sector. R&D spend across these three sectors equated to 1.3% of all R&D spend across all sectors in the UK in 2018 despite the sectors making up 10% of total employment/
- **Supporting the low carbon agenda across Wales and the UK:** From an environmental perspective, reducing carbon emissions is crucial to the future sustainability of Wales and this was recognised in the Wellbeing of Future Generations (Wales) Act 2015, which sets a target to reduce emissions by at least 80% against the 1990 baseline. Introducing sustainable low carbon land management practices, as well as driving innovation and new low carbon



technologies in the agriculture sector could contribute to the long-term carbon reduction agenda.

- **Improving productivity:** In 2017, gross output per hectare of agricultural land was £858 in Wales, significantly lower than UK's most productive region, which was the South East of England (£3,190 per ha). The tourism sector also suffers from lower productivity levels than those seen in England, with GVA per employee in the tourism sector equating to £19,600, 14% lower than the equivalent metric in England.
- **Meeting skills needs:** The latest Employer Skills Survey indicated that 25% of restaurants and hotels in Wales reported skills shortages and 45% businesses within primary industry (which includes agriculture). Both sectors also reported skills gap increases from the previous survey, with hotel and restaurants reporting a +3% increase whilst primary industry reported a +28% increase.
- **Diversification and resiliency:** agriculture, food and tourism sectors form the backbone of many local economies in North Wales. With the imminent exit from the European Union and the loss of related funding, it is important rural businesses have the support and knowledge to help them diversify.
- **Lack of appropriate premises:** Research carried out by Arad for the Glynllifon Rural Economy Hub indicates that the lack of food-grade premises, local product development facilities and technical support is holding back the potential of the sector, with individual businesses unable to access the skills and expertise to innovate and improve productivity via efficiency savings.

### Low carbon energy

- **Addressing climate change:** Responding to the climate emergency declared by Welsh Government and the aim of achieving Net Zero by 2050. There is a need to decarbonise North Wales' energy system, including power (e.g. increasing low carbon energy generation), housing (including challenges associated with large numbers of homes being off the gas grid) and transport.
- **Supporting economic growth in low carbon energy sectors:** exploiting local strengths and competitive advantages (e.g. existing energy infrastructure, research strengths and skilled workforce) to drive growth in the low carbon energy sector where there are substantial growth opportunities nationally (sector forecast to grow 11% per year to 2030). An estimated £10.9bn of additional investment is needed by 2035 to put the region on track to achieve Net Zero. This level of investment has the potential to create up to 24,400 new jobs.

### Land and property

- **A need for modern employment floorspace.** The network of readily developable strategic sites, capable of supporting both indigenous business growth and inward investment is relatively weak and fragmented
- **Low land values and infrastructure constraints** have resulted in insufficient developer interest, leading to a lack of supply of housing and commercial premises. To date the market has failed to address these challenges and therefore there is a

specific need for Growth Deal funding to enable the delivery of employment space, serviced residential land and improvements to Holyhead Gateway.

### Digital connectivity

- **Addressing the digital divide:** in order for the North Wales economy to prosper and for key sectors to grow to their fullest potential, significant connectivity gaps must be addressed. There is a need to rapidly increase gigabit connectivity at key growth sites, ensure rural 'not spots' are tackled in full, deliver seamless mobile connectivity across economic corridors and assets and provide the foundations for greater social equity and inclusion.
- **Responding to clear demand for better connectivity:** a wide body of evidence showcases the prescient need for next generation fixed and mobile broadband and the opportunity cost of poor provision, relative to other parts of the UK. There is an exceptional appetite to deploy more sophisticated technologies and innovative use cases, which will secure productivity, efficiency and competitiveness across the region.
- **Creating competitive market conditions:** North Wales' digital connectivity has been constrained by a lack of market competition at the wholesale level, and within the degree of choice offered by broadband providers at the retail level. There is an opportunity to respond to this by creating conditions that improve market attractiveness, reduce consumer costs, enhance end user take-up and provide the basis for longer-term commercial investment.
- **Establishing a world-class digital corridor:** the A55 is the primary economic axis for North Wales, connecting key sites, hubs for growth and the region's most prominent assets. There is an opportunity to ensure that 5G and full fibre broadband creates a seamless high-speed corridor, as the basis for large-scale smart technology deployment, pilots and trials and as a lever for inward investment.
- **Expanding digital research capacity:** North Wales has an emerging profile as a base for innovative and technology-led research, led by higher education institutions and the private sector. There is an opportunity to scale this further, drawing on other sources of funding and business intent, creating a critical mass of technology, expertise and ambition to ensure that North Wales is at the cutting edge of the discovery and deployment of cutting-edge technologies.

### The economic impact of Covid-19

Covid-19 has had an immense economic impact on North Wales as in other parts of the UK and globally. The Economic Ambition Board works closely with the six local authorities, UK and Welsh Governments and private sector representatives to co-ordinate the regional response to economic recovery. The longer term effects of Covid-19 on the regional economy at this stage is still unknown.

Work is underway to define the state of the economy in North Wales during what has been a volatile and challenging period for businesses and employees across many sectors. This period of uncertainty caused by the pandemic is ongoing and with the transition period for

leaving the EU ending on the 31 December the outlook for winter is bleak. In terms of strengthening the economy in the long term, the Growth Deal will be a welcomed source of hope and investment for the citizens of North Wales.

Interventions already undertaken and planned to create a reliable and evidence based approach to the situational analysis include a regional survey of businesses which attracted over 1,800 responses. A commissioned report on tourism to identify the strengths, weaknesses and opportunities to preserve and revive and develop the tourism economy sustainably. The appointment of an independent economic partner to co-develop the situational analysis and framework for recovery planning for North Wales. Looking initially at the near-term economic recovery post-Covid but also recognising the need to measure and evaluate the impact of the Growth Deal investment on the North Wales economy in the long term throughout the lifetime of the deal.

The Growth Deal is designed to address structural, long-term barriers to economic growth. However, the Board is fully aware that in the short-term a range of actions will be needed to facilitate recovery and alignment between those short term measures and the Growth Deal is key.

The Growth Deal on its own cannot address all the challenges facing the North Wales economy, particularly in light of Covid-19. However, such a significant injection of capital investment into the North Wales economy through the Growth Deal will be a significant boost to the construction and related sectors at a time when there is likely to be spare capacity in the economy.

## **The Investment**

The investment by UK Government, Welsh Government & the North Wales Economic Ambition Board will act as a catalyst and accelerator to unlock investment and aid economic recovery in the region.

The UK and Welsh Governments have each committed to the investment of up to £120 million (total £240 million) over the next 15 years, with the North Wales Economic Ambition Board also committing to secure up to a further £900million of investment, which represents an overall investment deal worth in excess of £1 billion

Through the North Wales Growth Deal, the Welsh and UK Governments and partners are embarking on a new strategic relationship that creates a lasting legacy that will transform the region in the long term with co-ordination centred across key programmes outlined in Table 1.

**Table 1: North Wales Growth Deal Financial Summary**

Programme Area	Govt Contribution (£m)	Public Contribution (£m)	Private Contribution (£m)	Total Programme Costs (£m)
Innovation in High Value Manufacturing	13.0	26.5	0.0	39.5
Digital Connectivity	37.0	3.1	1.6	41.7
Agri-food and Tourism	24.5	12.4	4.4	41.3
Land and Property	79.1	1.9	274.4	355.4
Low Carbon Energy	86.4	140.4	441.7	668.5
<b>Total</b>	<b>240.0</b>	<b>184.3</b>	<b>722.1</b>	<b>1,146.4</b>

## The Impact of the Growth Deal

The Heads of Terms agreement set out that the Government investment would be used to create up to 4,000 new jobs, support 5% GVA uplift and secure £500million in private sector investment over the 15-year period. In the development of a portfolio and five programme business cases to secure the Final Deal agreement with Welsh and UK Government these have been refined into the following spending objectives for the North Wales Growth Deal. All the programmes and projects within the Growth Deal contribute to these overall objectives.

<b>Spending Objective 1 - Jobs</b>	<b>To create between 3,400 and 4,200 net new jobs in North Wales through the Growth Deal by 2036.</b>
<b>Spending Objective 2 – GVA</b>	<b>To support a net additional GVA uplift of between £2.0 billion and £2.4 billion for the North Wales Economy through the Growth Deal by 2036.</b>
<b>Spending Objective 3 – Investment</b>	<b>To deliver a total investment of up to £1.1 billion in the North Wales Economy through the Growth Deal by 2036.</b>

All Growth Deal programmes and project will contribute to achieving the spending objectives above. Each of the programmes will generate a set of benefits that have been classed as direct, indirect and wider benefits. The precise nature of these vary between the programmes. The key types are summarised below, by programme.

Figure 1.2 Benefits Framework



Source: Hatch

## 6. The Growth Deal Programmes

The aim of the Growth Deal is to build a more vibrant, sustainable and resilient economy in North Wales, building on our strengths to boost productivity while tackling long-term challenges and economic barriers to delivering inclusive growth. Our approach is to promote growth in a scalable, inclusive and sustainable way in line with the Future Generations Act. The Growth Deal is based on the delivery of 14 transformational projects across 5 programmes. The programmes have been defined as either high growth programmes or enabling programmes.

### High growth sectors to drive productivity in the region

The projects within the Growth Deal aimed at increasing the value and impact of high growth sectors will be focused on three key programmes:

- **Low carbon energy Programme**, initial projects include:
  - Morlais
  - Trawsfynydd Power Station
  - Low Carbon Centre of Excellence
  - Smart Local Energy
  - Transport Decarbonisation
- **Innovation in high value manufacturing Programme**, initial projects include:
  - Centre for Engineering Biotechnology
  - Enterprise Engineering and Optics Centre
- **Agri-food and tourism Programme**, initial projects include:

- Glynlifon Rural Economy Hub
- Llysfasi Carbon Neutral Centre
- Tourism TALENT Network

## Addressing key barriers to enable and achieve economic growth

We have identified enabling sectors through the Growth Deal to tackle key economic barriers and address structural issues that have impacted on productivity and jobs. Delivery in these sectors will create the appropriate conditions for businesses to invest in the region and for the labour market to take advantage of new employment opportunities. A strategic approach will be taken with our investments, ensuring that they are well-targeted in order to enable economic and employment growth across the region. This will be done in partnership with key partners, especially the UK and Welsh Governments.

The projects within the Growth Deal to address key barriers to growth will be focused on two key programmes:

- **Land and Property Programme**, initial projects include:
  - Regional Land and Property
  - Holyhead Gateway
- **Digital Programme**, initial projects include:
  - Digital Connectivity
  - Digital Signal Processing Centre

By focusing delivery on these programmes collectively, the Growth Deal will achieve a greater impact in terms of our ambition and use of resources rather than delivering them in isolation.

Two further enabling programmes sit outside the scope of the North Wales Growth Deal to be funded from other sources:

- **Skills and Employment**
- **Strategic Transport**

The programmes remain key to delivering the wider vision for North Wales and the Economic Ambition Board is working with the Regional Skills Partnership and through its Transport Sub-Board to identify and secure alternative funding sources to deliver these programmes.

Figure 6.1 The Growth Deal Programmes



Source: North Wales Economic Ambition Board

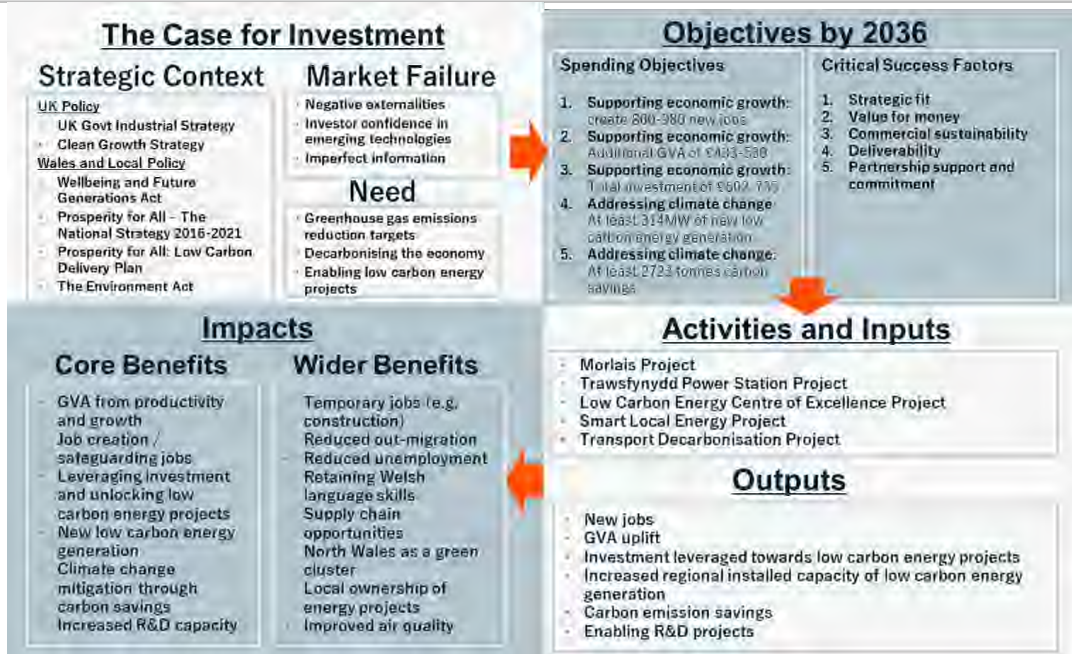
All programmes and projects within the Growth Deal will contribute to the achievement of the Growth Vision and the delivery of benefits for North Wales. The benefits from the Growth Deal will support sustainable and inclusive growth across the region – in accordance with the Growth Vision as well as the priorities of the Well-Being of Future Generations Act.

The strategic aims to address in each programme, and the types of intervention they are intended to facilitate, are summarised below:

## Low carbon energy

**Strategic aims:** Addressing climate change through support for new low carbon energy generation in North Wales, while driving increased supply chain investment and growth in low carbon energy sectors.

**Types of intervention:** Enabling works for new low carbon energy generation in North Wales, enhancing research and innovation facilities for low carbon economy sectors, and support for local energy projects.



## Innovation in high value manufacturing

**Strategic aims:** Ensuring North Wales remains competitive and recognised in the region's well-established research and innovation areas, thus helping drive innovation, competitiveness and productivity across the North Wales manufacturing sector.

**Types of intervention:** Industry and research collaborations along with the establishment of centres of excellence to help overcome barriers and market failures in the research commercialisation process.





## Agri-food and tourism

**Strategic aims:** To diversify and improve the long-term sustainability of agriculture and tourism, ensuring that they are more productive and sustained in the long-term, whilst also supporting the low carbon agenda.

**Types of intervention:** Introducing new technologies & innovation, skills and practices to these sectors, via business support and upskilling.



## Land and property

**Strategic aims:** To address the shortage of suitable land and properties for business growth and to bring forward sites for housing development and to deliver improvements that stimulate investment in the Port of Holyhead and the wider region. These projects will play an enabling role for the other programmes by ensuring that serviced sites are available for investors and developers.

**Types of intervention:** The provision of primary services and enabling works to bring forward commercial and housing development sites, delivery of employment floor space and future proofing and capacity enhancement works to the port of Holyhead.



## Digital

**Strategic aims:** To deliver the step change in digital connectivity needed to ensure North Wales is able to satisfy user demand, maintain pace with the rest of UK, unlock the growth potential of priority sectors and sites and underpin a flourishing innovation ecosystem. Plays an enabling role for other programmes to deliver maximum benefit.

**Types of intervention:** The programme has identified a need to which balance investment in infrastructure and technology, through enhanced fixed broadband footprint at key sites in rural areas, unlocking applications through 5G access, and furthering digital innovation.



## 7. Governance Structure

The Deal's governance arrangements enable decisions to be made in an open and transparent way for the benefit of the whole of the region. This section details these arrangements and how they contribute to the management of the programme and associated risks

The 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. It also has a wider role to lead regional collaboration more broadly. The governance arrangements for the Board are underpinned by the partnership agreement 'Governance Agreement 2' to be adopted on completion of the Final Deal.

The Welsh and UK Governments link with the governance structure both formally and informally.

### **Governance Agreement 2**

Having Secured the Growth Deal the Partners have agreed to enter into a second Governance Agreement ("GA2") which will support the partnership into the next phase of implementation of the Growth Deal and further development of the Growth Vision.

The agreement, which is a legally binding document defines the role and function of the Board and its delegated powers. It also provides for its decision making structures and democratic accountability. Provision is made for the commitments of the Partners to the project and how these are managed and apportioned. GA2 provides assurance for the Accountable Body ("Gwynedd Council") in assuming that role. The underlying arrangements providing for legal and compliance matters within the partnership and the governance of the Programme Office are also addressed.

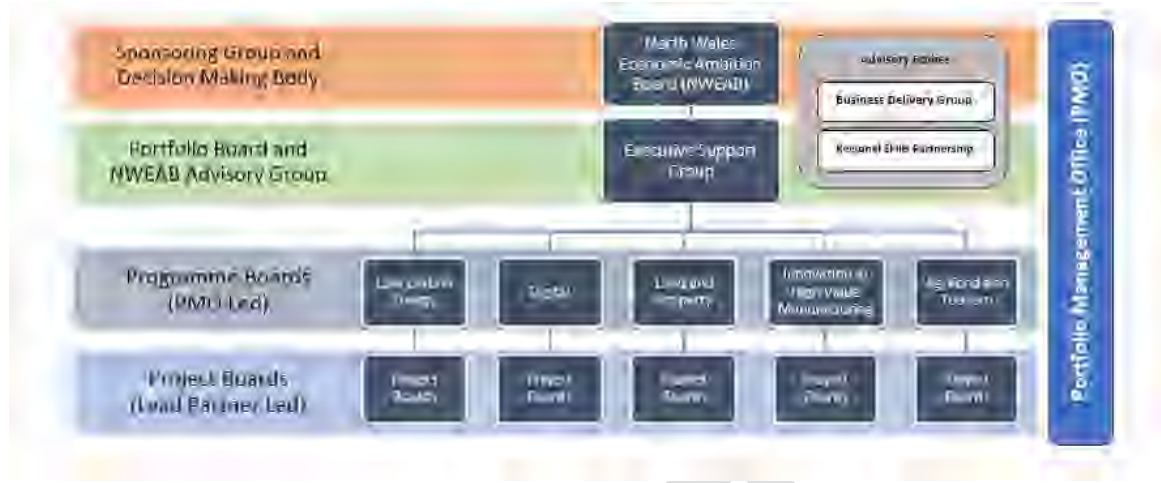
It is a key document providing a clear structure and foundation for taking the implementation of the Growth Deal forward.

### **Portfolio, Programme and Project Management Arrangements (PPM)**

The Board has adopted a delivery model based on a best practice approach to portfolio, programme and project management as set out in 'Government Functional Standard GovS 002: Project Delivery'. Portfolio, programme and project management is an integrated way of meeting an organisation's ambitions, driving better decisions and increasing the likelihood of successful outcomes.

The diagram below sets the PPM governance delivery structure for the Growth Deal:

Figure 1.3 Growth Deal Delivery Structure



Source: North Wales Economic Ambition Board

### Strategic and Portfolio Level

**North Wales Economic Ambition Board (Sponsoring Group)** - The Board acts as the Sponsoring Group (Organisation) and the Decision-Making Body. All authority below this level is delegated to relevant parties as required through a formal Board decision. A member of the Board will take on a Lead Member role for each of the programmes and sit on the relevant Programme Board. The Board will be responsible for the consideration and approval of project business cases within the portfolio and with responsibility for delivery delegated to the relevant programme and project boards.

**Executive Support Group (Portfolio Board)** - This group is the advisory body to the Economic Ambition Board but also acts as the Portfolio Board for the Growth Deal to support and challenge the Growth Deal Portfolio Director to ensure delivery. The group is made up of senior officers from each of the Economic Ambition Board's partner organisations. A member of the Executive Support Group will act as a Senior Responsible Owner (SRO) for each of the programmes and lead the relevant Programme Board.

**Programme Director** - The Portfolio Director is accountable to the Economic Ambition Board for the delivery of the Growth Deal portfolio.

### Programme and Project Level

**Portfolio Management Office (PMO)** – The PMO supports and co-ordinates activity across the programmes acting as an information hub and ensuring a consistent approach to reporting, control of risk and issues. It also acts as a valuable assurance function, providing advice and challenge to programmes and projects. Each programme is assigned a Programme Manager from within the PMO.

**Programme Boards** - Each programme will have a formal Programme Board and an appointed Senior Responsible Owner (SRO). These boards will be focused on the development (initially)

and delivery of the agreed Programme Business Case, with a specific focus on the benefits and outcomes to be achieved. Programme Boards escalate to the Portfolio Board via the Programme Director.

**Project Boards** - All projects within the Growth Deal will be managed via a Project Board with appointed SROs and project managers in place to ensure delivery. These boards will be focused on the development and delivery of the agreed business case, with a focus on the delivery of specified outputs. Projects and Project Boards will be the responsibility of the Lead Partner and clear arrangements for the delivery of projects in line with best practice will be set out in each project business case. Projects will report through to the relevant Programme Board. Terms of Reference for Project Boards will be agreed between the Lead Partner and the Portfolio Management Office to ensure the appropriate links and reporting arrangements between the project and the Programme Board are understood by both parties.

### **Standing Orders, delegated authority and terms of reference**

The Portfolio Management Office has been established by the Board to deliver the deal. They are employed by Gwynedd Council as the Accountable Body and generally operate to their standards, procedures and policies.

Governance Agreement 2 sets out the authority delegated to the Board by the Partner Organisations and what authority is delegated to the Programme Director. Terms of reference for the Board are included as part of Governance Agreement 2.

### **Resourcing**

The Portfolio Management Office has been established to deliver the North Wales Growth Deal. The Economic Ambition Board's Portfolio Management Office was established in January 2020 to oversee the delivery of the North Wales Growth Deal, its programmes and projects. Led by the Programme Director, the team includes experienced programme and project managers as well as operational staff. The team is supported specifically by legal and financial resources provided through the Accountable Body as well as a wide range of additional resources drawn from across the partnership.

### **Decision Making Process**

The North Wales Growth Deal partners are committed to putting in place robust decision-making and financial management processes to ensure that public money is spent responsibly and accounted for. The Board is a Local Authority executive joint committee and as such is subject to the requirements in relation to transparency, accountability, standards of governance, decision making and conduct which apply to such a body.

Decisions within the Economic Ambition Board's governance framework can be categorised at three levels:

- **Programme Director Matters** – decisions that the Programme Director can make
- **Joint Committee Matters** – decisions that the Board can make
- **Reserved Matters** – decisions that would require separate agreement of all partners

All decisions related to the delivery of Growth Deal as set out within this document within the agreed funding envelope for the partnership will be either Programme Director matters or Joint Committee matters.

The Board as a Joint Committee whilst having majority voting will seek to establish a consensus of all the Partners around all decisions relating to the Growth Deal.

It is recognised that the Board's powers and duties relate to activities set out in the North Wales Growth Deal. Each constituent partner's decision-making in relation to its own financial commitments will not be subject to Economic Ambition Board approval. The Economic Ambition Board working with the Accountable Body does however have a monitoring and assurance role with respect to the Growth Deal funding to ensure that it is spent in line with the Growth Deal objectives.

### **Project Approval Process**

The Growth Deal is agreed on the basis of a portfolio business case and five programme business cases. Once the final deal has been agreed, project business cases can be brought forward for the Board to consider.

Full (5 Case Model) business cases will be developed for each project within the North Wales Growth Deal in line with the 'Better Business Case' guidance developed by Welsh Government and HM Treasury.

Preparing a Project Business Case using the five Case model provides decision makers and stakeholders with a proven framework for structured 'thinking' and assurance that the project provides and strategic fit, maximise public value, is commercially viable, is affordable and is fundable over time.

Project business cases will be required to demonstrate how they deliver against the objectives and aspirations of the North Wales Growth Deal and specifically the relevant programme business case.

It is recognised that through the development and agreement of portfolio and programme business cases between the Economic Ambition Board and UK/Welsh Government that the strategic case for projects will have been established.

Each project business case will be subject to independent gateway reviews at agreed points as agreed with the Welsh Government Assurance Hub.

Project business cases will first be considered by the relevant Programme Board. Business cases will only be presented to the Economic Ambition Board following endorsement by the Portfolio Board and the Programme Board and the completion of required gateway reviews. The PMO retains the right to commission external reviews of project business cases where required.

## Change Management

Change management activities for the Growth Deal will be primarily managed via the Programme Boards and relevant Project Board within tolerances delegated by the Economic Ambition Board upon consideration of the project business case.

Significant changes outside these tolerances would need to be escalated to the Portfolio Board. Recommendations will then be presented to the Economic Ambition Board for a decision. Examples of such decisions may include changes to cost, scope, timescales and benefits. Any significant changes beyond the agreed governance framework for the Growth Deal, specifically changes that would lead to increase cost for the Board partners, would be considered a reserved matter and require the approval of all the individual partners.

Any new or replacement projects to be brought forward for consideration outside of the initial 14 projects must demonstrate delivery against the relevant programme business case and the objectives of the portfolio business case. Where those projects are within the existing agreed financial envelope for the partnership, those projects would be a matter for the Board to decide upon.

Projects that fall outside the remit of an agreed programme business case or those that would exceed the agreed financial envelope would be considered a 'reserved matter' for the Board partners.

## Role of Members/Accountability

It is the duty of all Board members to act in the best interests of the North Wales Growth Deal region. All private and third sector members will also be required to act in the interests of the North Wales Growth Deal region, foregoing any interest (if any) their own organisation may have in the North Wales Growth Deal and any related projects.

All members are expected to comply with the code of conducts of their respective organisations, the Economic Ambition Board's Conflict of Interest Policy and the values and aspirations of the North Wales Growth Deal.

Government representatives may attend in observer/advisory capacity and are not bound by the requirements of the Board's members.

## 8. Role of the Accountable Body

For the duration of the Growth Deal, the accountable body shall be responsible for receiving and allocating funds for and on behalf of the Board. The Accountable Body shall

- act diligently and in good faith in all its dealings with the other Parties and it shall use its reasonable endeavours to discharge the Parties' obligations in relation to the implementation of the Growth Deal and delivery of the Growth Vision.

- act as the primary interface for the Economic Ambition Board with Welsh Government, and UK Government and any other body as necessary in relation to the implementation of the Growth Deal.
- hold any funds received directly from Welsh Government, and UK Government, the Economic Ambition Board partners and/or any other sources (if any) in relation to the Growth Deal and only to use and release such funds as agreed in accordance with the terms of the Growth Deal;
- hold land and/ or any other assets procured under any project on trust for the Economic Ambition Board partners pursuant to the terms of the relevant Project Business Case.
- without assuming responsibility for the delivery of any specific Growth Deal project and within the limitation of the funding provided to it (as part of the Joint Committee Costs), provide the support services required to facilitate the work of the Board.
- without assuming responsibility for the delivery of any specific Growth Deal project, provide for the Host Authority's Chief Finance Officer ("s151 Officer") and Monitoring Officer (or their nominated deputies) (the "Monitoring Officer") to act, respectively, as the s151 Officer and Monitoring Officer to the Joint Committee; and
- have responsibility for, but not limited to administering the financial affairs of the Joint Committee (and its sub committees and groups established ), including accounting for VAT, keeping financial records, ensuring that the annual accounts of the Joint Committee are prepared in accordance with the Code of Practice on Local Authority Accounting and making arrangements for the external audit of the Joint Committee.
- employ the Portfolio Management Office to deliver the Growth Deal.

## 9. Monitoring and Evaluation

Programme and project performance will be monitored on a monthly basis through the relevant programme and project boards with formal quarterly reports submitted to the Portfolio Board and the North Wales Economic Ambition Board.

The Board has an adopted Risk 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 Strategy sets out the three levels of risk associated with the delivery of the Growth Deal – portfolio level risks, programme level risks and project level risks.

A Monitoring and Evaluation Plan has been developed for the North Wales Growth Deal. The key components of the Monitoring and Evaluation Plan are set out below:

- Monthly Highlight Reports for all programmes and projects;
- Formal Quarterly Reports to the Economic Ambition Board, UK Government and Welsh Government;



- Formal Annual Report to Economic Ambition Board, the Board's partners, UK Government and Welsh Government;
- Independent economic impact evaluation to be undertaken every 3-5 years against suite of indicators agreed with UK Government and Welsh Government.
- Wider benefits to be achieved through procurement, particularly social and community value will be monitored and evaluated to ensure maximum benefit is derived to the region from such activity.
- The Economic Ambition Board will work with the Welsh Government to ensure that evaluation against the Future Generations Act is a key component of all monitoring and evaluation activities.
- The Economic Ambition Board is committed to developing an appropriate feedback mechanism for the North Wales Growth Deal with both governments to ensure lessons learned during the delivery of the Growth Deal are captured and shared.

DRAFT

## GA2 – SUMMARY OF KEY MATTERS

### 1. BACKGROUND

The Partners entered into an initial Governance Agreement 1 (GA1) in December 2018. This formally established the North Wales Economic Ambition Board (“NWEAB”) as a Joint Committee and defined the roles and responsibilities of the Partners within that relationship. It was an agreement designed to take the Partnership through the process leading up to Heads of Terms and through to final Deal Agreement. It also allowed for the creation of the capacity to take the implementation of the Growth Deal and Growth Vision forward once the Final Deal Agreement had been signed. As part of the next phase of the Growth Deal a second Governance Agreement (GA2) is proposed.

The parties to GA2 continue unchanged:

- Conwy County Borough Council
- Denbighshire County Council
- Flintshire County Council
- Gwynedd Council
- The Isle of Anglesey County Council
- Wrexham County Borough Council
- Bangor University
- Wrexham Glyndwr University
- Coleg Cambria
- Grwp Llandrillo Menai

### 2. COMMENCEMENT AND DURATION

The agreement is intended to remain in force and effect for the period of the Growth Deal. It will come into force at the signing of the Final Deal Agreement committing the Partners to the Growth Deal. It will remain in full force and effect until such time as either all the Parties have withdrawn or all Parties agree to terminate the agreement. It also includes a so called “lock in period” which is an agreement that no party may operate the withdrawal provisions for the initial 6 years of GA2. This ensures stability for the Partnership and is based on the anticipated period of investment of the initial Growth Deal. Withdrawal after this period is possible on notice. However, any Partner who wishes to withdrawal will be required by the terms of GA2 to indemnify the remaining Partners against the financial impact of that withdrawal and in particular any existing and continuing contractual commitments.

### 3. GOVERNANCE PRINCIPLES AND FRAMEWORK

#### 3.1 North Wales Economic Ambition Board

GA1 established the North Wales Economic Ambition Board (“NWEAB”) as an “Executive” Joint Committee and that arrangement continues into GA2. As with GA1 the voting committee membership is made up of the Leaders of all 6 local authorities with the other parties to GA2 participating as Advisers. The key changes in GA2 are in relation to elements of the matters delegated to the NWEAB as it transitions into the delivery of both the Growth Vision and Growth Deal.

### **3.2 Executive Support Group**

The Executive Support Group was established under GA1 to co-ordinate professional advice to the NWEAB, oversee the deployment of resources and have responsibility for the performance management of the NWEAB work streams. It also acts as clearing house for reports to the NWEAB. Its membership includes senior officers from all the Partners and will also have presence from Welsh and UK as needed.

### **3.3 Portfolio Management Office**

The Portfolio Management Office was established under GA1 and provides the professional and staff resource to support and deliver the Growth Deal and Vision. It is led by the Programme Director. GA2 provides the framework for establishing employing and managing the Programme Office. It is funded by a combination of Partners Contributions and grant secured by the ESF.

### **3.4 Business Development Group**

The Heads of Terms made specific provision for the establishment of a private sector stakeholders group to advise and challenge the work of the NWEAB. The NWEAB had established the Business Delivery Group as part of its work leading up to the Final Deal Agreement and this now enshrined as a requirement in GA2.

### **3.5 Accountable Body**

From the outset in GA1 the NWEAB was established as a Joint Committee with Host Authority. This continues into GA2 with Gwynedd Council acting as Host Authority which has the core function of supporting the NWEAB by acting as a legal entity which enters into contracts, holds cash and assets and acts as employing body for the staff. It also provides support services for the NWEAB as a Joint Committee. The administrative requirements of the Growth Deal require that one Authority acts as the accountable body which enters into the formal Final Deal Agreement and accepts the Grant Offer Letter. This is a formal role which is undertaken by the Accountable Body on behalf of the Partnership but places responsibilities and obligations on IT. Ga2 provides for this arrangement and the protections and indemnities for the Accountable body in this role.

## **4. CODES OF CONDUCT AND CONFLICTS OF INTERESTS**

As with GA1 this agreement extends the provisions of the Members Code of Conduct in relation to declaration and management of Personal Interests to eth other Partners Representatives. In addition it also provides for a Conflicts of Interest Policy which is designed to ensure that Conflicts of Interests which may arise in the wider group of bodies established to support and manage the programmes are properly managed to ensure probity in the work of the NWEAB.

## **5. PARTNERS CONTRIBUTIONS**

The arrangements for Partners contributions towards the running costs of the NWEAB continues on the same basis as GA1. The Supplementary Contribution which was provided by the Councils is also incorporated in GA2 but as a Councils only matter.

	Local Authority Contribution	HE/FE Annual Contributions	Total Annual Contribution
<b>GA1 Annual Core Contributions*</b>	£50k per LA	£25k per partner	£400k
<b>Annual Supplementary Contribution</b>	£40k per LA	0	£240k

*\*GA2 provides that these contributions will be subject to inflation based annual increase.*

## 6. DELEGATION

The NWEAB derives its delegated authority from the Councils. This is a key aspect of GA2 and the governance of the partnership. Its delegation is also defined by reference to the financial limits on its decision making.

The specific delegations are split into 4 categories but generally there is no specific bar for onward delegation by the delegatee.

**Programme Director Matters** – Matters which are delegated to the Programme Director.

**Joint Committee Matters** – Matters which are matters which the Joint Committee can decide on.

**Matters Reserved to Partners** – Matters which require a decision of all the Partners individually.

**Matter reserved to Councils** – Matters which require a decision of all the Councils individually (these are limited to the Supplementary Contribution and voluntary establishment of a Corporate Joint Committee).

In most respects the delegation scheme remains largely unchanged in terms of substance. However, there are key aspects which have been developed in reflection of the move towards the implementation phase of the Growth Deal in particular:

- a) Portfolio and Programme management. It sets out the delegation to the NWEAB in relation to approving Project Business Cases and determining the inclusion of new Projects in the Programmes in accordance with the parameters set out in the Overarching Business Plan.
- b) That decisions which require increased or additional funding from the Partners will be Matters Reserved to the Partners.

## 7. SCRUTINY

As a local authority Executive Joint Committee the functions of the NWEAB are subject to Overview and Scrutiny. Although a Joint Scrutiny Committee could be established it is proposed that Local Scrutiny Committees retain this role. In order to facilitate this arrangement GA2 includes a Scrutiny Protocol which provides a basis for on-going updates to Scrutiny Committee in relation to the work of the NWEAB and also an agreed approach should a Call In be requested by any Scrutiny Committee.

## 8. BUSINESS PLANS

There are four categories of Business Plan within the Growth Deal which are relevant to GA2:

The **Overarching Business Plan** is adopted by the Partners and is intended to reflect the Partners strategy for the Growth Deal and how they anticipate that the NWEAB will deliver the programme on their behalf. The approval of the Overarching Business Plan is a Matter Reserved to Partners as is any material change to its contents. However, the NWEAB will be required to keep the document under regular review.

The **Portfolio and Programme Business Cases** are submitted by the NWEAB to both Governments initially as part of the Final Deal Agreement process and the management of the Growth Deal thereafter. **Project Business Cases** as the name implies are for individual Projects. They are not submitted to Governments for approval but need to accord with the overall scheme of the Portfolio and Programme Business Cases.

## 9. PARTNERS COMMITMENTS

GA2 also defines the financial commitment of the Partners to the Growth deal both in terms not only of the running costs but also in financing the cash flow implications of the way in which Growth Deal finance is drawn down from the Governments. So, the agreement sets out the ceiling of the borrowing costs which the Councils will be meeting. The NWEAB may not take any decisions in relation to Programmes or Project which would cause that limit to be exceeded without the consent of the individual Partners as a Matter Reserved.

## 10. WITHDRAWAL AND TERMINATION

Subject to the "Lock in" Period a Partner may withdraw from the GA2 on giving the requisite 12 months minimum notice. In the event that such a notice is served the Withdrawing Partner will be served with a Liability Notice which requires them to reimburse and indemnify the Partners against, in general terms, the costs and liabilities which remain or are incurred as a consequence.

## 11. GENERAL

GA2 also includes the general terms and conditions which are expected of a Welsh public joint venture agreement of this magnitude. These are transposed from GA1 and include how statutory duties and matters such as Data Protection and Freedom of Information are managed and applied.

DATED 2020

Draft: 15/10/2020

- (1) CONWY COUNTY BOROUGH COUNCIL
- (2) DENBIGHSHIRE COUNTY COUNCIL
- (3) FLINTSHIRE COUNTY COUNCIL
- (4) GWYNEDD COUNCIL
- (5) THE ISLE OF ANGLESEY COUNTY COUNCIL
- (6) WREXHAM COUNTY BOROUGH COUNCIL
- (7) BANGOR UNIVERSITY
- (8) GLYNDWR UNIVERSITY
- (9) COLEG CAMBRIA
- (10) GRWP LLANDRILLO MENAI

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**GOVERNANCE AGREEMENT 2  
IN RELATION TO THE DELIVERY OF THE  
GROWTH DEAL**

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**THIS AGREEMENT** is made on

2020

**BETWEEN:-**

- (1) **CONWY COUNTY BOROUGH COUNCIL** of PO Box 1, Conwy, LL30 9GN ("**Conwy Council**");
- (2) **DENBIGHSHIRE COUNTY COUNCIL** of PO Box 62, Ruthin, LL15 9AZ ("**Denbighshire Council**");
- (3) **FLINTSHIRE COUNTY COUNCIL** of County Hall, Mold, Flintshire, CH7 6NB ("**Flintshire Council**");
- (4) **GWYNEDD COUNCIL** of Gwynedd Council, Shirehall Street, Caernarfon, LL55 1SH ("**Gwynedd Council**");
- (5) **THE ISLE OF ANGLESEY COUNTY COUNCIL** of Council Offices, Llangefni, Anglesey, LL77 7TW ("**Isle of Anglesey Council**");
- (6) **WREXHAM COUNTY BOROUGH COUNCIL** of The Guildhall, Wrexham, LL11 1AY ("**Wrexham Council**");
- (7) **BANGOR UNIVERSITY** of Bangor, Gwynedd, LL57 2DG;
- (8) **GLYNDWR UNIVERSITY** of Mold Road, Wrexham, LL11 2AW;
- (9) **COLEG CAMBRIA** of Kelsterton Road, Connah's Quay, Deeside, Flintshire, CH5 4BR; and
- (10) **GRWP LLANDRILLO MENAI** of Llandudno Road, Colwyn Bay, LL28 4HZ;

(together referred to as the "**Parties**" and individually as a "**Party**").

**WHEREAS:-**

- (A) The GA1 Parties entered into the first governance agreement on 18 December 2018 ("**GA1**") to set up the Joint Committee and define their respective roles and responsibilities in relation to the Growth Deal up to the point when the Growth Deal is to be entered into by the Councils, the UK Government and the Welsh Government.
- (B) [The Growth Deal has now been signed on or about the date of this Agreement and the Parties wish to enter into this agreement, the second governance agreement (this "**Agreement**"),<sup>1</sup> to regulate their respective roles and obligations in relation to the implementation of the Growth Deal and delivery of the Growth Vision including (amongst other matters) the process and governance arrangements for the approval of investments and expenditure under the Growth Deal via Approved Projects. It is acknowledged and agreed by the Parties that, in signing this Agreement, the GA1 been brought to an end and has been superseded and replaced by this Agreement. References to this "**Agreement**" and "**GA2**" shall mean the same.
- (C) The Parties have established the Joint Committee as the entity that will ultimately be responsible for overseeing the implementation of the Growth Deal and the delivery of the Growth Vision. The Joint Committee consists of the Councils as the formal members of the Joint Committee supported by the Advisers. The Councils are each a Party to this Agreement, have voting rights and obligations to financially contribute to the Joint Committee as more particularly set out in this Agreement. The Advisers, save for the Business Delivery Board, are each a Party to this Agreement and have obligations to financially contribute to the Joint Committee. The Advisers, save for the Business Delivery Board, shall advise the Councils but will not have formal voting rights in relation to any Joint Committee Matter put before the Joint Committee but will, alongside the Councils, be required to decide upon any "Reserved Matters" as more particularly set out in this Agreement.
- (D) The Parties have agreed to appoint Gwynedd Council to act as the Host Authority for and on behalf of the Parties and to discharge the Joint Committee's obligations in relation to the implementation of

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<sup>1</sup> PM: To be updated to reflect Final Deal Terms.

the Growth Deal and delivery of the Growth Vision pursuant to and in accordance with this Agreement.

- (F) The Business Delivery Board is an unincorporated volunteer group of business sector experts in the region that has been established as a sub-group to the Joint Committee. Consequently, the Parties wish to invite the Chair of the Business Delivery Board to be an "Adviser" to the Joint Committee but, it is acknowledged and agreed that, the Chair and/or the Business Delivery Board will not be a signatory to this Agreement, is not a Party to this Agreement, and has no voting rights in relation to any Joint Committee Matter or any Reserved Matter or any obligations to make any financial contribution to the Joint Committee. The Business Delivery Board's draft terms of reference are set out in Part 5 of Schedule 2 (Terms of Reference) of this Agreement which shall be reviewed and approved by the Joint Committee as a Joint Committee Matter.
- (G) By entering into this Agreement, the Parties also confirm and accept the change of name of the Portfolio Management Office to the Portfolio Management Office to reflect its terms of reference and remit.
- (H) The Councils wish to enter into this Agreement and deliver the Growth Deal pursuant to the powers conferred on them by sections 101, 102, 111 and 113 of the Local Government Act 1972, section 1 of the Local Authority (Goods & Services) Act 1970, section 25 of the Local Government (Wales) Act 1994, section 2, 19 and 20 of the Local Government Act 2000, section 9 of the Local Government Wales Measure 2009 and all other enabling powers now vested in the Councils.<sup>2</sup>

## 1. DEFINITIONS AND INTERPRETATION

- 1.1 In this Agreement and the recitals, unless, the context otherwise requires the following terms shall have the meaning given to them below:-

<b>"Accounting Period"</b>	means those periods set out in paragraph 1 of Schedule 7 (Accounting Periods) as may be amended from time to time in accordance with the terms of this Agreement
<b>"Advisers"</b>	means the representatives of the bodies and individuals listed below plus, subject to Clause 9.2.4 (Role of the Advisers), any further individuals and/or bodies whom the Joint Committee chooses to invite in that capacity from time to time:-  (a) Bangor University;  (b) Coleg Cambria;  (c) Grwp Llandrillo Menai;  (d) Glyndwr University; and  (e) Chair of the Business Delivery Board acting on behalf of the Business Delivery Board
<b>"Adviser Led Project"</b>	means Approved Project lead by a Project Sponsor who is an Adviser (and not a Council)
<b>"Advisers' Contribution"</b>	has the meaning given in Clause 15.5.1(a)(iv) (Funding)
<b>"Advisers' Individual Contribution"</b>	has the meaning given in Clause 15.5.6(b) (Advisors' Contribution)

<sup>2</sup> PM: Parties to please consider and satisfy themselves as to the powers that they have to enter into this Agreement. Please confirm or raise any queries if any concerns.

<b>"Annual Budget"</b>	means the annual budget of the Host Authority held for and on behalf of the Joint Committee as set out in Clause 15.4 (Annual Budget) which includes payment of any Joint Committee Costs in accordance with this Agreement
<b>"Annual Budget Contributions"</b>	has the meaning given in Clause 15.4.2 (Annual Budget)
<b>"Approved Projects"</b>	means any project contained within a Project Business Case approved for investment by the Joint Committee in accordance with Clause 14 (Approval Process)
<b>"Back-to-Back Agreement"</b>	has the meaning given in Clause 15.5.4(f) (Councils' Contribution and Advisors' Contribution)
<b>"Business Day"</b>	means any day other than a Saturday or Sunday or a public or bank holiday in England and/or Wales
<b>"CEDR"</b>	means the Centre for Dispute Resolution
<b>"Commencement Date"</b>	means the date of this Agreement
<b>"Confidential Information"</b>	all know-how and other information whether commercial, financial, technical or otherwise relating to the business, affairs or methods of all or any Party, which is contained in or discernible in any form whatsoever (including without limitation software, data, drawings, films, documents and computer-readable media) whether or not marked or designated as confidential or proprietary or which is disclosed orally or by demonstration and which is described at the time of disclosure as confidential or is clearly so from its content or the context of disclosure
<b>"Conflicts Policy"</b>	has the meaning given in Clause 3.5.12(a) (Conflicts Policy);
<b>"Council Matter"</b>	has the meaning given in Clause 5.2 (Council Matter);
<b>"Councils"</b>	means the following:- <ul style="list-style-type: none"> <li>(a) Conwy Council;</li> <li>(b) Denbighshire Council;</li> <li>(c) Flintshire Council;</li> <li>(d) Gwynedd Council;</li> <li>(e) Isle of Anglesey Council; and</li> <li>(f) Wrexham Council</li> </ul>
<b>"Councils' Contribution"</b>	Has the meaning given in Clause 15.5.1(a)(iii) (Funding);

<b>"Councils' Supplementary Payments"</b>	means the annual payment of £40,000 (forty thousand pounds each) provided by each Council on an ongoing basis to the Joint Committee to partly fund the Annual Budget of the Joint Committee. For the avoidance of doubt, such annual payment is in addition to any Annual Budget Contribution and the Councils' Contribution to be provided pursuant to this Agreement and is to be disregarded for the purposes of calculating each Party's liability under the definition of "Proportionate Basis" and "Population Basis".
<b>"Decision Period"</b>	means the period of twenty (20) Business Days from the date of the Liability Report or such other longer time as is unanimously agreed by all the Joint Committee
<b>"Delegations Policy"</b>	means the allocation of delegation set out in Schedule 1
<b>"Data Protection Legislation"</b>	means the Data Protection Act 2018 and General Data Protection Regulations
<b>"Defaulter Exit Date"</b>	means, where the material breach is not capable of remedy, the day after the date that the notice served pursuant to Clause 2.3 is deemed to be served or, where the material breach is capable of remedy, the day after the last day that the breach can be remedied and it has not been remedied in that period as set out in the notice;
<b>"Executive Support Group"</b>	means the team established by the Partners to support the Joint Committee and to give direction and advice to the Portfolio Management Office on the implementation of the Joint Committee's decisions as more particularly set out in Clause 10 (Executive Support Group) and Part 2 of Schedule 3 (Executive Support Group's Terms of Reference)
<b>"GA1 Parties"</b>	means all the Councils and Advisers (a), (b), (c) and (d) only
<b>"GA Code of Conduct"</b>	means the code of conduct for the Advisers set out in Schedule 7
<b>"Gateway Review"</b>	means an independent assessment of programs and projects to assess the progress and likelihood of successful delivery anticipated to be on an annual basis
<b>"Grant Offer Letter"</b>	means the letter from the Welsh Government and the UK Government to the Parties which confirms the terms and conditions of the Growth Deal and the funding to be provided and is appended to this Agreement at Schedule 12 (Grant Offer Letter)
<b>"Growth Deal" or "North Wales Growth Deal"</b>	means the agreement between the Welsh Government, the UK Government and the Parties to work together for the people and businesses of North Wales, and deliver local projects which will increase opportunity and prosperity in communities across the region as more particularly set out in the Grant Offer Letter on or about the date of this Agreement in which sets out the terms of the "North Wales Growth Deal"
<b>"Growth Deal Contribution"</b>	means the HMT Contribution and the WG Contribution

<b>"Growth Vision"</b>	means the strategy for economic growth and development within the North Wales Region agreed jointly by the Parties and appended to this Agreement at Schedule 9
<b>"Host Authority"</b>	means the Council appointed under Clause 6 (Host Authority) who shall be responsible for receiving and allocating funds for and on behalf of the Parties for Approved Projects under the Growth Deal and whose duties are set out under Clause 7 (Duties of the Host Authority) and references to Host Authority and Host Authority shall mean the same
<b>"HMT"</b>	means Her Majesty's Treasury, a ministerial department of the UK Government
<b>"HMT Contribution"</b>	means as defined in Clause <b>15.5.1(a)(i)</b> (Funding)
<b>"HMT Funding Conditions"</b>	means as defined in Clause <b>15.5.2(a)(ii)</b> (HMT Contribution)
<b>"Implementation Plan"</b>	means the implementation plan that sets out, amongst other things, the indicative process and timeline for the procurement and implementation of the Growth Deal and is attached to the [Grant Offer Letter] which is attached at Schedule 12 (Grant Offer Letter) of this Agreement. For the avoidance of doubt, this is a live document that forms part of Schedule 12 for information only to confirm the position as at the Commencement Date but will be updated from time to time by the Parties in accordance with the terms of the Grant Offer Letter
<b>"Intellectual Property"</b>	any and all patents, trademarks, trade names, copyright, moral rights, rights in design, rights in databases, know-how and all or other intellectual property rights whether or not registered or capable of registration and whether subsisting in the United Kingdom or any other part of the world together with all or any goodwill relating to them and the right to apply for registration of them
<b>"Internal Costs"</b>	means as defined in paragraph 1.1 of Schedule 5 (Heads of Expenditure)
<b>"IP Material"</b>	the Intellectual Property in the Material
<b>"Integrated Assurance and Approval Plan"</b>	means the document to be submitted to WG as part of the Joint Committee's reporting and approval process with WG in relation to the Growth Deal
<b>"JC Unresolved Matter"</b>	means as defined in Clause 9.6.5 (Joint Committee)
<b>"Joint Committee"</b>	means the joint committee established by the GA1 Parties pursuant to the terms of the GA1 and expanded under this Agreement to include the Councils and the Advisers and reference to the North Wales Economic Ambition Board, NWEAB, the Economic Ambition Board and/or EAB shall mean the same

<b>"Joint Committee Costs"</b>	means as defined in paragraph 1.2 of Schedule 5 (Heads of Expenditure) and excluding any Internal Costs (save for the Internal Costs of the Host Authority in carrying out the duties of the Host Authority which shall be accounted for as Joint Committee Costs)
<b>"Joint Committee Matter"</b>	shall have the meaning given to it in Clause 5.1.2
<b>"Joint Committee Meeting"</b>	means a meeting of the Joint Committee duly convened in accordance with Clause 9 (Joint Committee)
<b>"Liability Report"</b>	means a report prepared by the Host Authority (or such other Council nominated under Clause 19.3 (Withdrawal)) acting reasonably setting out the financial and resource commitments of the relevant Party under Clause 19 (Withdrawal) or 20 (Consequences of Termination) including the items set out in Schedule 7 (Liability Report)
<b>"Loan Funds"</b>	has the meaning given in Clause 15.5.4(a)(i)
<b>"Local Authority"</b>	a principal council (as defined in section 270 of the Local Government Act 1972) or any body of government in Wales established as a successor of a principal council
<b>"Lock In Period"</b>	means six (6) years from the date of this agreement;
<b>"Material"</b>	all data, text, graphics, images and other materials or documents created, used or supplied by a Party in connection with this Agreement unless before the first use or supply, the Party notifies the other Parties that the data, text supplied is not to be covered by this definition
<b>"Member's Code of Conduct"</b>	means, in respect of any Council, the respective code of conduct for that Council which their members are bound to comply with;
<b>"Monitoring Officer"</b>	means as defined in Clause 7.1.6 (Duties of the Host Authority)
<b>"NNDR"</b>	means the National Non Domestic Rates
<b>"Overarching Business Plan" or "OBP"</b>	means the overarching business plan approved and adopted by the Parties at the Commencement Date to regulate the implementation of the Growth Deal and the Growth Vision
<b>"Personal Data"</b>	means the personal data as defined in the Data Protection Legislation
<b>"Population Basis"</b>	means the relevant proportion for each Council ("A%") by reference to their respective fractional contribution as set out in Clause 15.5.4(g) (Council's Contribution) which applies in relation to the Council's Contribution only;

<b>"Portfolio Business Case"</b>	means a detailed business case for a portfolio of Programmes and Projects which is subject to approval by the UK and Welsh Governments and provides detail to the UK and Welsh Governments as to how the Joint Committee intends to deliver the Growth Deal
<b>"Portfolio Management Office"</b>	means the team lead by the Programme Director established by the Joint Committee to assist the Joint Committee to implement the Growth Deal and Growth Vision, to liaise with the Executive Support Group as more particularly set out in Part 2 (Portfolio Management Office) and Part 3 of Schedule 2 (Portfolio Management Office's Terms of Reference)
<b>"Programme"</b>	means the five key programmes as more particularly set out in the Growth Deal: <ul style="list-style-type: none"> <li>• innovation in high value manufacturing</li> <li>• low carbon energy</li> <li>• agrifood and tourism</li> <li>• digital connectivity</li> <li>• land and property</li> </ul>
<b>"Programme Business Case"</b>	means a detailed business case for the development and implementation of a Programme which is subject to approval by the UK and Welsh Governments
<b>"Programme Director"</b>	means the officer appointed as the programme director of the Growth Deal and Growth Vision
<b>"Programme Director Matter"</b>	shall have the meaning given to it in Clause 5.1.1
<b>"Project Business Case"</b>	means a detailed business case for the development and implementation of a Project which, once approved by the Joint Committee in accordance with Clause 14 (Approval Process), will result in that Project being an Approved Project and the Project Business Case shall regulate the investment into and delivery of that Approved Project
<b>"Project Sponsor"</b>	means an Adviser or third party or, in the case of a Regional Project, the Host Authority (or another Council) acting on behalf of the Joint Committee leading the delivery of an Approved Project
<b>"Proportionate Basis"</b>	means the relevant proportion for each Party by reference to their respective fractional contribution as set out as follows:

<b>Parties</b>	<b>Proportion of Contribution</b>
Conwy Council	1/8
Denbighshire Council	1/8
Flintshire Council	1/8
Gwynedd Council	1/8

The Isle of Anglesey Council	1/8
Wrexham Council	1/8
Bangor University	1/16
Wrexham University	1/16
Coleg Cambria	1/16
GRWP Llandrillo Menai	1/16

<b>"Quarter Period"</b>	means those periods set out in paragraph 2 of Schedule 7 (Accounting Periods) as may be amended from time to time in accordance with the terms of this Agreement
<b>"Quarterly Report"</b>	means as defined in Clause 13.5.1 (Progress Monitoring)
<b>"Regional Project"</b>	means an Approved Project led by Host Authority on behalf of the Joint Committee for the benefit of the region
<b>"Reserved Matter"</b>	shall have the meaning given to it in Clause 5.1.3
<b>"s151 Officer"</b>	means as defined in Clause 7.1.6 (Duties of the Host Authority)
<b>"Translation Costs"</b>	means translation costs incurred by the Host Authority in complying with any applicable legislation relating to its obligations under this Agreement
<b>"UKG"</b>	UK Government
<b>"WG"</b>	Welsh Government
<b>"WG Contribution"</b>	means as defined in Clause 15.5.1(a)(ii) (Funding)
<b>"WG Funding Conditions"</b>	means as defined in Clause 15.5.3 (WG Contribution)
<b>"Withdrawal Notice"</b>	means as defined in Clause 19.3

## 1.2 Interpretation

In this Agreement, except where the context otherwise requires:-

- 1.2.1 the singular includes the plural and vice versa;
- 1.2.2 a reference to any Clause, paragraph, Schedule or recital is, except where expressly stated to the contrary, a reference to such Clause, paragraph, schedule or recital of and to this Agreement;
- 1.2.3 any reference to this Agreement or to any other document shall include any permitted variation, amendment or supplement to such document;
- 1.2.4 any reference to legislation shall be construed as a reference to any legislation as amended, replaced, consolidated or re-enacted;



- 1.2.5 a reference to a public organisation (to include, for the avoidance of doubt, any Council) shall be deemed to include a reference to any successor to such public organisation or any organisation or entity which has taken over either or both functions and responsibilities of such public organisation;
- 1.2.6 a reference to a person includes firms, partnerships and corporations and their successors and permitted assignees or transferees;
- 1.2.7 the clause, paragraph and Schedule headings and captions in the body of this Agreement do not form part of this Agreement and shall not be taken into account in its construction or interpretation;
- 1.2.8 words preceding "**include**", "**includes**", "**including**" and "**included**" shall be construed without limitation by the words which follow those words;
- 1.2.9 words importing the masculine shall be construed as including the feminine or the neuter or vice versa; and
- 1.2.10 any reference to the title of an officer of any of the Councils shall include any person holding such office from time to time by the same or any title substituted thereafter or such other officer of the relevant Council as that Council may from time to time appoint to carry out the duties of the officer referred to.

### 1.3 **Schedules**

- 1.3.1 The Schedules to this Agreement form part of this Agreement.
- 1.3.2 In the event of any discrepancy between the Clauses and the Schedules, the Clauses shall take priority.
- 1.3.3 In the event of any discrepancy between the Schedules, Schedule 1 (Delegations Policy) shall priority over all other Schedules.

## 2. **COMMENCEMENT, DURATION AND TERMINATION**

### 2.1 **Commencement**

This Agreement shall take effect on the Commencement Date.

### 2.2 **Duration of the Agreement**

This Agreement shall continue in full force and effect from the Commencement Date until the earlier of:

- (a) all the Parties agree in writing to its termination and the consequences of such termination; or
- (b) there is only one remaining Council who has not withdrawn from this Agreement in accordance with Clause 19 (Withdrawal).

### 2.3 **Termination**

- 2.3.1 Without prejudice to any other rights or remedies, this Agreement may be terminated in relation to any Party ("**Defaulter**") by the other Parties ("**Non-Defaulting Parties**") acting unanimously in giving written notice to the Defaulter effective on receipt where the Defaulter materially breaches any of the provisions of this Agreement and in the case of a breach capable of remedy fails to remedy the same within thirty (30) Business Days (or such other period as agreed by the Non-Defaulting Parties) of being notified of each breach in writing by the Non-Defaulting Parties and being required to remedy the same. The decision to give written notice to the Defaulter shall be a Reserved Matter.

2.3.2 Subject always to the provisions set out in Clause 20 (Consequences of Termination), where notice is given under Clause 2.3.1 above and the material breach is not capable of remedy or, in the case of a breach capable of remedy, the Defaulter fails to remedy such breach within the time period set out in the notice above, Clause 20 (Consequences of Termination) of this Agreement shall apply and the Defaulter shall be deemed to have withdrawn from its role as a Council member of the Joint Committee or Adviser for the Joint Committee (as applicable) and a Party to this Agreement as at the Defaulter Exit Date.

### 3. **PRINCIPLES AND KEY OBJECTIVES**

3.1 The Parties intend this Agreement to be legally binding.

3.2 The Parties agree to work together to discharge the Parties' obligations in relation to the implementation of the Growth Deal and the Growth Vision pursuant to and in accordance with this Agreement.

3.3 The Parties agree and acknowledge that the Growth Deal and Growth Vision shall be delivered in accordance with the:-

- (a) Implementation Plan;
- (b) OBP;
- (c) any Portfolio Business Case;
- (d) any Programme Business Case; and
- (e) the Project Business Cases.

#### 3.4 **Objectives**

The Parties acknowledge and agree that the North Wales Growth Vision objectives are:-

- 3.4.1 to improve the economic, social, environmental and cultural well-being of the North Wales Region;
- 3.4.2 to support and retain young people in the communities situated in the North Wales Region;
- 3.4.3 to address worklessness and inactivity across the North Wales Region; and
- 3.4.4 to support and enable private sector investment in the North Wales Region, to boost economic productivity and to improve the economic and employment performance of the North Wales Region.

#### 3.5 **Principles**

Without prejudice to the terms of this Agreement, the Parties agree that they will conduct their relationship in accordance with the following principles:-

##### 3.5.1 **Openness and Trust**

In relation to this Agreement the Parties will be open and trusting in their dealings with each other, make information and analysis available to each other, discuss and develop ideas openly and contribute fully to all aspects of making the joint working successful. Whilst respecting the mutual need for commercial confidentiality, the Parties will willingly embrace a commitment to transparency in their dealings and in particular a need to comply with statutory access to information requirements including the Environmental Information Regulations 2004 and the Freedom of Information Act 2000 and supporting codes of practice. The Parties will be aware of the need for and respect matters of commercial confidentiality and potential sensitivity;

### 3.5.2 **Commitment and Drive**

The Parties will be fully committed to working jointly, will seek to fully motivate employees and will address the challenges of delivering the Growth Deal with enthusiasm and a determination to succeed;

### 3.5.3 **Skills and Creativity**

The Parties recognise that each brings complimentary skills and knowledge which they will apply creatively to achieving the Parties' objectives, continuity, resolution of difficulties and the development of the joint working relationship and the personnel working within it. It is recognised that this will involve the appreciation and adoption of common values;

### 3.5.4 **Effective Relationships**

The roles and responsibilities of each Party will be clear with relationships developed at the appropriate levels within each organisation with direct and easy access to each other's representatives;

### 3.5.5 **Developing and Adaptive**

The Parties recognise that they are engaged in what could be a long term business relationship which needs to develop and adapt and will use reasonable endeavours to develop and maintain an effective joint process to ensure that the relationship develops appropriately and in line with these principles and objectives;

### 3.5.6 **Reputation and Standing**

The Parties agree that, in relation to this Agreement and the Growth Deal generally, they shall pay the utmost regard to the standing and reputation of one another, and act with regard to each Party's own employer and member codes of conduct and shall not do or fail to do anything which may bring the standing or reputation of any other Party into disrepute or attract adverse publicity to any other Party.

### 3.5.7 **Act in the Public Interest**

The Parties acknowledge and agree that the Joint Committee is a public body administering and directing public resource and finance in the public interest. The Parties and each representatives of the Parties has a duty to accordingly act in accordance with that fundamental duty – to act solely in the public interest.

### 3.5.8 **Reasonableness of Decision Making**

The Parties agree that all decisions made in relation to this Agreement and the Growth Deal generally shall be made by them acting reasonably and in good faith;

### 3.5.9 **Necessary Consents**

Each Party hereby represents to the other Parties that it has obtained all necessary consents sufficient to ensure the delegation of functions and responsibilities provided for by this Agreement; and

### 3.5.10 **Members, Officers, Directors and Employees Commitments**

Each Party shall use its reasonable endeavours to procure that their respective members, officers, directors and employees who are involved in the Growth Deal shall at all times act in the best interests of the Growth Deal, and act with regard to each Party's own employer

and member codes of conduct, devote sufficient resources to deliver the Growth Deal and respond in a timely manner to all relevant requests from the other Parties.

### 3.5.11 Code of Conduct

- (a) The Councils agree, in relation to this Agreement, the implementation of the Growth Deal and the delivery of Growth Vision that their members conduct will be governed by their respective Council Codes of Conduct for Members as amended from time to time when acting as a Member of the Joint Committee.
- (b) The Advisers agree, in relation to this Agreement, the implementation of the Growth Deal and the delivery of the Growth Vision that they shall act in accordance with the GA Code of Conduct when acting as an Adviser of the Joint Committee.
- (c) In all other respects, any representatives in any other group or sub-group including but not limited to the Executive Support Group and the Portfolio Management Group shall follow the Conflicts Policy only.

### 3.5.12 Conflicts Policy

- (a) The Parties agree and shall comply with the conflicts of interest policy ("**Conflicts Policy**") of NWEAB which is attached at Schedule 11 (Conflicts Policy) which sets out the guidelines and procedures for identifying, monitoring and managing actual and potential conflicts of interest.
- (b) The Conflicts Policy is intended to complement, and work alongside, the Codes of Conduct. However, please report any discrepancy immediately to the NWEAB's Monitoring Officer in accordance with Schedule 11 (Conflicts Policy).
- (c) It is acknowledged and agreed that:
  - (i) in the event of any discrepancy between the relevant Council Code of Conduct and the Conflicts Policy, the relevant Council Code of Conduct shall take precedence; and
  - (ii) in the event of any discrepancy between the GA Code of Conduct and the Conflicts Policy, the Conflicts Policy shall take precedence.

## 4. GOVERNANCE

4.1 The Parties acknowledge and agree that this Agreement contains the key governance provisions to be followed by the Parties in relation to implementation of the Growth Deal and the delivery of the Growth Vision to include (but not limited to) the following key principles:

- 4.1.1 the Parties have formed the Joint Committee as more particularly detailed in Clause 9 (Joint Committee) and appointed the Host Authority as set out in Clause 6 and 7 of this Agreement;
- 4.1.2 the Joint Committee and the Host Authority are supported by the Executive Support Group (Clause 10) and the Portfolio Management Office (Clause 11), the Transport Sub-Committee and any other sub-committees or sub-groups established by the Joint Committee pursuant to Clause 9.9.1 (Sub-Committees and Sub-Groups) and the Programme Director is responsible for the management of the Portfolio Management Office and reports directly to the Joint Committee; and
- 4.1.3 Clause 5 (Decision Making) details the key decision making powers of the Joint Committee and Clause 12 (Scrutiny) contains key scrutiny provisions.

## 5. **DECISION MAKING**

5.1 In terms of the need for decisions and other actions to be taken and carried out during the term of this Agreement, the Parties have identified the following three categories together with the means by which they will be taken:-

5.1.1 **"Programme Director Matter"** - being a matter which it is expected that the Programme Director will be able to make a decision upon and have the power to bind the Parties and the Joint Committee in doing so;

5.1.2 **"Joint Committee Matter"** – being a matter which it is expected that the Council representative (or appropriate deputy) of each Council appointed pursuant to this Agreement (but not the Adviser representatives) upon which it will be able to make a decision upon and have the power to bind the Parties and the Joint Committee in doing so; and

5.1.3 **"Reserved Matter"** – being a matter which, subject to Clause 5.2 (Council Matter), will have to be referred to each Party for a decision and, for the avoidance of doubt, that matter requiring a decision will not be dealt with by the Joint Committee until the decision shall have been agreed unanimously by all of the Parties and such decision (once reached) shall bind the Parties and the Joint Committee in doing so,

and in each case, such matters are identified in Schedule 1 (Delegations Policy).

### 5.2 **Council Matter**

5.2.1 Notwithstanding the provisions set out in Clause 5.1 (Decision Making) and elsewhere in this Agreement, it is acknowledged and agreed that any decision in relation to a Council Matter will be a matter for the Councils only (and not the Advisers) and, for the avoidance of doubt, a Council Matter shall not be dealt with by the Joint Committee until the decision shall have been agreed unanimously by all of the Councils and such decision (once reached) shall bind the Parties and the Joint Committee in doing so.

5.2.2 A **"Council Matter"** means:

- (a) any change to the Councils' Supplementary Payments; and/or
- (b) a decision pursuant to Clause 9.1.3 (Corporate Joint Committee).

## 6. **THE HOST AUTHORITY**

6.1 The Parties (acting severally) have agreed, with effect from the Commencement Date, that Gwynedd Council will act as the Host Authority responsible for discharging the Parties' obligations in relation to the Growth Deal and otherwise supporting the Joint Committee pursuant to and in accordance with this Agreement for and on behalf of the Parties and Gwynedd Council agrees to act in that capacity subject to and in accordance with the terms and conditions of this Agreement.

6.2 Gwynedd Council may in its absolute discretion elect to withdraw from its role as Host Authority to the Joint Committee (but remain as a Council member of the Joint Committee and a Party to this Agreement) by giving written notice of such intent to each Party that it wishes to withdraw from its role as Host Authority commencing three months from the date the notice is deemed to be served.

6.3 Where the Host Authority defaults and the Agreement is terminated in respect of it pursuant to Clause 2.3 (Termination) or the Host Authority withdraws pursuant to Clause 6.2 (The Host Authority) above or withdraws from the Agreement pursuant to Clause 19 (Withdrawal), then the replacement Host Authority will be appointed by the Joint Committee and the withdrawing or, as applicable, defaulting Host Authority will not have the right to vote in regard to any such appointment.

6.4 Where a replacement Host Authority is appointed pursuant to Clause 6.3 above, any reference to Gwynedd Council (in its capacity as the initial Host Authority) shall be read with reference to the

replacement Host Authority and Gwynedd Council shall use its reasonable endeavours to ensure the smooth hand over of all key information and documentation relating to the Growth Deal to the replacement Host Authority including (but not limited to) facilitating the novation/assignment of the Grant Offer Letter to the new replacement Host Authority where required by the Joint Committee.

6.5 The Host Authority shall act as the Host Authority and shall receive:-

6.5.1 any Growth Deal Contribution received for and on behalf of the Parties;

6.5.2 the Councils' Contribution;

6.5.3 the Advisers' Contributions;

6.5.4 the Annual Budget Contributions;

6.5.5 the Councils' Supplementary Contributions; and

6.5.6 any other funding that may be received from time to time in relation to the Growth Deal,

and shall hold and manage such funds in accordance with the terms of this Agreement.

## 7. DUTIES OF THE HOST AUTHORITY

7.1 For the duration of this Agreement, the Host Authority shall:-

7.1.1 act diligently and in good faith in all its dealings with the other Parties and it shall use its reasonable endeavours to discharge the Parties' obligations in relation to the implementation of the Growth Deal and delivery of the Growth Vision pursuant to and in accordance with this Agreement and all applicable legislation including but not limited to:-

(a) the Well-being of Future Generations (Wales) Act 2015;

(b) Welsh Language (Wales) Measure 2011;

(c) any compliance notice issued under the Welsh Language (Wales) Measure 2011 in respect of the Joint Committee (if applicable); and

(d) the Local Authorities (Executive Arrangements) (Decisions, Documents and Meetings) (Wales) Regulations 2001 (as amended);

7.1.2 act as the Host Authority and primary interface (on behalf of itself and the other Parties) with the WG, the UKG and the European Regional Development Fund and any other body necessary to discharge the Parties' obligations in relation to the implementation of the Growth Deal and delivery of the Growth Vision;

7.1.3 act as the Host Authority to hold any funds received directly from WG, UKG, the European Regional Development Fund (if any), the Parties and/or any other sources (if any) in relation to the Growth Deal and only to use and release such funds as agreed in accordance with the terms of such funding and this Agreement;

7.1.4 act as the Host Authority to hold land and/ or any other assets procured under any Approved Project on trust for the Parties pursuant to the terms of the relevant Project Business Case and such Project Business Case shall detail the purchase, leasing or otherwise of any assets as well as the disposal of the same.

7.1.5 without assuming responsibility for the delivery of any specific Growth Deal project and within the limitation of the funding provided to it (as part of the Joint Committee Costs), provide the support services required to facilitate the work of the Joint Committee (and its sub committees and groups established pursuant to Clauses 9.7.4 and 9.8), including, but not limited to, financial, human resources, legal, ICT, estates, information management,

internal audit and procurement services. For the avoidance of doubt, the provisions of this Clause 7.1.5 shall not serve to fetter the ability of the Host Authority to enter into arrangements with any of the other Parties to provide the aforementioned services on its behalf.

- 7.1.6 without assuming responsibility for the delivery of any specific Growth Deal project, provide for the Host Authority's Chief Finance Officer ("**s151 Officer**") and Monitoring Officer (or their nominated deputies) (the "**Monitoring Officer**") to act, respectively, as the s151 Officer and Monitoring Officer to the Joint Committee; and
- 7.1.7 without limitation to its roles under the preceding provision of this Clause 7.1.7, have responsibility for, but not limited to administering the financial affairs of the Joint Committee (and its sub committees and groups established pursuant to 9.7.4 and 9.8), including accounting for VAT, keeping financial records, ensuring that the annual accounts of the Joint Committee are prepared in accordance with the Code of Practice on Local Authority Accounting and making arrangements for the external audit of the Joint Committee.
- 7.1.8 employ the Portfolio Management Office as set out in Clause 11 (Portfolio Management Office).

## 8. **DUTIES OF THE OTHER PARTIES**

- 8.1 For the duration of this Agreement, the other Parties shall act diligently and in good faith in all their dealings with the Host Authority and shall use their respective reasonable endeavours to assist the Host Authority to discharge the Parties' obligations in relation to the implementation of the Growth Deal and delivery of the Growth Vision pursuant to and in accordance with this Agreement and all applicable legislation including but not limited to:-
  - 8.1.1 the Well-being of Future Generations (Wales) Act 2015;
  - 8.1.2 Welsh Language (Wales) Measure 2011;
  - 8.1.3 any compliance notice issued under the Welsh Language (Wales) Measure 2011 to any individual Party; and
  - 8.1.4 the Local Authorities (Executive Arrangements) (Decisions, Documents and Meetings) (Wales) Regulations 2001 (as amended);
- 8.2 It is acknowledged and agreed that the obligations and liabilities of each Party shall bind any successor entity in the event of any Council or Adviser re-organisation.

## 9. **JOINT COMMITTEE**

### 9.1 **Establishment of the Joint Committee**

- 9.1.1 The Councils have established the Joint Committee in accordance with this Agreement for the purposes of:-
  - (a) co-ordinating the planning and delivery of the Growth Deal and the Growth Vision;
  - (b) providing direction for key strategies in support of paragraph (a) uwchben, in particular transport, skills and employment, economic development and land use planning;
  - (c) uniting the Parties, other public sector bodies, charities and businesses around common purpose in support of (a) uwchben;
  - (d) providing direction to any sub-committees or sub-groups that the Joint Committee chooses to appoint including the commissioning of specific tasks or projects;

- (e) proposing new projects to be considered by NWEAB as part of the Growth Deal to be developed by way of a Project Business Case in accordance with the Overarching Business Plan and this Agreement;
- (f) deliberating on such projects to assess whether further due diligence is warranted and reaching agreement on the costs that should be incurred undertaking further appraisal work;
- (g) finalising and approving any Project Business Cases pursuant to Clause 13;
- (h) reviewing the OBP (and updating if required) in accordance with Clause 13 (Business Case);
- (i) taking all necessary decisions to pursue the aims and objectives of the Growth Vision; and
- (j) carrying out the functions set out in Part 1 of Schedule 2 (Joint Committee Terms of Reference).

9.1.2 The Joint Committee shall not have power to approve any Reserved Matter.

9.1.3 The Parties acknowledge the inclusion of a corporate joint committee in the Local Government and Elections Bill introduced on the 18<sup>th</sup> of November 2019 and that the Parties may, where not mandated by legislation chose to undertake or procure the undertaking of a detailed review to establish the full consequences of such corporate joint committee for the Joint Committee including (but not limited to) the obligations and liabilities of the Joint Committee and/or the Councils and/or the Advisers under this Agreement, the Growth Vision, the Growth Deal and any other relevant documentation. Any decision to change to a corporate joint committee shall be a "Council Matter".

## 9.2 **Role of the Advisers**

9.2.1 The Councils have invited the Advisers to support the Joint Committee to plan and deliver the Growth Deal and the Growth Vision and discharge all related obligations and liabilities as more particularly set out in this Agreement.

9.2.2 It is acknowledged and agreed that the Advisers, save for the Business Delivery Board and such other Adviser appointed by the Joint Committee in accordance with this Agreement:

- (a) are each a Party to this Agreement;
- (b) are an Adviser to (but not a formal executive member) of the Joint Committee;
- (c) have the right to attend and speak at meetings of the Joint Committee but will not have formal voting rights in relation to any Joint Committee Matter put before the Joint Committee;
- (d) will, alongside the Councils, be required to decide upon any "Reserved Matters"; and
- (e) have agreed to financially contribute to the Joint Committee,

each as more particularly set out in this Agreement.

9.2.3 It is acknowledged and agreed that only Clauses 9.2.2(b) and 9.2.2(c) apply to the non-signatory Advisers

9.2.4 The Joint Committee may invite, subject to any reasonable requirements, (and later remove) further bodies or organisations to become non signatory Advisers (but not a Party to the Agreement) Any decision to appoint or later remove further bodies or organisations



as a signatory Adviser who is or will be a Party to the Agreement to provide financial support to the Joint Committee shall be a Reserved Matter.

### 9.3 **Appointment of the Programme Director**

- 9.3.1 The Programme Director has been appointed by the Joint Committee to, amongst other matters:
- (a) support the Joint Committee to fulfil its obligations and liabilities under this Agreement;
  - (b) Lead the Portfolio Management Office;
  - (c) support the Executive Support Group;
  - (d) attend meetings of the Joint Committee and Executive Support Group;
  - (e) make Programme Director Matter decisions as set out in Schedule 1 (Decision Matrix); and
  - (f) report directly to the Joint Committee.
- 9.3.2 The Programme Director shall be employed by the Host Authority on behalf of the Joint Committee and any cost or liability of such employment shall be accounted for as Joint Committee Costs and recoverable by the Host Authority from the Joint Committee.

### 9.4 **Appointment of Representatives to the Joint Committee**

- 9.4.1 Each Party shall appoint one (1) representative to the Joint Committee. The Councils shall be represented by the Leader for the time being of each Council, and the Advisers shall be represented by the Chief Executive or equivalent of each Adviser, or such other person of sufficient status and authority as the Adviser shall notify to the Host Authority.
- 9.4.2 Each Party shall be entitled from time to time to appoint a named deputy for its representative and shall inform the Host Authority Monitoring Officer within one (1) calendar month of the Commencement Date of the details of its deputy. Any deputies may attend meetings of the Joint Committee but, in the case of a Council deputy, shall only be entitled to speak and vote at such meetings in the absence of his or her corresponding principal and, in the case of an Adviser deputy, shall only be entitled to speak at such meetings in the absence of his or her corresponding principal. Deputies must be of sufficient status and authority to undertake the role.
- 9.4.3 The Parties may, at their discretion, replace their representatives (and their respective deputies) provided that such replacement shall be on the same basis as the original appointed and provided further that no representative shall be removed or replaced by any Party without that Party giving prior written notice as soon as reasonably practicable .
- 9.4.4 The chairperson of the Joint Committee shall be a representative of a Council appointed to the Joint Committee and shall be appointed on an annual basis from a Council member by the Joint Committee at the Annual General Meeting. The chairperson shall not have a casting vote.
- 9.4.5 The vice chairperson of the Joint Committee shall be a representative of a Council appointed to the Joint Committee and shall be appointed on an annual basis from a council member by the Joint Committee at the Annual General Meeting. The vice chairperson shall not have a casting vote and his/her role shall be to perform the role of the chairperson when the chairperson is not in attendance.
- 9.4.6 Each Party may, at their discretion, replace their representative (and their respective deputies) appointed to the Joint Committee, provided that:-

- (a) at all times, they have a representative appointed to the Joint Committee in accordance with the roles identified in Part 1 of Schedule 2 (Joint Committee Terms of Reference);
- (b) any such replacement shall have no lesser status or authority than that set out in Part 1 of Schedule 2 (Joint Committee Terms of Reference) unless otherwise agreed by the Parties; and
- (c) the details of any such representative shall be notified to the other Parties in writing, to replace the relevant details set out in 9.4.1 and 9.4.4 above

## 9.5 Joint Committee Meetings

- 9.5.1 Unless the Joint Committee decides otherwise (e.g. if a meeting is deemed not to be required), the Joint Committee shall meet either on a bi-monthly basis or as and when required in accordance with the timetable for the delivery of the Growth Deal or the Growth Vision. Ordinary Meetings shall be convened in accordance with a "Calendar of Meetings" to be approved by the Joint Committee and upon giving the requisite statutory notice (to be issued through the Host Authority) to deliberate on the Joint Committee Matters referred to in Schedule 1 (Delegations Policy) and the Head of Democratic Services of the Host Authority shall be the "Proper Officer" for convening the meetings.
- 9.5.2 The expectation is that all of the Councils and Advisers attend all meetings of the Joint Committee where possible.
- 9.5.3 Any Council and/or Adviser may by written request made to the Host Authority no later than 15 (fifteen) clear working days prior to the date of the meeting to the Host Authority request that a matter be considered at the next meeting of the Joint Committee. Such request shall include a summary of the matter and the decision, if any sought.
- 9.5.4 The Host Authority shall ensure that all agendas and relevant information and reports in relation to a Joint Committee meeting are circulated in a timely manner and in any event in accordance with legislative requirements.
- 9.5.5 Any representative may, where he or she views that a matter requires urgent consideration, request to the Chairperson at the start of a Joint Committee meeting that such urgent item is added to the agenda, but its inclusion will be a matter for the Chairperson to decide in accordance with legislative requirements

## 9.6 Joint Committee Decisions

- 9.6.1 The quorum necessary for a Joint Committee meeting shall be a representative or deputy from at least 4 (four) Councils.
- 9.6.2 At meetings of the Joint Committee each representative or appropriate deputy (in the absence of the relevant representative) from each Council only shall have 1 (one) vote.
- 9.6.3 At meetings of the Joint Committee, each representative or appropriate deputy (in the absence of the relevant representative) from each Adviser shall have the right to advise the Joint Committee on decisions and their views shall be recorded by the Joint Committee. Whilst it is not intended that the Advisers shall have formal voting rights, the Joint Committee shall give consideration to any views or representations made by the Advisers and where Advisers do not agree with a proposed decision the Joint Committee shall consider (acting in good faith) declaring a matter a JC Unresolved Matter (as more particularly set out in Clause 9.6.5 below).
- 9.6.4 Decisions at a meeting of the Joint Committee require a simple majority vote of the representatives (or deputies as applicable) from the Councils in attendance, provided that if:-

- (a) the votes are tied (ie a deadlock); or
  - (b) two or more of the Councils and/or Advisers make such a request at the meeting,
- that decision shall be declared a JC Unresolved Matter to be dealt with in accordance with Clause 9.6.5.

9.6.5 If, at a meeting of the Joint Committee, a matter is not determined, that matter ("**JC Unresolved Matter**") shall be deferred for consideration at the next ordinary meeting of the Joint Committee meeting or such sooner time as shall be agreed. If at the reconvened Joint Committee meeting any decisions relating to a JC Unresolved Matter shall require a simply majority vote of the representatives (or deputies as applicable) from the Councils only in attendance, provided that if the votes are tied (ie a deadlock) the JC Unresolved Matter shall not be agreed and shall not be implemented by the Joint Committee. For the avoidance of doubt, the Advisers shall have no right to declare that a JC Unresolved Matter remains a JC Unresolved Matter at the reconvened Joint Committee meeting.

9.6.6 The Host Authority will publish a notice of the decisions of the Joint Committee and its sub-committees in accordance with the requirements of the Local Authorities (Executive Arrangements) (Decisions, Documents and Meetings) (Wales) (Amendment) Regulations 2002/1385/ and shall serve a copy of the said notice on the Head of Democratic Services of each of the Council and the Advisers to the Joint Committee within the time table set out in its standing orders,

## 9.7 **Joint Committee Procedures**

9.7.1 Each Party shall provide all information reasonably required upon request by the Joint Committee to the Programme Director and shall comply with any decisions of the Joint Committee to request such information.

9.7.2 Each Party shall consult with the other Parties to ensure the diligent progress of the day to day matters relating to the discharge of the Parties' obligations in relation to the delivery of the Growth Deal.

9.7.3 Where a Party wishes to provide any information and/or serve a notice or demand on the Joint Committee, this should be served on the Programme Director in accordance with Clause 27 (Notices) and Schedule 3 (Parties' Details). The Programme Director shall keep a record of all information, notices and demands received and shall update each representative promptly.

9.7.4 The Parties acknowledge and agree that the Joint Committee shall save as varied by this Agreement adopt (as applicable) the Host Authority's prevailing Executive standing orders, contract standing orders, financial procedure rules, and such other applicable policies and procedures for and behalf of the Parties in the discharge of its obligations under this Agreement and that the Host Authority's s151 Officer and Monitoring Officer (or their nominated deputies) shall, respectively, act as the s151 officer and Monitoring Officer to the Joint Committee.

9.7.5 The Advisers acknowledge and agree that their representative or deputy shall comply with the terms of the GA Code of Conduct and the Councils acknowledge and agree that their representative or deputy shall comply with the respective Members Code of Conduct of the Council that they represent.

## 9.8 **Joint Committee may Delegate**

9.8.1 The Joint Committee may delegate any of the powers which are conferred on them under this Agreement as "Joint Committee Matters" or forming part of their terms of reference pursuant to Part 1 (Joint Committee Terms of Reference):-

- (a) to a sub-committee or an officer of one of the councils; and/or

(b) to the Programme Director;

to such an extent, in relation to such matters referred to in this Clause 9.8.1 and on such terms and conditions as they think fit from time to time (subject to any restrictions that may be imposed upon such delegation by the Joint Committee).

9.8.2 The Joint Committee may allow that such delegation shall automatically authorise further delegation of the Joint Committee's powers by any person to whom they are delegated provided that the Joint Committee specifically states this within such delegation authority.

9.8.3 The Joint Committee may revoke any delegation in whole or part, or alter its terms and conditions at any time.

## 9.9 **Sub-Committees and Sub-Groups**

9.9.1 The Joint Committee may create sub-committees, sub-groups, project management bodies or special purpose vehicles (subject to the need to obtain approval for a local authority trading company established under the Local Government Act 2003 as a Reserved Matter) as it sees fit from time to time in order to support and deliver its Terms of Reference contained within Part 1 of Schedule 2 (Terms of Reference).

9.9.2 Sub-committees to which the Joint Committee delegates any of its powers must follow procedures which are based as far as they are applicable on those provisions of this Agreement which govern the taking of decisions by the Joint Committee.

9.9.3 The Joint Committee shall establish the membership, rules of procedure or terms of reference for all or any such sub-committees or sub-groups or project management bodies to, amongst other matters, clarify their respective role and scope of any delegation which shall be approved by the Joint Committee

9.9.4 Pursuant to and in accordance with the GA1, the Joint Committee established a Transport Sub-Committee and the terms of reference for the Transport Sub-Committee, subject to the Joint Committee powers to vary and or revoke such delegation in accordance with Clause 9.8 uwchben, are set out in Part 4 of Schedule 2.

9.9.5 It is acknowledged and agreed by the Parties that the sub-committees or groups referred to in this Agreement:

(a) shall undertake a number of functions including but not limited to programme and project management, scrutiny, challenge and/or consultation services pursuant to their terms of reference; and

(b) shall not have any delegated decision making powers (unless otherwise expressly granted by the Joint Committee).

## 10. **EXECUTIVE SUPPORT GROUP**

### 10.1 **Establishment of the Executive Support Group**

10.1.1 Pursuant to and in accordance with the GA1, the Parties established the Executive Support Group to support the Joint Committee and to give direction and advice to the Portfolio Management Office on the implementation of the Joint Committee's decisions as more particularly set out in Part 2 of Schedule 2 (Executive Support Group's Terms of Reference).

10.1.2 The Programme Director has been appointed by the Joint Committee and is responsible for advising the Executive Support Group and leading the Portfolio Management Office to support the Joint Committee to fulfil its obligations and liabilities under this Agreement. The Programme Director shall report directly to the Joint Committee.

## 10.2 **Appointment of Representatives to the Executive Support Group**

- 10.2.1 In accordance with the Executive Support Group's terms of reference each Party shall appoint one senior officer representative to the Executive Support Group. The chairperson shall be such representative as the Joint Committee may determine from time to time who will be responsible for leading the Executive Support Group. The chairperson shall be re-appointed every two years.
- 10.2.2 Each Party shall be entitled from time to time to appoint a deputy for its senior officer and such deputy (in each case) shall be entitled to attend meetings of the Executive Support Group in place of its senior officer.
- 10.2.3 The Parties shall, at their discretion, replace their representatives (and their respective deputies) appointed to the Executive Support Group provided that such replacement shall be on the same basis as the original appointed and provided further that no senior officer of the Executive Support Group shall be removed or replaced by any Party without that Party giving prior written notice as soon as reasonably practicable and in any event within ten (10) Business Days of its intention to remove or replace that representative.
- 10.2.4 For the avoidance of any doubt, the Internal Costs incurred by the Councils and the Advisers providing such representatives shall be accounted for as follows:
- (a) in relation to the Programme Director, Clause 9.3.2 (Appointment of the Programme Director) shall apply;
  - (b) each senior office representative (and deputy) shall be employed by their own Council or Adviser (as appropriate), in all other cases, Clause 15.2 (Internal Costs) shall apply.
  - (c) in relation to the s151 Officer and Monitoring Officer, the Internal Costs shall be accounted for as Joint Committee Costs and recoverable by the Host Authority from the Joint Committee; and
  - (d) in relation to the other representatives, it is anticipated that these shall be accounted for by the entities themselves unless the cost of these are agreed with and charged to the Host Authority and/or the Joint Committee and, in such circumstances, shall be accounted for as Joint Committee Costs.

## 10.3 **Executive Support Group Meetings**

- 10.3.1 The Executive Support Group shall meet as and when required in accordance with the timetable for the Growth Deal and the Growth Vision and the requirements of the Joint Committee meeting cycle, Executive Support Group Decisions
- 10.3.2 The Executive Support Group shall not have any decision making powers pursuant to this Agreement.

## 11. **PORTFOLIO MANAGEMENT OFFICE**

### 11.1 **Establishment of the Portfolio Management Office**

- 11.1.1 Pursuant to and in accordance with the GA1, the Joint Committee established the Portfolio Management Office to assist the Joint Committee to implement the Growth Deal and Growth Vision, to liaise and take direction from the Executive Support Group and to undertake the day-to-day management of the Joint Committee's functions as more particularly set out in Part 3 of Schedule 2 (Portfolio Management Office's Terms of Reference). By entering into this Agreement, the Parties also confirm and accept the change of name of the Portfolio Management Office to the Portfolio Management Office to reflect its terms of reference and remit.

11.1.2 The Programme Director has been appointed by the Joint Committee and is responsible for leading the Portfolio Management Office to support the Joint Committee to fulfil its obligations and liabilities under this Agreement. The Programme Director shall report directly to the Joint Committee.

## 11.2 **Appointment of individuals to the Portfolio Management Office**

11.2.1 The Portfolio Management Office shall consist of the Programme Director and such other posts as the Joint Committee may approve from time to time

11.2.2 The Host Authority, acting on the instructions of the Joint Committee or the Programme Director (following any decision made by the Joint Committee about the same), shall employ each of the officers and any other individuals agreed pursuant to Clause 11.2 (Portfolio Management Office) making up the Portfolio Management Office and any cost or liability of such employment shall be accounted for as Joint Committee Costs and recoverable by the Host Authority from the Joint Committee.

11.2.3 All Staff employed in the Portfolio Management Office shall be appointed on the terms and conditions of employment including, for the avoidance of doubt the pay and grading of the Host Authority.

## 11.3 **Programme Director and Portfolio Management Office Decision Making**

11.3.1 The Programme Director shall decide the Programme Director Matters as set out in Schedule 1 but may, where appropriate delegate such decisions to staff where that is appropriate having regard to their role and seniority.

## 12. **AUDIT AND SCRUTINY**

12.1 The Host Authority shall be responsible for providing internal audit services to the Joint Committee and audit reports in relation to the Joint Committee shall be considered by its audit committee in accordance with its usual rules and practices. It will make its recommendations to the Joint Committee or Programme Director as it deems appropriate. The Programme Director shall be notified in writing of an intention to report anything the Audit Committee. For the avoidance of doubt an annual internal audit report shall be submitted by the Host Authority Audit Manager to the Joint Committee.

12.2 The Joint Committee and its Sub-Committee shall be subject to over view and by any of the Councils relevant scrutiny committees only which shall take place in accordance with the Scrutiny Protocol set out in Schedule 3 (Scrutiny Protocol).

12.3 If a decision is called in by one or more of the Councils, it is acknowledged and agreed that the implementation of such a decision shall, save in the case of matters determined to be Urgent Matters in accordance with the Scrutiny Protocol, be suspended by the Joint Committee until the outcome of the call in has been communicated to the Joint Committee and considered by it in accordance with the Scrutiny Protocol.

## 13. **BUSINESS PLAN**

### 13.1 **OBP**

13.1.1 The decision to approve and adopt the OBP is a "Reserved Matter".

13.1.2 The Parties have prepared and adopted on the date of this Agreement a 5 (five) year overarching business plan (the "**OBP**") which, amongst other matters, sets out the Parties' objectives and priorities for the delivery of the Growth Deal and is attached at Schedule 10 (OBP) to this Agreement.

## 13.2 Updated OBP

- 13.2.1 The OBP may be reviewed at any time by the Joint Committee if required pursuant to Clause 13.4 (Project Business Case) or shall be reviewed, as a minimum, on an annual basis (and updated only if necessary) no earlier than three (3) months and no later than one (1) month before the end of the relevant Accounting Period pursuant to this Clause.
- 13.2.2 Following such review and only where amendments are required, the Portfolio Management Office shall, in conjunction with the Executive Support Group, prepare, finalise, agree (acting in the best interests of the Joint Committee) and recommend for adoption to the Joint Committee a draft updated OBP for the proceeding five years to incorporate any proposed amendments provided always that the OBP shall remain consistent with the Portfolio, Programme or any Project Business Cases of any of the Approved Projects.
- 13.2.3 The decision to approve and adopt any updated OBP shall be a "Joint Committee Matter" save to the extent that any such update amounts to a material change to the prevailing OBP which may include (but is not limited to) a material impact on the parties or a material change in the content of the Portfolio, Programme or any Project Business Cases of any of the Approved Projects and, in which case, the decision to approve and adopt such updated OBP shall be a "Reserved Matter".
- 13.2.4 The Joint Committee (or, where any update amounts to a material change, each of the Party's (as applicable)) shall use its reasonable endeavours to seek to agree such draft OBP and to adopt it as the formal OBP within 60 (sixty) Business Days of the date it is first circulated to the Joint Committee or such other date as agreed by the Joint Committee.
- 13.2.5 The updated OBP agreed pursuant to Clause 13.2.4 (with such amendments thereto as may be agreed by the Joint Committee or as a "Reserved Matter" (as applicable)) shall replace the then current OBP as the formal OBP upon the later of:
- (a) the expiry of the then current OBP; and
  - (b) the date of the Joint Committee's approval to it in accordance with Clause 9 (Joint Committee) or, as applicable, the date the updated OBP is approved by the Parties as a "Reserved Matter".
- 13.2.6 Until such time as it is replaced in accordance with Clause 13.2.4, the OBP that has most recently been adopted as the formal OBP shall continue to be the formal binding OBP.
- 13.2.7 Where the draft OBP circulated under Clause 13.2.2 has not been approved by the Joint Committee or, where any update amounts to a material change, each of the Party's (as applicable), by the date six (6) calendar months following the date it is first circulated to the Joint Committee, the matter shall be deemed to be a JC Unresolved Matter and Clause 9.6.5 (Joint Committee) shall apply or where such approval is to be granted as a "Reserved Matter", the OBP shall be deemed not to have been approved following such six (6) calendar month period.

## 13.3 Portfolio and Programme Business Cases Programme Business Cases

- 13.3.1 The Joint Committee anticipates discharging the obligations of the Parties in relation to the Growth Deal through five Programmes which will each contain a number of Projects. The Programmes will each have a Programme Business Case and the Projects will each have a Project Business Case.
- 13.3.2 The Portfolio Business Case covers the whole of the Growth Deal and is supported by each of the five (5) Programme Business Cases which are all subject to approval by the UK and Welsh Governments and the Joint Committee and provide detail to the UK and Welsh Governments as to how the Joint Committee intends to deliver the Growth Deal.

- 13.3.3 A Programme Business Case shall, amongst other matters, address the following:
- (a) how the Programme contributes to the overall portfolio spending objectives and the OBP;
  - (b) how the Programme aligns to the Growth Vision and other relevant regional, Welsh Government and UK Government strategies;
  - (c) specific details regarding the economic impact of the Programme; and
  - (d) specific details regarding the financial implications of the Programme.
- 13.3.4 The OBP and the Project Business Plans are developed and approved by the Joint Committee pursuant to this Agreement. The OBP being the overarching plan for the NWEAB (taking into account the Portfolio and Programme Business Cases) and the Project Business Plans drilling down into the detail of each proposed Project to be developed and approved pursuant to this Agreement.

#### 13.4 **Project Business Cases**

- 13.4.1 The Project Business Case shall align itself with the OBP and the relevant Programme Business Case and remain consistent with the Growth Deal and Growth Vision and the terms of this Agreement.
- 13.4.2 It is acknowledged and agreed that draft Project Business Cases have been commenced for a number of Projects and these shall continue to be developed by the Portfolio Management Office in conjunction with the Executive Support Group for approval by the Joint Committee by the deadlines to be set by the Joint Committee.
- 13.4.3 The approval of a Project Business Case is a Joint Committee Matter pursuant to Clause 14 (Approval Process). Once a Project's Project Business Case is approved by the Joint Committee pursuant to Clause 14 (Approval Process), the Project will be an "Approved Project".
- 13.4.4 The Project Business Case shall include, amongst other matters, the items contained within Clause 15.5.4(f) (Councils' Contribution and Advisers' Contribution)

#### 13.5 **Progress Monitoring**

- 13.5.1 The Portfolio Management Office, in conjunction with the Executive Support Group, shall prepare (or procure the preparation of) a short form quarterly report which shall review progress made in the preceding Quarter as against the OBP and any Project Business Case (the "**Quarterly Report**") and shall be circulated to the Joint Committee and each Party within 1 (one) calendar month following the end of the preceding Quarter.
- 13.5.2 The Quarterly Report shall be regularly reviewed at the Joint Committee Meetings.
- 13.5.3 If, at any Joint Committee Meeting, any of the Councils and/or the Advisers believe that there has been a material failure of the Councils and/or the Advisers and/or the Joint Committee to comply with the OBP and/or a Project Business Case, the Joint Committee shall discuss appropriate action to immediately rectify the relevant failure and/or mitigate the effects of such failure as far as possible.

#### 14. **APPROVAL PROCESS**

- 14.1 The Joint Committee will be responsible for managing the list of Projects (current and new) to be considered and developed to deliver the Growth Deal as more particularly set out in the OBP and following evaluation shall give initial approval to the Project Sponsor to undertake further due diligence and commence the development of a Project Business Case for the Project.



- 14.2 Following such initial approval, there is a three stage process to be followed for a Project to become an "Approved Project" and receive Growth Deal Contributions as set out below:
- 14.2.1 the Project Business Case of a potential Project will be developed by the Project Sponsor for that Project following the Five Case Business Model in line with the Green Book Guidance developed by WG and HMT working in conjunction with the Portfolio Management Office and with advice from external advisers (where required);
  - 14.2.2 the Project Business Case will be subject to external gateway review(s) at agreed points during its development in line with the Integrated Assurance and Approval Plan; and
  - 14.2.3 the Project Business Case will be assessed and approved by the Joint Committee as a Joint Committee Matter as more particularly set out in Clause 13.4 (Project Business Cases) and following such approval will be an "Approved Project";
- 14.3 It is acknowledged and agreed that, as part of the development and approval of a Project Business Case, a Back-to-Back Agreement (and any other related documentation as requested by the Joint Committee to form part of the Project Business Case for a particular Project) shall be in agreed form prior to approval as a Joint Committee Matter.
- 14.4 Following such approval, the Project Sponsor shall then be responsible for delivering the Approved Project pursuant to the terms of the Project Business Case and the Back-to-Back Agreement (or any other related documentation).

## 15. **COMMITMENT OF THE PARTIES AND CONTRIBUTIONS**

### 15.1 **General**

Subject to 19.11.3 (Withdrawal), the Parties agree and undertake to commit to the Growth Deal in accordance with the terms of this Agreement and not to commission and/or undertake any procurement and/or project that seeks or would procure the delivery of all or any part of the Growth Deal or Growth Vision outside the terms of this Agreement.

### 15.2 **Internal Costs**

- 15.2.1 Subject to Clause 15.2.2, the Internal Costs incurred by each Party (including the Host Authority) shall be borne by the Party providing that internal resource.
- 15.2.2 The Parties hereby agree that if one of the Parties believes it is likely to incur disproportionate Internal Costs that matter shall be referred to the Joint Committee for a decision as to whether such costs will be disproportionate and whether any contributions should be made to this cost by the other Parties.

### 15.3 **Joint Committee Costs**

- 15.3.1 Any Joint Committee Costs incurred by the Joint Committee shall be shared on a Proportionate Basis between the Parties pursuant to this Agreement. They will form part of the Annual Budget referred to in Clause 15.4 below.
- 15.3.2 Each Party shall be required to prepare accounts including details of any approved Internal Costs or Joint Committee Costs incurred pursuant to Schedule 5 (Heads of Expenditure) (the "**Accounts**") in respect of each Accounting Period and for such further and/or other accounting periods as the Joint Committee shall determine and which shall be incorporated into Schedule 6 (Accounting Periods). For the avoidance of doubt, such Accounts shall not include any revenue costs or capital investment requirements in relation to the development of any business case by a Project Sponsor of any Adviser Led Project or the implementation of any proposed project by a Project Sponsor of any Adviser Led Project and shall solely relate to the operational and management costs of the Joint Committee.

15.3.3 Each Party shall:-

- (a) in the Accounts make true and complete entries of all relevant payments made by it during the previous Accounting Period;
- (b) within one (1) month of the end of each Accounting Period, each Party shall provide to the Host Authority unaudited Accounts for such Accounting Period together with certification that such Accounts comply with this Clause 15 (Commitment of the Parties and Contributions);
- (c) nominate an individual to be responsible for ensuring that Party's own compliance with this Clause 15 (Commitment of the Parties and Contributions) and the name, address and telephone number of each individual nominated pursuant to this Clause 15 (Commitment of the Parties and Contributions) shall be notified to the other Parties in accordance with Clause 27 (Notices); and
- (d) if an individual nominated by a Party pursuant to Clause 15 (Commitment of the Parties and Contributions) changes, that Party shall notify the other Parties forthwith of the replacement nominees.

15.3.4 The Host Authority shall:-

- (a) within ten (10) Business Days of receipt of the Accounts submitted by the other Parties in accordance with Clause 15.3.3(b) prepare a reconciliation statement identifying the payments made by each Party and the balance due from or owing to each; and
- (b) within twenty (20) Business Days of the preparation of the reconciliation statement send out a copy of the reconciliation statement together with either a balancing invoice or, subject to Clause 15.3.4(b) credit payments to each Party.

15.3.5 The Host Authority shall not be obliged to make any payments due under this Agreement until the Host Authority is in receipt of funds from the Parties pursuant to this Clause 15.3.

15.3.6 A Party receiving an invoice for payment shall pay it in full within twenty (20) Business Days. Any error in a balancing invoice must be notified to the Host Authority within five (5) Business Days of such balancing invoice being sent out. An amended balancing invoice will be issued by the Host Authority and the Party receiving such an invoice shall pay it in full within twenty (20) Business Days.

15.3.7 The Parties hereby agree that if one of the Parties carries out any work or incurs any cost or expenses to carry out any work or to incur any cost or expense that is not within the budget or scope of work set out in this Agreement or agreed in advance by the Joint Committee, that matter shall be referred by the Executive Support Group to the Joint Committee for a decision as to whether such work, cost or expense is part of the Growth Deal or whether such work, cost or expense should be the entire responsibility of the Party so carrying it out or requesting it (as the case may be).

**15.4 Annual Budget**

15.4.1 The Annual Budget shall consist of the following:

- (a) the Annual Budget Contributions;
- (b) the Councils' Supplementary Contributions; and
- (c) any additional costs secured through the wider investment fund or other sources (if any); and
- (d) any accumulated reserves.

- 15.4.2 The annual budget contributions are as follows:
- (a) £50,000 per Accounting Period from each Council; and
  - (b) £25,000 per Accounting Period from each Adviser (save for the Chair of the Business Delivery Board who makes no Annual Budget Contribution),
- together the "**Annual Budget Contributions**" and which are subject to indexation at the start of each Accounting Period in accordance with Clause 15.4.3.
- 15.4.3 It is acknowledged and agreed that the Annual Budget Contributions will be subject to the following variations at the start of each Accounting Period to reflect the actual increase in costs over the Annual Budget for the immediately preceding Accounting Period as a consequence of increases in the following:
- (a) increases in salaries occasioned by the local government national awarding bodies; and
  - (b) increases in Employers Contribution to the local Government Pension Scheme and National Insurance Contributions.<sup>3</sup>
- 15.4.4 The Parties shall provide their share of the Annual Budget Contributions to the Host Authority, in relation to the initial Accounting Period, within 10 (ten) Business Days of the Commencement Date and, in all other cases, within 10 (ten) Business Days of the commencement of the relevant Accounting Period.
- 15.4.5 The Councils' Supplementary Payment will continue to be paid at the start of each Accounting Period on receipt of an invoice from the Host Authority.
- 15.4.6 The Host Authority shall hold and account for the Annual Budget on behalf of the Joint Committee and the Parties.
- 15.4.7 Where the actual aggregate Joint Committee Costs are likely to exceed the Annual Budget at any time,
- (a) any increase to the Annual Budget Contributions shall be a Reserved Matter for the Parties; and
  - (b) any changes to the Councils' Supplementary Contribution shall be a Council Matter for the Councils only.

## 15.5 Funding

### 15.5.1 Total funding

- (a) It is acknowledged and agreed by the Parties that the following confirmed funds are available to facilitate the implementation of the Growth Deal:
  - (i) £120,000,000 (one hundred and twenty million pounds) from UKG (the "**HMT Contribution**"); and
  - (ii) £120,000,000 (one hundred and twenty million pounds) from WG (the "**WG Contribution**"),

the HMT Contribution and the WG Contribution together being the "**Growth Deal Contributions**"; and

<sup>3</sup> PM: I have included the indexation as required - for finance team to please be comfortable that this is clear and not subject to any later debate as to what indexes/changes these relate to.

- (iii) £9,960,300 (nine million, nine hundred and sixty thousand and three hundred pounds) in aggregate from the Councils (the "**Councils' Contribution**");
- (iv) between £3,180,000 (three million one hundred and eighty thousand pounds) and to £4,530,000 (four million five hundred and thirty thousand pounds) in aggregate from the Advisors (the "**Advisors' Contribution**"); and
- (v) each Parties' contribution towards the Annual Budget pursuant to Clause 15.4.

#### 15.5.2 HMT Contribution

- (a) It is acknowledged and agreed by the Parties that:
  - (i) HMT's contribution shall be provided to the Host Authority for and on behalf of the Joint Committee as a fixed flat rate of £8,000,000 (eight million pounds) per Accounting Period commencing [on 1 April 2021]<sup>4</sup> for a period of 15 (fifteen) years; and
  - (ii) HMT Contribution is subject to the following funding conditions:-
    - (1) [x]<sup>5</sup>
 together the "**HMT Funding Conditions**".
- (b) Each Party acknowledges and agrees that it accepts the HMT Funding Conditions and that it shall be bound by those conditions and shall not through any act or omission place any other Party including, but not limited to, the Host Authority in breach of any of those conditions.

#### 15.5.3 WG Contribution

- (a) It is acknowledged and agreed by the Parties that:
  - (i) WG's contribution shall be provided to the Host Authority for and on behalf of the Joint Committee as a fixed flat rate of £8,000,000 (eight million pounds) per Accounting Period commencing [on 1 April 2021] for a period of 15 (fifteen) years; and
  - (ii) HMT Contribution is subject to the following funding conditions:-
    - (1) [x]
 together the "**WG Funding Conditions**".
- (b) Each Party acknowledges and agrees that it accepts the WG Funding Conditions and that it shall be bound by those conditions and shall not through any act or omission place any other Party including, but not limited to, the Host Authority in breach of any of those conditions.

#### 15.5.4 Councils' Contribution and Advisors' Contribution

- (a) It is acknowledged and agreed that:

<sup>4</sup> PM: The aspiration is to obtain the first drawdown in March 2021 but this remains subject to further WG/UKG approval.

<sup>5</sup> PM: Funding conditions to be completed once draft letter from WG/UKG received.

- (i) in order to facilitate cash-flow for project expenditure against an estimated 6 (six) year delivery profile compared to a 15 (fifteen) year funding profile in relation to the Growth Deal Contributions; and
  - (ii) subject to Clauses 15.5.4(b) and 15.5.4(c), the Host Authority shall use reasonable endeavours, on behalf of the Joint Committee, to provide additional funding for Approved Projects as set out in each Project Base Case which may be obtained from the Public Works Loan Board, other funders or self-borrowed or otherwise (the "Loan Funds"<sup>6</sup>).
- (b) The Parties shall be responsible for the repayment of any and all capital (if any)<sup>7</sup>, interest, any changes in interest rates (or in the case of a self-borrowed scenario any foregone interest) (with interest rates to be set and managed by the Host Authority) and any other costs or liabilities incurred by the Host Authority in providing the Loan Funds by way of the Council's Contribution and the Advisors' Contribution as more particularly set out in Clauses 15.5.5 (Councils' Contribution) and 15.5.6 (Advisors' Contribution) below and each relevant Project Base Case;
- (c) Due diligence will assess all assumptions and liability including whether NNDR funding is available or whether additional funding is required as a result of state aid implications or otherwise and this will need to be recognised within the Project Base Case subject always to the maximum aggregate amounts contained within Clause 15.5.1 (Total Funding) and any increase shall be a Reserved Matter.
- (d) Where any capital is to be repaid, the Project Sponsor shall be responsible for procuring repayment of such capital from its third party contractors and to repay that the Host Authority in accordance with the Project Base Case. For the avoidance of doubt, any such capital repayment shall not count towards the Project Sponsor's maximum contribution to be made by way of the Councils' Contribution or Advisors' Contribution (as applicable).
- (e) The proportion of Growth Deal Contributions, Loan Funds and Councils' Contribution or Advisors' Contribution (as relevant) will be agreed as part of the Project Base Case for a particular Project to be approved by the Joint Committee in accordance with this Agreement subject always to the maximum aggregate amounts contained within Clause 15.5.1 (Total Funding).
- (f) Subject to Clause 15.5.4(g), a back-to-back agreement will be entered into between the Host Authority (acting on behalf of the Joint Committee) and the Project Sponsor of an Approved Project to confirm, amongst other things,
- (i) the payment of any Growth Deal Contributions and Loan Funds to the Project Sponsor;
  - (ii) the repayment obligations of the Project Sponsor;
  - (iii) transfer of responsibility to the Project Sponsor to deliver the Project;
  - (iv) clawback provision to clawback the Growth Deal Contributions and the Loan Sums from the Project Sponsor in the event of a default; and
  - (v) approval of any related party documentation to be entered into by the Project Sponsor and any third parties to deliver the Approved Project.

the "**Back-to-Back Agreement**"

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<sup>7</sup> PM: Approach to £17m funding gap to be confirmed – presumably the capital and interest will be repayable?

- (g) The Back-to-Back Agreement (and any other related documentation) shall also be agreed and form part of the Project Base Case for a Project to be approved by the Joint Committee provided that in the case of the Back-to-Back Agreement (and any other related documentation) this shall first be agreed by the Project Sponsor before it is put before Joint Committee as a Joint Committee Decision.

#### 15.5.5 Councils' Contribution

- (a) The Councils' Contribution shall be used to finance the Regional Projects only unless otherwise agreed by the Joint Committee such provisions shall be reflected within the terms of the OBP and/or the relevant Business Cases to include, amongst other matters, the estimated annual spend profile for each Council.
- (b) Subject always to the maximum aggregate amounts contained within Clause 15.5.1(a)(iii) (Total Funding) and the obligation to contribute to the Annual Budget pursuant to Clause 15.4 (Annual Budget), each Council shall contribute to the aggregate Councils' Contribution required on each Regional Project on a population basis pursuant to the following formula:

$$A \% = B \times 100$$

with A% being a Councils' "Population Basis"

- (c) This is calculated as follows:

B	$B = \frac{\text{Current Population}}{\text{Total Population}}$
Current Population	<p>Current Population = means for each Accounting Period the mid-year estimated population figure for a particular Council taken from StatsWales for the preceding Accounting Period.</p> <p>StatsWales is the Welsh Government's official body responsible for publishing official statistics) at the following link:  <a href="https://statswales.gov.wales/Catalogue/Population-and-Migration/Population/Estimates/Local-Authority/populationestimates-by-localauthority-year">https://statswales.gov.wales/Catalogue/Population-and-Migration/Population/Estimates/Local-Authority/populationestimates-by-localauthority-year</a></p> <p>Where the Current Population is no longer available from StatsWales at any point, the last mid-year figures shall be used save where otherwise agreed by the Councils as a Joint Committee Decision.</p>
Total Population	Total Population = means for each Accounting Period the aggregate mid-year estimated population figure of the six Councils taken from StatsWales for the preceding Accounting Period.

- (d)
- (e) Subsubject to
- (f) Each Council's Population Basis shall be re-calculated on an annual basis at the beginning of each Accounting Period pursuant to this Clause 15.5.5 (Councils' Contribution).

### 15.5.6 Advisors' Contribution

- (a) Subject to Clause 15.5.6(b) (Advisors' Contribution), the Advisors' Contribution shall be used to finance Adviser Led Projects only unless otherwise agreed by the Parties as a Reserved Matter and such provisions shall be reflected within the terms of the OBP and/or the relevant Project Business Case to include, amongst other matters, the estimated annual spend profile for each Adviser.
- (b) Subject always to the obligation to contribute to the Annual Budget pursuant to Clause 15.4 (Annual Budget), each Adviser shall only be required to provide an Adviser Contribution for an Approved Project(s) in which that Adviser is acting as the Project Sponsor up to a maximum aggregate contribution below (each maximum aggregate contributions being an "**Advisors' Individual Contribution**" for that Adviser respectively):

Advisor	Minimum aggregate contribution	Maximum aggregate contribution
Bangor University	£1,399,950 (one million three hundred and ninety nine thousand, nine hundred and fifty pounds)	£1,990,050 (one million ninety nine thousand and fifty pounds)
Glyndwr University	£510,000 (five hundred and ten thousand pounds)	£730,050 (seven hundred and thirty thousand and fifty pounds)
Coleg Cambria	£520,050 (five hundred and twenty thousand and fifty pounds)	£739,950 (seven hundred and thirty nine thousand, nine hundred and fifty pounds)
GRWP Llandrillo Menai	£750,000 (seven hundred and fifty thousand pounds)	£1,069,950 (one million, sixty nine thousand, nine hundred and fifty pounds)

- (c) Subject to Clause 15.5.6(d), the Advisor's Individual Contributions shall be as set out in table above in the column entitled the "Maximum aggregate contribution" (column 3).
- (d) It is acknowledged and agreed that there is an aspiration to receive the first tranche of Growth Deal Contributions in March 2021 equating to £[x] and where this is received, the Advisor's Individual Contributions shall be decreased to the the "Minimum aggregate contribution" as set out in the table above (column 2).
- (e) The contribution relates to the overall sums received by a Project Sponsor on a Project (Growth Funds and Loan Funds).<sup>8</sup>

### 15.5.7 Audit

Each Party shall permit all records referred to in this Agreement to be examined and copied from time to time by the Host Authority, or any representatives of the Host Authority or any other representatives who reasonably require access to the same in order to undertake any audit of the funds received and spent pursuant to this Agreement.

<sup>8</sup> Can the finance team please expand this and explain how this is calculated and presumably whether it needs to be replicated in relation to the Councils' Contribution.

#### 15.5.8 Retention of Records

The accounts referred to in this Clause 15.5.8 (Commitment of the Parties and Contributions) shall be retained for a period of at least ten (10) years after delivery of the Growth Deal pursuant to this Agreement.

#### 16. NOT USED

#### 17. MITIGATION

Each Party shall at all time take all reasonable steps to minimise and mitigate any loss for which the relevant Party is entitled to bring a claim against the other Party(ies) pursuant to this Agreement.

#### 18. LIABILITY OF THE PARTIES

18.1 The Host Authority shall indemnify and keep indemnified each of the other Parties to this Agreement against any reasonable losses, claims, expenses, actions, demands, costs and liability suffered by that Party to the extent arising directly from any wilful default or wilful breach by the Host Authority of its obligations under this Agreement (and wilful in this context shall, for the avoidance of doubt, not include matters which are outside the reasonable control of the Host Authority or matters arising from any negligent act or omission in relation to such obligations).

18.2 No claim shall be made against the Host Authority to recover any loss or damage which may be incurred by reason of or arising out of the carrying out by the Host Authority of its obligations under this Agreement unless and to the extent such loss or damage arises from a wilful default or wilful breach by the Host Authority under Clause 18 (Liability of Parties).

18.3 Each of the other Parties (acting severally) shall indemnify and keep indemnified the Host Authority against any reasonable losses, claims, expenses, actions, demands, costs and liabilities which the Host Authority may incur by reason of or arising directly out of the carrying out by the Host Authority of its obligations under this Agreement for that Party or arising directly from any wilful default or wilful breach by a Party of its obligations under this Agreement (and wilful in this context shall, for the avoidance of doubt, not include matters which are outside the reasonable control of that Party or matters arising from any negligent act or omission in relation to such obligations) unless and to the extent that the same result from any wilful breach by the Host Authority of any such obligations.

18.4 The Parties agree and acknowledge that the amount to be paid to the Host Authority by any of the other Parties under Clause 18 (Liability of Parties) shall be borne by each of the Parties to the extent of its responsibility, however in the event that the responsibility is a shared one between the Parties (so that it is not reasonably practicable to ascertain the exact responsibility between the Parties) then the amount to be paid shall be divided between the Parties on a Proportionate Basis.

18.5 In the event of a claim under this Clause 18 (Liability of Parties) in which it is not reasonably practicable to determine the extent of responsibility as between the Parties (including the Host Authority), then the amount shall be divided amongst the Councils (including the Host Authority) on a Proportionate Basis. For the avoidance of doubt, any claim arising otherwise than through the wilful default or wilful breach by the Host Authority or the other Parties shall be divided amongst the Parties (including the Host Authority) on a Proportionate Basis.

18.6 A Party who receives a claim for losses, expenses, actions, demands, costs and liabilities shall notify and provide details of such claim as soon as is reasonably practicable to the other Parties .

18.7 No Party shall be indemnified in accordance with this Clause 18 (Liability of Parties) unless it has given notice in accordance with Clause 18.6 (Liability of Parties) to the other Party against whom it will be enforcing its right to an indemnity under this Agreement.

18.8 Each Party ("**Indemnifier**") shall not be responsible or be obliged to indemnify the other Parties (including the Host Authority) ("**Beneficiary**") to the extent that any insurances maintained by the Beneficiary at the relevant time provide an indemnity against the loss giving rise to such claim and to the extent that the Beneficiary recovers under such policy of insurance (save that the Indemnifier



shall be responsible for the deductible under any such policy of insurance and any amount over the maximum amount insured under such policy of insurance).

## 19. WITHDRAWAL

- 19.1 Subject to Clause 19.2 (Withdrawal), any Party (including the Host Authority) may at any time during this Agreement, withdraw from this Agreement in accordance with this Clause 19 (Withdrawal).<sup>9</sup>
- 19.2 No Party may withdraw from this Agreement during the Lock In Period and, following such Lock In Period, the provisions of this Clause 19 shall apply.
- 19.3 Save where Clause 19.6 applies, if a Party wishes to withdraw from the Growth Deal and this Agreement, it shall provide at least twelve (12) months written notice of its intention to withdraw to all the other Parties ("**Withdrawal Notice**").
- 19.4 No sooner than nine (9) months after the date of the Withdrawal Notice and no later than ten (10) months after the date of the Withdrawal Notice, the Host Authority (or such other Council as nominated by the Joint Committee in the event that the Host Authority issues the Withdrawal Notice) shall provide to all the Parties a Liability Report which shall be discussed by the Joint Committee at its next meeting or a specially convened meeting if the next meeting falls more than two (2) weeks after the issue of the Liability Report. For the avoidance of doubt, no formal decision is required by the Joint Committee in relation to the Liability Report.
- 19.5 It is acknowledged and agreed that:
- 19.5.1 the Liability Report shall contain, as a minimum, the withdrawing Party's committed costs and liabilities up to and including the expiry date of the Growth Deal anticipated to be 15 years and the withdrawing Party's committed costs and liabilities on all current projects which shall include any Council or Adviser Contributions that the withdrawing Party has committed to but not yet provided (whether that occurs before or after the Party formally withdraws from the Growth Deal and this Agreement pursuant to this Clause 19 (Withdrawal)); and
- 19.5.2 in relation to row 1 of the Liability Report in Schedule 8 (Liability Report), the withdrawing Party shall be liable to pay its committed contribution and liabilities;
- (a) up to the expiry date of the Growth Deal anticipated to be 15 years; and
- (b) on all current projects.
- 19.6 Within the Decision Period each Party which has issued a Withdrawal Notice to the Programme Director shall indicate either:-
- 19.6.1 that it withdraws from the Growth Deal and this Agreement; or
- 19.6.2 that it wishes to continue as a party to the Growth Deal and this Agreement.
- 19.7 Where further Parties (in addition to the Party issuing the Withdrawal Notice) indicate their wish to withdraw from the Growth Deal and this Agreement, then the provisions of Clause 19.3 (Withdrawal) shall apply to such Parties and a new Liability Report shall be prepared in respect of each of these Parties that have indicated their intention to withdraw and the provisions of Clause 19.6 (Withdrawal) shall apply.
- 19.8 Where a Party does not indicate its intentions as required by Clause 19.6 (Withdrawal) then it shall at the expiry of the Decision Period be taken to have indicated that they wish to continue as a Party to the Growth Deal and this Agreement.

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<sup>9</sup> PM: To be considered whether any additional rights to withdraw are required here.

- 19.9 Any Party serving a Withdrawal Notice pursuant to Clause 19.3 or indicates that it withdraws from the Growth Deal and this Agreement pursuant to Clause 19.6 shall have the right to retract such Withdrawal Notice or indication that it withdraws at any point prior to the date of its withdrawal.
- 19.10 Where a Party indicates that it wishes to withdraw from the Growth Deal and this Agreement, then:-
- 19.10.1 the Party who shall have indicated its wish to withdraw shall pay all amounts due to be paid by it in accordance with the Liability Report and comply with its obligations under this Agreement up to the date of its withdrawal including making any payments of any expenditure referred to in Schedule 5 (Heads of Expenditure) as at that date;
  - 19.10.2 the Party who shall have indicated its wish to withdraw shall be responsible for a proportion of any third party costs (which have been substantiated by the Joint Committee); and
  - 19.10.3 if in the event of such a withdrawal the discharge of the Party's obligations in relation to the Growth Deal is delayed then the Party who shall have indicated its wish to withdraw may be responsible for a proportion of the costs of delay to the other Parties or any costs or fines which may directly result. Such proportion will be decided by the Joint Committee and the withdrawing Party shall not be entitled to vote in this decision.
- 19.11 Where a Party withdraws from the Growth Deal and this Agreement in accordance with this Clause 19 (Withdrawal):
- 19.11.1 any capital asset acquired and/or secured and/or owned and provided by such withdrawing Party for the purposes of the Growth Deal will remain in the ownership of the withdrawing Party and the withdrawing Party will reimburse the remaining Parties their respective contributions (if any) together with any reasonable costs incurred as a result of the withdrawal or default;
  - 19.11.2 the other Parties may elect to continue or discontinue with any procurement and/or project forming part of the Growth Deal in the administrative area of the withdrawing Party;
  - 19.11.3 subject to approval of the Joint Committee, the withdrawing Party may elect to independently pursue the procurement of any project within its administrative area or project in which it is acting as Project Sponsor and which was identified as part of the Growth Deal provided that it does so at its own cost without any access to any of the funding provided for pursuant to this Agreement including (but not limited to the Growth Deal Contribution);
  - 19.11.4 unless agreed otherwise by the remaining Parties, the Party who shall have indicated its wish to withdraw from the Growth Deal shall not remove its appointees to the Joint Committee for a period of not less than three (3) months commencing on the date of such Party's withdrawal, provided that the costs associated with those appointees to the Joint Committee shall be borne by the remaining Parties on a Proportionate Basis; and
  - 19.11.5 save for the obligations set out in Clause 15 (Commitments of the Parties and Contributions), Clause 18 (Liability of the Parties), this Clause 19 (Withdrawal) and Clause 22 (Confidentiality and Announcements), the withdrawing Party shall be released from its respective obligations described in this Agreement from the date of withdrawal;
  - 19.11.6 where the withdrawing Party or Parties is/are a Council, the remaining Parties agree that the quorum necessary for any subsequent Joint Committee meetings pursuant to Clause 9.6.1 (Joint Committee Decisions) of this Agreement shall be permanently reduced by the number of Party/ Parties that is/are a Council that has/have withdrawn.

20. **CONSEQUENCES OF TERMINATION**

- 20.1 If the Agreement is terminated in accordance with Clause 2.3 (Termination), save for the obligations set out in Clause 15 (Commitment of the Parties and Contributions), Clause 18 (Liability of the Parties), Clause 19 (Withdrawal), this Clause 20 (Consequences of Termination) and Clause 22

(Confidentiality and Announcements), the Parties shall be released from their respective obligations described in this Agreement.

20.2 Where this Agreement is terminated in respect of that Party in accordance with Clause 2.3 (Termination):

20.2.1 any capital asset acquired and/or secured and/or owned and provided by such Defaulter for the purposes of the Growth Deal will remain in the ownership of the Defaulter and the Defaulter will reimburse the remaining Parties their respective contributions (if any) together with any reasonable costs incurred as a result of the withdrawal or default;

20.2.2 the other Parties may elect to continue or discontinue with any procurement and/or project forming part of the Growth Deal;

20.2.3 subject to the approval of the Joint Committee, the withdrawing Party may elect to independently pursue the procurement of any project within its administrative area or project in which it is acting as Project Sponsor and which was identified as part of the Growth Deal provided that it does so at its own cost without any access to any of the funding provided for pursuant to this Agreement including (but not limited to the Growth Deal Contribution); and

20.2.4 where this Agreement is terminated and the terminated Party/Parties is/are a Council, the remaining Parties agree that the quorum necessary for any subsequent Joint Committee meetings pursuant to Clause 9.6.1 (Joint Committee Decisions) of this Agreement shall be permanently reduced by the number of Party/ Parties that is is/are a Council and whose involvement in this Agreement has been terminated..

20.3 The Parties acknowledge and agree that:-

20.3.1 the Growth Deal has been modelled on the basis of participation by all the Parties and that there are considerable economic benefits to be achieved as a result of such joint working; and

20.3.2 accordingly, in the event that this Agreement is terminated in relation to any Party pursuant to Clause 2.3 (Termination) such Defaulter shall be liable to the Non-Defaulting Party or Parties for their reasonable and properly incurred costs in relation to the Growth Deal as set out in Clause 19.5 (Withdrawal) and Schedule 8 (Liability Report).

## 21. **INTELLECTUAL PROPERTY**

21.1 Each Party will retain all Intellectual Property in its Material.

21.2 Each Party will grant all of the other Parties a non-exclusive, perpetual, non-transferable and royalty free licence to use, modify, amend and develop its IP Material for the discharge of the Parties' obligations in relation to the Growth Deal and any other purpose resulting from the Growth Deal whether or not the party granting the licence remains a party to this Agreement.

21.3 Without prejudice to Clause 21.1 (Intellectual Property), if more than one Party owns or has a legal or beneficial right or interest in any aspect of the IP Material for any reason (including without limitation that no one Party can demonstrate that it independently supplied or created the relevant IP Material without the help of one or more of the other Parties), each of the Parties who contributed to the relevant IP Material will grant to all other Parties to this Agreement a non-exclusive, perpetual, non-transferable and royalty free licence to use and exploit such IP Material as if all the other Parties were the sole owner under the Copyright Design and Patents Act 1988 or any other relevant statute or rule of law.

21.4 For the avoidance of doubt, any entity or person who is at the date of this Agreement a Party to this Agreement and who has licensed any Intellectual Property under this Agreement will have a non-exclusive, perpetual right to continue to use the licensed Intellectual Property in respect of the Growth Deal.

21.5 Each Party warrants that it has or will have the necessary rights to grant the licences set out in Clause 21.2 (Intellectual Property) and 21.3 (Intellectual Property) in respect of the IP Material to be licensed.

21.6 Each Party agrees to execute such further documents and take such actions or do such things as may be reasonably requested by any other Parties (and at the expense of the Party(ies) making the request) to give full effect to the terms of this Agreement.

## 22. **CONFIDENTIALITY AND ANNOUNCEMENTS**

22.1 Each Party ("**Covenanter**") shall, both during the currency of this Agreement and at all times following its termination or expiry, keep private and confidential and shall not use or disclose (whether for its own benefit or that of any third party) any Confidential Information about the business of and/or belonging to any other Party or third party which has come to its attention as a result of or in connection with this Agreement.

22.2 The obligation set out in Clause 22 (Confidentiality and Announcements) shall not relate to information which:-

22.2.1 comes into the public domain or is subsequently disclosed to the public (other than through default on the part of the Covenanter or any other person to whom the Covenanter is permitted to disclose such information under this Agreement);

22.2.2 is required to be disclosed by law;

22.2.3 was already in the possession of the Covenanter (without restrictions as to its use) on the date of receipt;

22.2.4 is required or recommended by the rules of any governmental or regulatory authority including any guidance from time to time as to openness and disclosure of information by public bodies; or

22.2.5 is necessary to be disclosed to provide relevant information to any insurer or insurance broker in connection with obtaining any insurance required by this Agreement.

22.3 Where disclosure is permitted under Clause 22.2.3 (Confidentiality and Announcements) or 22.2.4 (Confidentiality and Announcements), the recipient of the information shall be subject to a similar obligation of confidentiality as that contained in this Clause 22 (Confidentiality and Announcements) and the disclosing Party shall make this known to the recipient of the information.

22.4 No Party shall make any public statement or issue any press release or publish any other public document relating, connected with or arising out of this Agreement or any other agreement relating to the Growth Deal without the prior written consent of the other Parties.

## 23. **CONTRACTS (THIRD PARTY RIGHTS)**

The Parties as parties to this Agreement do not intend that any of its terms will be enforceable by virtue of the Contracts (Rights of Third Parties) Act 1999 by any person not a party to it.

## 24. **DISPUTE RESOLUTION**

24.1 Any dispute arising in relation to any aspect of this Agreement shall be resolved in accordance with this Clause 24 (Dispute Resolution). The Parties undertake and agree to pursue a positive approach towards dispute resolution which seeks (in the context of this joint working) to identify a solution which avoids legal proceedings and maintains a strong working relationship between the Parties.

24.2 In the event of any dispute or difference between the Parties relating to this Agreement (whether this may be a matter of contractual interpretation or otherwise) then save in relation to disputes or disagreements relating to a Reserved Matter, the matter shall be dealt with by referral in the first

instance to the Joint Committee who shall consider any such dispute or disagreement at the next scheduled meeting of the Joint Committee and attempt to resolve the disputed matter in good faith.

- 24.3 In relation to a dispute or disagreement relating to a Reserved Matter, or if the Joint Committee fails to resolve a dispute or disagreement within five (5) Business Days of meeting pursuant to Clause 24.2 (Dispute Resolution), then the Parties in dispute or the Joint Committee (as the case may be) may refer the matter for resolution to:-
- 24.3.1 the Chief Executive, Managing Director, Council Leader (or other relevant head of organisation) of the relevant Parties;
  - 24.3.2 mediation by such party as the relevant Parties may agree; or
  - 24.3.3 the exclusive jurisdiction of the Courts of England and Wales.
- 24.4 Any dispute and/or disagreement to be determined by the relevant heads of organisations, mediation or the Courts of England and Wales (as the case may be) under this Agreement shall be promptly referred for determination to them.
- 24.5 The Parties shall on request promptly supply to the relevant heads of organisations or mediator or the Courts of England and Wales (as the case may be) all such assistance, documents and information as may be required for the purpose of determination.
- 24.6 If a mediator is appointed to determine a dispute pursuant to Clause 24.3 (Dispute Resolution), then the mediator shall be deemed to act as an expert and not as an arbitrator and his determination shall (in the absence of manifest error) be conclusive and binding upon the Parties.
- 24.7 The costs of the resolution of any dispute and/or disagreement between the Parties under this Agreement shall be borne by the relevant Parties on a Proportionate Basis to the dispute in question save as may be otherwise directed by the relevant heads of organisations, the mediator or the Courts of England and Wales (as the case may be).

## 25. **DATA PROTECTION**

- 25.1 In relation to all Personal Data, each Party shall at all times comply with the GDPR, (as a data controller if necessary) which includes (but is not limited to) maintaining a valid and up to date registration or notification under the GDPR covering the data processing activities to be performed in connection with the Growth Deal.
- 25.2 Each Party:-
- 25.2.1 shall process Personal Data belonging to any other Party only on the instructions of that Party (subject to compliance with applicable law);
  - 25.2.2 shall only undertake processing of Personal Data reasonably required in connection with the Growth Deal and shall not transfer any Personal Data to any country or territory outside the European Economic Area; and
  - 25.2.3 shall use its reasonable endeavours to procure that all relevant sub-contractors and third parties comply with this Clause 25.2 (Data Protection). For the avoidance of doubt a relevant sub-contractor is one which processes Personal Data belonging to the one or any of the Parties.
- 25.3 The Parties shall not disclose Personal Data to any third parties other than:-
- 25.3.1 to employees and sub-contractors and third parties to whom such disclosure is reasonably necessary in order for the Parties to discharge the Parties' obligations in relation to the Growth Deal; or

25.3.2 to the extent required under a court order or to comply with any applicable laws including (but not limited to) any statute, bye law, European Directive or regulation,

provided that any disclosure to any sub-contractor or any third parties under Clause 25.3.1 (Data Protection) shall be made subject to written terms substantially the same as, and no less stringent than, the terms contained in this Clause 25 (Data Protection) and that the Parties shall give notice in writing to all other Parties of any disclosure of Personal Data belonging to them which they or a sub-contractor or third parties are required to make under Clause 25.3.2 (Data Protection) immediately they are aware of such a requirement;

25.3.3 the Parties shall bring into effect and maintain and shall use its reasonable endeavours to ensure that all relevant sub-contractors and any third parties have in effect and maintain all reasonable technical and organisational measures necessary to prevent unauthorised or unlawful processing of Personal Data and accidental loss or destruction of, or damage to, Personal Data including but not limited to taking reasonable steps to ensure the reliability and probity of any employee or agent of a relevant sub contractor or any third parties having access to the Personal Data; or

25.3.4 any Party may, at reasonable intervals, request a written description of the technical and organisational methods employed by any other Party and the relevant sub-contractors referred to in Clause 25.2.3 (Data Protection) Within five (5) Business Days of such a request, the Party requested to do so shall supply written particulars of all such measures as it is maintaining detailed to a reasonable level such that the requesting Party can determine whether or not, in connection with the Personal Data, it is compliant with the DPA. All Parties shall use its reasonable endeavours to ensure that the sub-contractors and any third parties also comply with such request from any other Party.

25.4 All Parties shall ensure that any Personal Data they obtain and provide to any other Party has been lawfully obtained and complies with the DPA and that the use thereof in accordance with this Agreement shall not breach any of the provisions of the DPA.

25.5 If:-

25.5.1 under the DPA any Party is required to provide information to a data subject (as defined in the DPA) in relation to Personal Data when such data is in the possession or under control of any other Party; and

25.5.2 the required Party informs the controlling Party in writing that this is the case,

then the controlling Party shall guarantee reasonable and prompt co-operation to the required Party in meeting its obligations under the DPA including making copies of the relevant Personal Data to the extent the same are in its possession.

25.6 Each Party shall provide the other as soon as reasonably practicable, with such information in relation to Personal Data and their processing as the other Party may reasonably request in writing and the party asked to provide the relevant data may reasonably be able to provide in order for the other Party to:-

25.6.1 comply with its obligations under this Clause and the DPA; and

25.6.2 assess whether the processing of the relevant Personal Data in connection with this Agreement is breaching or may breach the DPA in a manner which is material and not effectively sanctioned by any guidance statement issued by the Information Commissioner.

25.7 The Parties shall each take reasonable precautions (having regard to the nature of their respective obligations under this Agreement) to preserve the integrity of any Personal Data.

25.8 The Parties shall work together to create and agree an information sharing protocol specifically in relation to their joint working on the Growth Deal and shall continually review any existing information sharing protocols being used in relation to the Growth Deal to ensure they remain relevant to the

Growth Deal and to identify which Personal Data needs to be processed and on what basis to ensure compliance with this Clause 25 (Data Protection).

**26. FREEDOM OF INFORMATION AND ENVIRONMENT INFORMATION**

26.1 Each Party acknowledges that the Parties are subject to the requirements of the Freedom of Information Act 2000 ("**FOIA**") and the Environmental Information Regulations 2004 ("**EIR**") and the Parties shall comply with the Host Authority's policy on FOIA in respect of these information disclosure obligations to the extent they relate to the Growth Deal.

26.2 Where a Party (the "**Receiving Party**") receives a request for information under either the FOIA or the EIR in relation to information which it is holding on behalf of any of the other Parties in relation to the Growth Deal, it shall:-

26.2.1 transfer the request for information to the Host Authority as soon as practicable after receipt and in any event within two (2) Business Days of receiving a request for information;

26.2.2 provide the Host Authority with a copy of all information in its possession or power in the form the Host Authority reasonably requires within ten (10) Business Days (or such longer period as the Host Authority may specify) of the Host Authority requesting that information; and

26.2.3 provide all necessary assistance as reasonably requested by the Host Authority to enable the Host Authority to respond to a request for information within the time for compliance set out in the FOIA or the EIR.

26.3 The Parties acknowledge and agree that the Host Authority shall be responsible for co-ordinating any response on behalf of the relevant Parties to the extent they relate to the Growth Deal and all costs incurred shall be accounted for as Joint Committee Costs.

26.4 The Host Authority shall be responsible for determining in their absolute discretion whether any information requested under the FOIA or the EIR:-

26.4.1 is exempt from disclosure under the FOIA or the EIR; and

26.4.2 is to be disclosed in response to a request for information.

26.5 Each Party acknowledges that the Host Authority may be obliged under the FOIA or the EIR to require the Receiving Party to disclose and, acting upon the instructions of the Host Authority, the Receiving Party shall disclose information:-

26.5.1 without consulting with the other Parties where it has not been practicable to achieve such consultation; or

26.5.2 following consultation with the other Parties and having taken their views into account.

**27. NOTICES**

27.1 Any notice or demand in connection with this Agreement to any Party shall be in writing and may be delivered by hand, prepaid first class post, special delivery post or email, addressed to the recipient at the address as the case may be set out in Schedule 3 (Parties' Details) or such other recipient address as may be notified in writing from time to time by any of the Parties to all the other Parties.

27.2 Any notice or demand in connection with this Agreement to the Joint Committee shall be in writing and may be delivered by hand, prepaid first class post, special delivery post or email, addressed to the Programme Director with copies sent to the Chief Executive of Gwynedd Council, Iwan Evans and Hedd Vaughan-Evans.

27.3 Iwan Evans, the Monitoring Officer and Hedd Vaughan-Evans (Operations Manager) are at the same address as the Chief Executive which is the address as the case may be as set out in Schedule 3

(Parties' Details) or such other recipient address as may be notified in writing from time to time by the Host Authority to all the Parties and their email addresses are [iwangdevans@gwynedd.llyw.cymru](mailto:iwangdevans@gwynedd.llyw.cymru) and [HeddVaughanEvans@buegogleddcymru.co.uk](mailto:HeddVaughanEvans@buegogleddcymru.co.uk) respectively.

27.4 The notice or demand shall be deemed to have been duly served:-

27.4.1 if delivered by hand, when left at the proper address for service;

27.4.2 if given or made by prepaid first class post or special delivery post, forty-eight (48) hours after being posted (excluding days other than Business Days); or

27.4.3 if given or made by email, at the time of transmission,

provided that, where in the case of delivery by hand or email such delivery or transmission occurs either after 4.00pm on a Business Day or on a day other than a Business Day service shall be deemed to occur at 9.00am on the next following Business Day.

27.5 For the avoidance of doubt, where proceedings to which the Civil Procedure Rules apply have been issued, the provisions of the Civil Procedure Rules must be complied with in respect of the service of documents in connection with those proceedings.

## 28. **GOVERNING LAW**

This Agreement and any non-contractual obligations arising out of or in connection with it shall be governed by and construed in all respects in accordance with the laws of England and Wales. Subject to Clause 24 (Dispute Resolution), the English and Welsh Courts shall have exclusive jurisdiction to settle any disputes which may arise out of or in connection with this Agreement.

## 29. **ASSIGNMENT**

The rights and obligations of the Parties under this Agreement shall not be assigned, novated or otherwise transferred without the consent of the other Parties.

## 30. **WAIVER**

30.1 No failure or delay by any Party to exercise any right, power or remedy will operate as a waiver of it nor will any partial exercise preclude any further exercise of the same or some other right, power or remedy unless a waiver is given in writing by that Party.

30.2 Each Party shall pay their own costs incurred in connection with the preparation, execution, completion and implementation of this Agreement.

## 31. **ENTIRE AGREEMENT**

This Agreement contains all the terms which the parties have agreed in relation to the subject of this Agreement and supersedes any prior written or oral agreements, representations or understandings between the Parties relating to such subject matter. No Party has been induced to enter into this Agreement or any of these documents by statement or promise which they do not contain, save that this Clause shall not exclude any liability which one Party would otherwise have to the other in respect of any statements made fraudulently by that Party.

## 32. **COUNTERPARTS**

This Agreement may be executed in any number of counterparts each of which so executed shall be an original but together shall constitute one and the same instrument. A complete signed copy of this Agreement delivered by e-mail in a pdf format from each Party shall be deemed to have the same legal effect as delivery of an original signed copy of this Agreement. Each Party shall hold its signed copy to order of the Host Authority and the Agreement shall be dated on the date that the Host Authority dates its copy of the Agreement.



33. **RELATIONSHIP OF PARTIES**

Each Party is an independent body and nothing contained in this Agreement shall be construed to imply that there is any relationship between the Parties of partnership or (except as expressly provided in this Agreement) of principal/agent or of employer/employee. No Party shall have the right to act on behalf of another nor to bind the other by contract or otherwise except to the extent expressly permitted by the terms of this Agreement. In particular for the avoidance of doubt, none of the provisions relating to the principles of working in partnership shall be taken to establish any partnership as defined by The Partnership Act 1890.

34. **STATUTORY RESPONSIBILITIES**

Notwithstanding anything apparently to the contrary in this Agreement, in carrying out their statutory duties, the discretion of any Party shall not be fettered or otherwise affected by the terms of this Agreement.

**SCHEDULE 1**  
**DELEGATIONS POLICY**

DECISION	PROGRAMME DIRECTOR MATTER	JOINT COMMITTEE MATTER	RESERVED MATTER
<b>KEY THEMES</b>			
1. Approval and adoption of OBP			<b>Yes</b>
2. Approval and adoption of any updated OBP save to the extent any such update amounts to a material change to the prevailing OBP or a material change in the content of the Portfolio Programme or any Project Business Case of any of the Approved Projects (in which case the decision to approve and adopt such updated OBP shall be a Reserved Matter)  For the avoidance of doubt, a material change is a change which (includes but is not limited to) any change already captured as a "Reserved Matter" in this Agreement.		Yes	
3. Approval and adoption of Programme and Portfolio Business Cases including any updates in accordance with Clause 13 (Business Plan)		Yes	
4. Approval and adoption of the Project Business Cases in accordance with Clause 13 (Business Plan)		Yes	

DECISION	PROGRAMME DIRECTOR MATTER	JOINT COMMITTEE MATTER	RESERVED MATTER
5. Subject to 2 above, varying the Programmes to be delivered.		Yes	
<b>FUNDING AND EXPENDITURE</b>			
6. Agreeing any increase in the Councils' Contribution or the Advisers' Contribution or any Adviser's Individual Contribution			<b>Yes</b>
7. Approval of any disproportionate Internal Costs pursuant to Clause <b>15.2.2</b> (Commitment of the Parties and Contributions)		Yes	
8. Approval of expenditure within the approved Annual Budget of the Host Authority held on behalf of the Joint Committee set out in Clause <b>15.4</b> (Annual Budget)	Yes		
9. Save where provided for in Clause <b>15.4.3</b> where increases subject to index rate shall not require any formal approval (Annual Budget Annual Increases), approval of any further increase to the Annual Budget Contributions shall be a Reserved Matter for the Parties			<b>Yes</b>
10. any changes to the Councils' Supplementary Contribution shall be a <b>Council Matter</b> for the Councils only			<b>Yes – Council Matter only</b>
11. a decision pursuant to Clause 9.1.3 (Corporate Joint Committee) shall be			<b>Yes – Council Matter only</b>

DECISION	PROGRAMME DIRECTOR MATTER	JOINT COMMITTEE MATTER	RESERVED MATTER
a <b>Council Matter</b> for the Councils only			
12. Transfer of funds allocated from one Project to another		Yes	
13. The Host Authority entering into (or agreeing to enter into) any borrowing arrangement on behalf of the Joint Committee and/or giving any security in respect of any such borrowing		Yes	
14. Accepting terms and conditions in relation to any third party funding for the Growth Deal or Growth Vision		Yes	
15. Agreeing the form of the Gateway Reviews	Yes		
16. Agreeing any Welsh Government or UK Government Funding Conditions		Yes	
<b>GENERAL</b>			
17. Approval of the draft Business Delivery Board's terms of reference which are attached at Part 5 of Schedule 2		Yes	
18. Replacement of the Host Authority pursuant to Clause 6.3 (The Host Authority)		Yes	
19. Issue of written notice to a Defaulter to remedy a breach or be treated as			<b>Yes<sup>10</sup></b>

<sup>10</sup> NWEAB TO CONFIRM

DECISION	PROGRAMME DIRECTOR MATTER	JOINT COMMITTEE MATTER	RESERVED MATTER
having withdrawn from the Joint Committee pursuant to Clause 2.3 (Termination)			
20. Any decision to appoint or later remove further bodies or organisations as a signatory Adviser who is or will be a Party to the Agreement to provide financial support to the Joint Committee shall be a Reserved Matter.			<b>Yes</b>
21. Establishment of a sub-committee, sub-group or project management body pursuant to this Agreement and determining their terms of reference and scope of delegation.		Yes	
22. Making any variations to or waiving any rights to or terminating any contracts signed by Parties / the Host Authority (other than this Agreement) which are material to the Growth Deal.		Yes	
23. Amendments to the terms of this Agreement			<b>Yes</b>
24. Approval of the Staffing Structure of the Portfolio Management Office		Yes	
25. The engagement and dismissal (and setting terms engagement of) of members of staff of the Portfolio Management Office other than the Programme Director	Yes		
26. The engagement and dismissal (and setting		Yes	

DECISION	PROGRAMME DIRECTOR MATTER	JOINT COMMITTEE MATTER	RESERVED MATTER
terms engagement of) of the Programme Director.			
27. Commencing any claim, proceedings or other litigation brought by or settling or defending any claim, proceedings or other litigation brought against the Joint Committee or individual Party in relation to the Growth Deal, except in relation to debt collection in the ordinary course of business.		Yes	
28. Making any announcements or releases of whatever nature in relation to the Joint Committee and the Growth Deal	Yes		
29. Approval of the Business Case for creation of a local authority trading company under Local Government Act 2003			Yes
30. Any decision to convert to a Corporate Joint Committee			Yes
31. Subject to the terms of this Agreement, any other matters not covered in Schedule 1 (Delegations Policy) which facilitate, or are conducive or incidental to, the discharge of the Joint Committees Terms of Reference		Yes	

## SCHEDULE 2

### TERMS OF REFERENCE

#### PART 1

#### JOINT COMMITTEE TERMS OF REFERENCE

##### 1. AIMS/PURPOSE

- 1.1 The Joint Committee will be the key body to oversee the Growth Deal and to represent the interests of the Parties and its stakeholders and, subject to this Agreement will take all necessary decisions to facilitate and implement its delivery. The Joint Committee will also be responsible for monitoring programme progress and managing the political dimensions of the Growth Deal.
- 1.2 The Joint Committee will also oversee the Growth Vision and, subject to this agreement will take all necessary decisions to facilitate and implement its delivery.
- 1.3 The Joint Committee will carry out the following functions:-
- 1.3.1 determine the form of and number of fund(s) to deliver the Growth Deal;
  - 1.3.2 approve Project Business Cases to deliver the Growth Deal in accordance with the OBP;
  - 1.3.3 provide strategic direction to the Executive Support Group (to include approval of remit for the Executive Support Group and approval of any resourcing issues);
  - 1.3.4 act as a representative for each of the Parties to ensure consistency with individual objectives and visions;
  - 1.3.5 monitor performance, management and working arrangements (to include the necessary audit and assurance checks);
  - 1.3.6 ensure that sufficient resources are committed to the Growth Deal;
  - 1.3.7 arbitrate on any conflicts within the programme or negotiate a solution to any problems between the programme and external bodies;
  - 1.3.8 communicate and provide progress on strategic issues within the Growth Deal;
  - 1.3.9 promote partnership working between the Parties;
  - 1.3.10 publish annual governance statement and Annual Accounts;
  - 1.3.11 liaise with other Growth Deal or City Deal partners across the United Kingdom to share best practice and ensure a co-ordinated strategic approach;
  - 1.3.12 provide the Parties with annual progress reports; and
  - 1.3.13 update the Delegations Policy from time to time.

##### 2. TERMS

- 2.1 At the start of the Growth Deal, to:-
- 2.1.1 finalise any Business Cases pursuant to Clause 13; and
  - 2.1.2 agree the detail of the decision-making process and assessments prior to the Joint Committee considering individual projects.

- 2.2 During the planning and development stages, to:-
- 2.2.1 review project status against the approved plans;
  - 2.2.2 monitor the management of project budget, risks and quality;
  - 2.2.3 promote and support the project among relevant stakeholders and where appropriate obtain their consent;
  - 2.2.4 seek to resolve disputes where these cannot be resolved satisfactorily through other means; and
  - 2.2.5 ensure that the proposals are affordable and deliver maximum value for money for the public sector.



## PART 2

### EXECUTIVE SUPPORT GROUP'S TERMS OF REFERENCE

#### 1. STATUS

- 1.1 The Group is a professional executive which supports and advises, and enacts the decisions of, the North Wales Economic Ambition Board.
- 1.2 The Group does not have any formal decision-making powers and will advise those officers of the Board, who have delegated powers, in the exercise of their powers.

#### 2. PURPOSE OF GROUP

- 2.1 To (a) co-ordinate professional advice to the North Wales Economic Ambition Board (hereafter referred to as 'the Board'); (b) to enact the decisions of the Board; (c) to oversee the deployment and management of the resources of the Board and (d) to be responsible for the performance management of the work-streams, programmes and projects of the Board.
- 2.2 The Group has the following specific roles and responsibilities:-

##### **Strategic**

- 2.2.1 to provide strategic advice on the development of the Growth Vision;
- 2.2.2 to provide professional advice to the Board in the specific fields of transport, skills and employment, economic development, housing, land use planning, and digital;
- 2.2.3 to provide advice on the development of a regional strategy for place regeneration.

##### **Programme and Project Management**

Act as the Portfolio Board to oversee the development, co-ordination and delivery of the Programmes and projects within the Growth Deal and to oversee the development, co-ordination and delivery of other projects commissioned by the Board to deliver the Growth Vision.

##### **Performance Management**

- 2.2.4 to oversee the management and reporting of performance for the programmes and projects of the Board; and
- 2.2.5 to maintain and manage performance management and risk management reporting systems.

##### **Administration and Communications**

- 2.2.6 to support the governance structure and ensure its efficient operation;
- 2.2.7 to oversee a communications strategy; and
- 2.2.8 to act as a "clearing house" for reports to the Board.

#### 3. MEMBERSHIP

- 3.1 The chairperson of the Joint Committee or appropriate deputy
- 3.2 Programme Director
- 3.3 The s.151 and Monitoring Officers from the Host Authority

3.4 A senior officer from the following:-

- 3.4.1 Gwynedd Council;
- 3.4.2 Anglesey Council;
- 3.4.3 Conwy Council;
- 3.4.4 Denbighshire Council;
- 3.4.5 Flintshire Council;
- 3.4.6 Wrexham Council;
- 3.4.7 Bangor University;
- 3.4.8 Glyndwr University;
- 3.4.9 Coleg Cambria;
- 3.4.10 Grwp Llandrillo-Menai;
- 3.4.11 Business Delivery Board.

4. **MEETING SCHEDULES**

- 4.1 Meetings will be held on the second Friday of every month or as otherwise agreed by the Executive Group in order to facilitate its functions.
- 4.2 However, extraordinary meetings will be convened where deemed necessary.

5. **SECRETARIAT**

Secretariat for the Group will be provided by the Portfolio Management Office.

### PART 3

#### PORTFOLIO MANAGEMENT OFFICES TERMS OF REFERENCE

1. To provide a professional support team lead by the programme director for the successful delivery of the agreed economic ambition board programme for achieving economic growth and unlocking government funding
2. To provide professional advice and direction to the economic ambition board on key strategies in support of the above, in particular transport, skills and employment, economic development and sector growth, digital infrastructure, and land use planning;
3. To support the development and delivery of north wales growth vision, providing advice and direction for the board to maximise the potential to deliver sustainable and inclusive economic growth in north wales;
4. To co-ordinate the development and delivery of the growth deal for north wales and the
5. To work closely with the business sectors in the region in order to identify opportunities to secure economic growth;
6. To work in collaboration and in partnership with key officers from the uk government and the welsh government to deliver the priorities of the economic ambition board;
7. To lead the procurement of goods, works and services subject to approval by the Joint Committee as more particularly set out in paragraph 3 of part 1 of this Schedule.
8. To be responsible for resource management to include (but not limited to):
  - (a) to maintain an annual budget for the Board;
  - (b) to oversee deployment of the budget;
  - (c) to ensure value for money in the use of the budget; and
  - (d) to make appointments and enter into contracts with the approval of the Board and within the approved budget, and in accordance with the policies of the Host Authority

## PART 4

### SUB-COMMITTEE TERMS OF REFERENCE

#### TERMS OF REFERENCE

#### TRANSPORT DELIVERY SUB-BOARD

The North Wales Economic Ambition Board (“EAB”) appoints a Transport Delivery Board to discharge the functions set out below.

The Sub-Board will be a Sub-Committee appointed under Section 102 of the Local Government Act 1972 and Section 20 of The Local Government Act 2000 and Regulation made thereunder

The Sub- Board shall comprise of 6 Councillors, one from each Partner Council who will be Executive Members.

Observers may be invited to attend based on their knowledge and potential contribution to the areas of responsibility.

#### ROLE:

- The to plan and co-ordinate a joined-up and integrated strategic transportation service in North Wales;
- to plan, co-ordinate and advise on regional responses to the Welsh Government Improving Public Transport proposals.
- to plan and co-ordinate the delivery of strategic transportation interventions, including Growth Bid and transport decarbonisation projects;
- to report to the NWEAB on progress, performance, outcomes and funding issues. Delivery Sub-Board will be a Sub-Committee of the North Wales Economic Ambition Board.

#### PURPOSE:

To respond to and implement the briefs and commissions as instructed and agreed by the Economic Ambition Board.

The Sub-Board have the following generic roles and responsibilities within their Role:

##### Strategic

- to co-ordinate Local Authority and other partner activity so that a strategic regional approach takes place in the relevant policy area;
  - to provide relevant strategic advice to the Board;
  - to support the Board to influence national policies and funding programmes;
- to enact the decisions of the Economic Ambition Board. The Economic Ambition Board will provide direction and commission the Delivery Sub-Boards to undertake key tasks.

##### Programme & Project Management

- to co-ordinate the planning, development and delivery of relevant Programme(s) commissioned by the Economic Ambition Board;
- to co-ordinate the planning, development and delivery of relevant Projects commissioned by the Economic Ambition Board, specifically the Projects included in the Growth Deal “Bid”. This will include the development of individual Outline Business Case and 5 Case Business Models for each Project;
- to monitor and review progress and impact of relevant Programme(s) and related Projects, and to put forward any recommendations to the Board.

### **Resource Management**

- To oversee the deployment of the relevant budget and to ensure value for money in the use of the budget.
- To report to the EAB on the budget and to seek approval from the EAB for any variations in the budget.

### **Performance Management**

- To co-ordinate the reporting of performance of the relevant Programme(s) and Projects to the Board;
- To maintain and manage performance and risk management reporting system.

### **Sub-Committee Powers**

None delegated.

## **RELATIONSHIP WITH EAB**

- The Chair of each Delivery Sub-Board will be invited to some meetings of the Economic Ambition Board to report on progress, performance and outcomes.
- The Economic Ambition Board will create a Portfolio Lead for each of the Delivery Sub-Board themes. They will be Observers in meeting of the Sub-Board, and will ensure a direct link with the Economic Ambition Board.

## **PROCEDURE AND GOVERNANCE**

- A Lead Officer for each of the Delivery Sub-Board will be appointed.
- Decisions will normally be reached by achieving consensus and then a formal vote amongst the 6 local authority members requiring a simple majority.
- In the event that a vote is deadlocked the issue will be referred to the EAB for decision.
- In all other respects the Sub-Board will apply the rules and procedures which apply to the EAB as set out in GA1 or any subsequent superseding agreement.

## SCHEDULE 2

### PART 5

#### Business Delivery Board's Terms of Reference

### **BUSINESS DELIVERY BOARD**

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#### **1. Role and Remit**

- 1.1. The Business Delivery Board will act as the voice of the business and employers in the region, working closely with organisations such as the North Wales & Mersey Dee Business Council (the umbrella body for Business representative organisations). It will focus on the delivery of the Growth Vision for the region.
- 1.2. It will have a key role in challenging and advising the North Wales Economic Ambition Board on matters relating to the Growth Vision and Growth Deal.
- 1.3. The Board will highlight the barriers to growth, as well as bring forward ideas and proposals. It will be expected that the North Wales Economic Ambition Board will consider ways in which such proposals can be delivered.
- 1.4. The Board is a key part of the Growth Deal governance apparatus and performs an important two-fold role:
  - To ensure the voice and wishes of business shape and influence the Growth Vision for North Wales and the Growth Deal package and delivery;
  - To ensure that opportunities galvanised and catalysed by the development of the Growth Deal can be accessed and led by businesses.
- 1.5. The Board is committed to optimising the opportunities within the Growth Deal, and promoting investment leverage from companies, enterprises and businesses.
- 1.6. The Board will consist of a Chair and between 9-12 members. Its membership will include representatives and sector experts from key businesses from the growth and foundation economic sectors across the region. There is an expectation that the Board Members will include senior decision makers from representative organisations.
- 1.7. Its programme of work (which will be set out in an annual business plan) will demonstrate clearly the private sector opportunities stemming from the delivery of the Growth Vision and Growth Deal. The annual business plan and proposals brought forward by the Board will be formally considered by the North Wales Economic Ambition Board for incorporation within its work programme.
- 1.8. It will strengthen the profile of the business voice and input into the Growth Deal, in order that whilst it is politically-led, it is business and industry driven and delivered.
- 1.9. The Board will ensure that investment in growth is informed and shaped by business for business.
- 1.10. The Chair of the Board will be an Adviser of the North Wales Economic Ambition Board and, in partnership with the North Wales Economic Ambition Board will play a key role in providing

leadership and key relations with Welsh Government and the UK Government. The post of Chair will be advertised and publicly appointed.

1.11. The constitution and role of the Board within the governance of the Growth Deal and its inter-relationship with the Joint Committee will be encapsulated in Governance Agreement 2. The Board must be flexible to change their constitution and role as they fit in order to be as independent as possible. The constitution and role of the Board and any amendments will be agreed with the North Wales Economic Ambition Board.

1.12. The North Wales Economic Ambition Board will fully consider and take into account any advice or challenge from the Business Delivery Board. Any formal recommendations made by the Business Delivery Board to the North Wales Economic Ambition Board will be presented in a written report to them which will be considered at a meeting of the Board and the response and reasons will be recorded and communicated.

## **2. Key Responsibilities**

2.1. The Business Delivery Board will be responsible for:

- Reviewing and shaping the Growth Vision for North Wales;
- Provide review and challenge to the portfolio of projects proposed within the Growth Deal, and consider and challenge the Full Business Cases for individual projects maximising the impact of the Growth Deal for the region, securing additional direct and indirect private sector investment for the Deal.;
- Focus on the delivery of projects commissioned by the North Wales Economic Ambition Board, and ensure that opportunities catalysed by the Growth Deal can be accessed and led by businesses;
- Provide an advocacy role, promoting the region as a prime investor and visitor location and working with partners to increase the value and quality for inward investment;
- Provide advice on proposed intervention from other key stakeholders, including Welsh Government.

2.2. It will work closely and in partnership with the North Wales Economic Ambition Board.

## **3. The Chair of the Board**

3.1. The Chair will be appointed on a two-year fixed term basis, with the maximum number of terms limited to two.

3.2. The time commitment, whilst flexible, is assumed to be an average of 1 day a week, though the level of commitment will fluctuate across the term.

3.3. The role will be remunerated at a level which reflects the significance of the role.

3.4. The Chair will be responsible for:

- Leading the Board, ensuring it fulfils its responsibilities;
- Chair meetings of the Board, collecting views expressed by each stakeholder group and where necessary arriving at a consensus;
- Communicating and representing the recommendations of the Board on the North Wales Economic Ambition Board;

- Being a “business” figurehead and champion of the region both nationally and internationally.

The Chair should have the following background and experience:

- Be a member of the private sector business community;
- Have extensive senior leadership experience;
- Have a wide network of public, private and government contacts which extends beyond the region.

3.5. Strategic, research, policy and media support will be provided to the Chair and the Business Delivery Board by the Portfolio Management Office (once fully established).

3.6. Both the UK Government and Welsh Government will need to approve the appointment of the Chair. The process will be overseen by the North Wales Economic Ambition Board. Subject to the approval of both the UK and Welsh Governments the Chair will be appointed by the North Wales Economic Ambition Board.

3.7. The Chair will be appointed in accordance with the acknowledged standards for public appointments, including an open advert.

#### **4. Selecting the Business Delivery Board Members**

4.1. The selection process must be open and transparent, accompanied by the selection criteria listed below.

4.2. The Appointment Panel will consist of the Chair and Vice-Chair of the North Wales Economic Ambition Board and the Chair of the Business Delivery Board. The Panel will put forward recommendations to the Economic Ambition Board for approval of the most suitable candidates to appoint.

4.3. The Board Membership role will be advertised publicly to encourage a diverse range of applications. The collective set of skills and experience of the Board will be a key consideration. There will be an application process which will allow for proposed members to be nominated.

4.4. Collectively, the Board should have the following knowledge and skills:

- Understanding of the economy of North Wales and an appreciation of opportunities in the growth and foundation economic sectors across the region;
- A wide network of contacts across the UK and internationally;
- Experience of analysing and assessing commercial, technical and financial information in order to provide quality advice to decision makers;
- Experience of providing impartial advice on projects and initiatives, particularly in relation to their viability and impact on economy and employment issues.

4.5. The process will be undertaken in consultation with both Governments.

4.6. In appointing members consideration will be given to establishing a membership which as far as possible is balanced overall so that it reflects and represents the whole of the geographical area of North Wales its business sectors and communities and this will need to be taken into account during the appointment process.



**5. Conflict of Interest**

- 5.1. To allow the Business Delivery Board to undertake all its function, a clear distinction will be drawn between those involved in specific project development and those preparing recommendations on those projects to the North Wales Economic Ambition Board. A robust system of declaration of conflict of interest will be put in place. In addition, Advisors to the Economic Ambition Board are governed by a GA Code of Conduct and the Conflicts Policy in relation to personal interests. Members appointed to the Business Delivery Board will be expected to comply with the same provisions.

**6. GA2**

- 6.1 As part of each party's appointment to the Business Delivery Board they will each acknowledge and accept the terms of the GA2 and will be expected to comply with the same to include (but not limited to) Clause 22 (Confidentiality and Announcements).

**SCHEDULE 3**  
**SCRUTINY PROTOCOL**

**1. Communication and Awareness Raising**

- 1.1 The Portfolio Management Office will prepare a quarterly report on the work of the Economic Ambition Board which shall include:
- Progress on implementation of the OBP including individual Programmes and Projects.
  - The Financial Performance of the Board
  - Forthcoming developments.
- 1.2 The report shall be sent to each Partner Organisation and shall be in a format which will facilitate its submission into the Partners Scrutiny or other governance arrangements as the Partners determine.
- 1.3 An Officer of the Portfolio Management Office will be available to attend at a relevant meeting provided, in the absence of special circumstances or call in of a decision no single Partner may require an officer to attend more than two of their meetings per annum.

**2. Call in**

- 2.1 All decisions of the EAB or its Sub-Boards (“Decision Body”) will be recorded and published on a statement of decisions prepared in compliance with Local Authorities (Executive Arrangements) (Decisions, Documents and Meetings) (Wales) Regulations 2001 That notice will also be sent electronically at the time of publication to the head of Democratic Services of the Councils to be dealt with in accordance with the governance arrangements of their respective Councils in relation to Scrutiny.
- 2.2 Notwithstanding any provision in the Constitution of any Council no decision of a Decision Body may be called by any Council at the expiry of 5 clear working days (which shall be taken to expire at 17:00 on the final day) following the date of publication of the statement of decision.
- 2.3 In the event that a request for call in of a decision is served in compliance with that Councils Constitution a copy of that notice or notices shall be sent to the following as soon as reasonably practicable thereafter:
1. Monitoring Officer of each of the Other Councils
  2. Programme Director
  3. Board representative of the other Partners
- 2.4 The Council will arrange for the matter to be considered at a meeting of the relevant Scrutiny Committee to be held no later than 15 clear working days from the date of the notice of Call in being accepted by that Council.
- 2.5 No decision of a Decision Body may be called in more than once by any Council and re-consideration of a decision shall not be subject to Call In by any Council.
- 2.6 Representatives of the Joint Committee and of the Portfolio Management Office shall be invited to attend and speak at the meeting of a Scrutiny Committee which considers the request for call in.
- 2.7 If, having considered the decision, the Scrutiny Committee is still concerned about it, then it may refer it back to the decision making body for reconsideration, setting out in writing

the nature of its concerns to the decision maker they shall then reconsider within a further 15 clear working days, amending the decision or not, before adopting a final decision.

- 2.8 Notice of the recommendations of the Scrutiny meeting shall be served in writing on the Programme Director, Monitoring Officer and Chief Finance Officer of the Joint Committee no later than 5 clear working days after the date of the meeting.
- 2.9 The call-in procedure set out above shall not apply where the decision being taken is urgent. A decision will be urgent if any delay likely to be caused by the call-in process would, for example, seriously prejudice the work of a Decision Body or other public interests. The decision of whether a matter is urgent will be taken by resolution of the Decision Body setting out the grounds for the decision. The record of the decision, and notice by which it is made public, shall state whether in the opinion of the decision making body, the decision is an urgent one, and therefore not subject to call-in and the grounds for that decision.

## SCHEDULE 4

### PARTIES' DETAILS

Recipient's name	Address	Email
Conwy Council:- [Chief Executive]	PO Box 1, Conwy, LL30 9GN	Iwan.davies@conwy.gov.uk
Denbighshire Council:- [Chief Executive]	PO Box 62, Ruthin, LL15 9AZ	Judith.greenhalgh@denbighshire.gov.uk
Flintshire Council:- [Chief Executive]	County Hall, Mold CH7 6NB	Chief.executive@flintshire.gov.uk
Gwynedd Council:- [Chief Executive]	Gwynedd Council Shirehall Street Caernarfon LL55 1SH	dilwynowenwilliams@gwynedd.llyw.cymru
Isle of Anglesey Council:- [Chief Executive]	Council Offices Llangefni Anglesey LL77 7TW	AnnwenMorgan2@ynysmon.gov.uk
Wrexham Council: [Chief Executive]	The Guildhall Wrexham LL11 1AY	Ian.bancroft@wrexham.gov.uk
Bangor University:- [Vice Chancellor]	College Road, Bangor, Gwynedd LL57 2DG	vc@bangor.ac.uk
Glyndwr University:- [Vice Chancellor]	Glyndŵr University Mold Road Wrexham LL11 2AW	Maria.Hinfelaar@glyndwr.ac.uk
Coleg Cambria:- [Chief Executive]	Kelsterton Road Connah's Quay Deeside Flintshire CH5 4BR	Yana.williams@cambria.ac.uk

<b>Recipient's name</b>	<b>Address</b>	<b>Email</b>
GRWP Llandrillo Menai:- [Chief Executive]	Llandudno Road, Colwyn Bay, LL28 4HZ	dafydd.evans@gllm.ac.uk
Business Delivery Board	Conwy Business Centre Llandudno Junction Conwy  LL31 9XX	AlwenWilliams@buegogleddcymru.co.uk – to be updated when Chair of the Business Delivery Board is appointed
Programme Director	Conwy Business Centre Llandudno Junction Conwy  LL31 9XX	AlwenWilliams@buegogleddcymru.co.uk

## SCHEDULE 5

### HEADS OF EXPENDITURE

1. The following is a non-exhaustive list of the heads of expenditure that may be incurred by the Parties in the Growth Deal:-
  - 1.1 "**Internal Costs**" means the costs associated with each Party providing internal resources in relation to the Growth Deal which includes but is not limited to:-
    - 1.1.1 staffing costs and associated overheads;
    - 1.1.2 project management / technical & admin support;
    - 1.1.3 communications; and
    - 1.1.4 (where applicable) costs incurred in respect of managing FOIA requests pursuant to Clause 26 (Freedom of Information and Environmental Information).
  - 1.2 "**Joint Committee Costs**" means the operational and management costs of the Joint Committee, (and its sub committees and groups created pursuant to Clauses 9.8 and 9.9) which includes but is not limited to:-
    - 1.2.1 staffing costs and associated overheads including but not limited to the costs and liabilities of the appointment and any termination of appointment of the Programme Director and each individual within the Portfolio Management Office;
    - 1.2.2 project management / technical & admin support;
    - 1.2.3 communications;
    - 1.2.4 Translation costs;
    - 1.2.5 the costs incurred by the Host Authority in carrying out the duties of the Host Authority pursuant to Clauses 6 and 7;
    - 1.2.6 the costs incurred by the Joint Committee and/or the Host Authority in developing the Portfolio Business Cases and the Project Business Cases for the Regional Project including but not limited to external professional advice; and
    - 1.2.7 without double counting, any other external professional advice.
  - 1.3 For the avoidance of doubt, Internal Costs and Joint Committee Costs do not include any revenue costs or capital investment relating to the implementation of any project pursuant to the Growth Deal.

## **SCHEDULE 6**

### **ACCOUNTING PERIODS**

1. The initial Accounting Period shall be the date of this Agreement until 31 March and thereafter shall be:-

1 April to 31 March

2. Each Quarter shall be shall be the date of this Agreement until 31 March and thereafter shall be:-

- 1 April to 30 June;
- 1 July to 30 September;
- 1 October 31 December; and
- 1 January to 31 March.

## SCHEDULE 7

### CODE OF CONDUCT FOR NWEAB ADVISERS

1. You must in all matters consider whether you have a personal interest and whether this code of conduct requires you to disclose that interest.
2. You must regard yourself as having a personal interest in any business of the North Wales Economic Ambition Board if:-
  - 2.1 it is likely to affect the well-being or financial position of such persons below to a greater extent than other tax payers in North Wales:-
    - 2.1.1 you;
    - 2.1.2 anyone with whom you live; or
    - 2.1.3 anyone with whom you have close personal association;
  - 2.2 it relates to or is likely to affect any of the following:-
    - 2.2.1 any employment or business of such a person;
    - 2.2.2 any person who employs or has appointed such a person, any firm in which such a person is a partner or any company for which such a person is a remunerated director;
    - 2.2.3 any corporate body which has a place of business or land in North Wales, and in which any such persons has a beneficial interest in a class of securities of that body that exceeds the nominal value of £25,000 or one hundredth of the total issued share capital of that body;
    - 2.2.4 any contract for goods, services or works made between the NWEAB:-
      - (a) any such person;
      - (b) a firm in which such a person is a partner;
      - (c) a company of which such a person is a remunerated director; or
      - (d) a body of the description specified in sub-paragraph (iii) above;
    - 2.2.5 any land in North Wales:-
      - (a) in which such a person has a beneficial interest; or
      - (b) which such a person has a licence (alone or jointly with others) to occupy for 28 days or more;
    - 2.2.6 any land where the landlord is the NWEAB and the tenant is:
      - (a) a firm in which such a person is a partner;
      - (b) a company of which such a person is a remunerated director; or
      - (c) a body of the description specified in sub-paragraph 2.2.3 uwchben;
    - 2.2.7 any of the following bodies in which such a person is a member or holds a position of general control or management:-
      - (a) a public authority or body exercising functions of a public nature;



- (b) a company, industrial and provident society, charity, or body directed to charitable purposes;
- (c) a body whose principal purposes include the influence of public opinion or policy;
- (d) a trade union or professional association; or
- (e) a private club, society or association operating within North Wales.

### **Declaration of Personal Interests**

3. Where you have a personal interest in any business of the NWEAB and you attend a meeting at which that business is considered, you must declare the existence and nature of that interest before or at the commencement of that item, or when the interest becomes apparent.
4. Where you have a personal interest in any business of NWEAB and you write or speak to an officer or member of the NWEAB then you must:-
  - 4.1 include details of that interest in the written communication; or
  - 4.2 declare the interest at the commencement, or when it becomes apparent to you that you have such an interest.
5. You must, in respect of a personal interest not previously declared, before or immediately after the close of a meeting where the declaration is made, give written notification to the NWEAB's monitoring officer on the prescribed form, containing:-
  - 5.1 details of the personal interest;
  - 5.2 details of the business to which the personal interest relates; and
  - 5.3 your signature.
6. A personal interest is also a prejudicial interest if it is one which a member of the public with knowledge of the relevant facts would reasonably regard as so significant that it is likely to prejudice your judgement of the public interest except as set out in paragraph 7 islaw.
7. You will not be regarded as having a prejudicial interest in any business where:
  - 7.1 that business is not the determination of any approval, consent, licence, permission or registration; or
  - 7.2 that business relates to:-
    - 7.2.1 another public authority or body exercising functions of a public nature in which you hold a position of general control or management;
    - 7.2.2 a body to which you have been elected, appointed or nominated by the NWEAB;
    - 7.2.3 your role as a school governor (where you are not appointed or nominated by an authority which is a member of NWEAB) unless it relates particularly to the school of which you are a governor;
    - 7.2.4 your role as a member of a Local Health Board where you have not been appointed or nominated by an authority which is a member of the NWEAB; or
    - 7.2.5 save that an interest shall not be considered as being personal and prejudicial where it relates to or is likely to affect the Party which has appointed the Adviser to the Joint Committee;

- 7.3 that business relates to:-
- 7.3.1 the housing functions of an authority which is a member of the NWEAB where you hold a tenancy or lease with that authority, provided that you do not have arrears of rent of more than two months, and provided that those functions do not relate particularly to your tenancy or lease; or
- 7.3.2 the functions of an authority which is a member of the NWEAB in respect of school meals, transport and travelling expenses, where you are a guardian, parent, grandparent or have parental responsibility (as defined in section 3 of the Children Act 1989) of a child in full time education, unless it relates particularly to the school which that child attends.
- 7.4 It relates to or is likely to affect an Adviser which has appointed you as its representative to the Joint Committee.

### **Overview and Scrutiny Committees**

8. You also have a prejudicial interest in any business before an overview and scrutiny committee of the NWEAB (or of a sub-committee of such a committee) where:-
- 8.1 that business relates to a decision made (whether implemented or not) or action taken by the NWEAB or another of its committees, sub-committees, joint committees or joint sub-committees; and
- 8.2 at the time the decision was made or action was taken, you were an adviser to the NWEAB, committee, sub-committee, joint-committee or joint sub-committee AND you were present when that decision was made or action was taken.

### **Participation in Relation to Disclosed Interests**

9. Where you have a prejudicial interest in any business of the NWEAB, unless you have obtained a dispensation from the Host Authority's Standards Committee, you must:-
- 9.1 withdraw from the room, chamber or place where a meeting considering the business is being held:-
- 9.1.1 where 9.1.2 below applies, immediately after the period for making representations, answering questions or giving evidence relating to the business has ended and in any event before further consideration of the business begins, whether or not the public are allowed to remain in attendance for such consideration; or
- 9.1.2 in any other case, whenever it becomes apparent that that business is being considered at that meeting;
- 9.2 not exercise NWEAB functions in relation to that business;
- 9.3 not seek to influence a decision about that business;
- 9.4 not make any written representations (whether by letter, facsimile or some other form of electronic communication) in relation to that business unless the public has a right to do so; and
- 9.5 not make any oral representations (whether in person or some form of electronic communication) in respect of that business or immediately cease to make such oral representations when the prejudicial interest becomes apparent unless the public has a right to do so.
10. Where you have a prejudicial interest in any business of NWEAB you may attend a meeting but only for the purpose of making representations, answering questions or giving evidence relating to the business, provided that the public are also allowed to attend the meeting for the same purpose, whether under a statutory right or otherwise.

11. Paragraph 12 does not prevent you attending and participating in a meeting if:-
  - 11.1 you are required to attend a meeting of an overview or scrutiny committee, by such committee exercising its statutory powers;
  - 11.2 you are attending only for the purpose of making representations, answering questions or giving evidence relating to the business, provided that the public are also allowed to attend the meeting for the same purpose, whether under a statutory right or otherwise; or
  - 11.3 you have the benefit of a dispensation provided that you:-
    - 11.3.1 state at the meeting that you are relying on the dispensation; and
    - 11.3.2 before or immediately after the close of the meeting give written notification to your authority containing:-
      - (a) details of the prejudicial interest;
      - (b) details of the business to which the prejudicial interest relates;
      - (c) details of, and the date on which, the dispensation was granted; and
      - (d) your signature.
12. Where you have a prejudicial interest and are making written or oral representations to the NWEAB in reliance upon a dispensation, you must provide details of the dispensation within any such written or oral representation and, in the latter case, provide written notification to the NWEAB within 14 days of making the representation.

**SCHEDULE 8**

**LIABILITY REPORT**

The Liability Report shall include (but shall not be limited to) irrecoverable expenditure incurred and committed in relation to the following:

	<b><u>Amount</u> (all figures in round pounds)</b>
Any committed costs including but not limited to those set out in Clause 19.5 (Withdrawal)	
Procurement Costs	
Costs associated with delays and having to revisit any procurements (including but not limited to the cost of legal, financial and technical advice)	
Land costs – costs associated with identifying and procuring land	
Staff costs (and associated overheads) in progressing the scheme:-  a) Consultancy / Advisers fees  b) Internal Project Management and monitoring  c) Internal Professional advice	
All other reasonable and properly incurred costs and losses (to include the cost of preparing the Liability Report)	
Any costs, claims and damages arising from any third parties in respect of any costs relating to any delay or arising from the termination	

Certified Correct \_\_\_\_\_  
 (Signed)

\_\_\_\_\_  
 (Date)

**SCHEDULE 9**  
**GROWTH VISION**

**SCHEDULE 10**  
**OVERARCHING BUSINESS PLAN**

**SCHEDULE 11**  
**CONFLICTS POLICY**

**CONFLICTS POLICY**

**DATED**

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**NORTH WALES ECONOMIC AMBITION BOARD**

**CONFLICTS OF INTEREST POLICY**

## 1. Introduction

- 1.1 This is the conflicts of interest policy ("**Conflicts Policy**") of the North Wales Economic Ambition Board ("**NWEAB**") which sets out the guidelines and procedures for identifying, monitoring and managing actual and potential conflicts of interest.
- 1.2 The Conflicts Policy seeks to highlight both:
- (a) Personal Interests (defined in paragraph 3); and
  - (b) Organisational Interests which relates to specific conflicts arising as a result of a person's duty to act in the best interests of both the NWEAB and its employer/organising body (defined in paragraph 4);
- together "**Interests**".
- 1.3 The Conflicts Policy applies to the members and advisers of the **NWEAB Bodies** as listed in Schedule 1 of this Conflicts Policy each individually a "**Person**".
- 1.4 The Conflicts Policy:
- (a) forms part of the conditions of appointment of each Person to an NWEAB Body (both present and future appointments);
  - (b) is deemed to be accepted by each and everyone acting in each role;
  - (c) is in force as at the date on the front page of this Conflicts Policy or, if earlier, the Commencement Date of the GA2; and
- 1.5 It is intended that the Conflicts Policy will be attached as a Schedule to the second Governance Agreement ("**GA2**") to be put in place between the Parties.

## 2. The purpose of this policy

- 2.1 The NWEAB is a Local Authority Joint Committee formed as part of a partnership between the North Wales Local Authorities (the Councils) and other bodies (the Advisers) listed in Schedule 1 of this Conflicts Policy.
- 2.2 It's governance principles and arrangements are set out in the first Governance Agreement ("**GA1**") which will be updated and superseded by the GA2 around the time the Growth Deal is signed which is schedule to be at end of 2020.
- 2.3 It is a public body administering and directing public resource and finance in the public interest. It adopts and promotes the highest standards of probity and accountability in its activities. The Councillors are governed by their Local Code of Conduct for Members of Local Authorities which includes, amongst other things, the management of Personal Interests and, in the case of Advisers to the Joint Committee acting in that role, a voluntary Code of Conduct relating to Personal Interests incorporated into GA1 and will be incorporated into GA2. Local Authority Officers are governed by their Code of Conduct which will generally apply to their conduct. The Conflicts Policy regulates each Person's role within NWEAB Bodies and is



intended to complement, and work alongside, these Codes of Conduct. In the event of any discrepancy, please report this immediately to the NWEAB's Monitoring Officer.

- 2.4 Conflicts of interest can inhibit open discussions and may result in a Person taking irrelevant considerations into account or making decisions that are not in the public's best interests. They can also damage the reputation of the NWEAB if it appears that a Person is influenced by personal interests or loyalties and in some circumstance create a risk of legal challenge to a decision. All Persons must therefore be alert to the possibility that they, or any member of a NEWAB body could be affected by a conflict of interest.
- 2.5 The NWEAB has recognised that the partnering and joint working approach to working with various sectors of the North Wales Economy mean that there will be occasions where members or participants in meetings, consultations and advisory capacities will have their own commercial or business Interests in the matter under consideration. This may mean that their ability to act in the public interest or the perception of their ability to act in the public interest will be undermined to the detriment of the NWEAB.
- 2.6 The procedures in this policy will enable the identification and management of conflicts of Interest.
- 2.7 This Conflicts Policy:-
- (a) aims to assist you in identifying and recognising conflicts of interest that may arise due to your role on an NWEAB body; and
  - (b) sets out the NWEAB'S expectations and requirements as to how such conflicts should be managed, in order to ensure that that conflicts do not prevent them from making decisions in the public interest and protect both the NWEAB and the NWEAB Team from any appearance of impropriety in cases where conflicts of interest arise.
- 2.8 It is your responsibility to ensure that you have read, understand and are able to comply with this Conflicts Policy.

### **3. Identifying a Personal Interest**

You must regard yourself as having an Personal Interest in any business of the North Wales Economic Ambition Board in which you are participating as a member of a NWEAB Body or advising that Body if:-

- 3.1 it does or is likely to directly or indirectly affect the well-being or financial position of such individuals below to a greater extent than other tax payers in North Wales:-
- (a) you;
  - (b) anyone with whom you live; or
  - (c) anyone with whom you have a "close personal association";
- 3.2 directly or indirectly relates to or is likely to directly or indirectly affect any of the following:-
- (a) any employment or business of such an individual;

- (b) anyone who employs or has appointed such an individual, any firm in which such an individual is a partner or any company for which such an individual is a remunerated director;
- (c) any corporate body which has a place of business or land in North Wales, and in which any such persons has a beneficial Interest in a class of securities of that body that exceeds the nominal value of £25,000 or one hundredth of the total issued share capital of that body;
- (d) any contract for goods, services or works made between the NWEAB:-
  - (i) any such person;
  - (ii) a firm in which such an individual is a partner;
  - (iii) a company of which such an individual is a remunerated director; or
  - (iv) a body of the description specified in sub-paragraph 2.2.3 above;
- (e) any land in North Wales:-
  - (i) in which such an individual has a beneficial interest; or
  - (ii) which such an individual has a licence (alone or jointly with others) to occupy for 28 days or more;
- (f) any land where the landlord is the NWEAB and the tenant is:
  - (i) a firm in which such an individual is a partner;
  - (ii) a company of which such an individual is a remunerated director; or
  - (iii) a body of the description specified in sub-paragraph 2.2.3 above;
- (g) any of the following bodies in which such an individual is a member or holds a position of general control or management:-
  - (i) a company, industrial and provident society, charity, or body directed to charitable purposes;
  - (ii) a body whose principal purposes include the influence of public opinion or policy;
  - (iii) a trade union or professional association; or
  - (iv) a private club, society or association operating within North Wales,
 each one being a "**Personal Interest**".

"Close Personal Association" shall be interpreted in accordance with the provision of the Local Authorities (Model Code of Conduct) (Wales) Order 2008. If in doubt whether an individual is connected, each person should seek advice from the NWEAB's Monitoring Officer.

#### 4. Identifying an Organisational Interest

- 4.1 It is envisaged that, in carrying out your roles for the NWEAB and your employer or organisation that situations may arise where your duty to act in accordance with the General

Principles of NEWAB as set out in GA2 and the public interest does or is likely to come directly or indirectly into conflict with your duty to act in the best interests of your organisation.

4.2 Such conflict matters can arise in a wide range of circumstances including but not limited to where decisions are made around, reporting, contractual discussion and investment requests.

4.3 Examples of such a conflict are set out below:-

*Example 1*

(a) *You will have an Organisational Interest in any business before a Programme Board of which you are a member or advising where that business involves the review or scrutiny of the performance of your organisation specifically in delivering a project or an aspect of a project which it has either by grant or contract committed to provide.*

(b) *You will have an Organisational Interest in any business before any EAB body where your organisation is a bidder for a contract whose bid is being evaluated or awarded by that body*

4.4 Whilst the above is a fairly obvious example of a conflict of interest there may be situations where the conflict is less 'clear cut'. It is your responsibility for identifying where such Interests have arisen or may potentially arise.

4.5 Should you feel that you are unable to determine whether a matter in question involves a Personal or Organisational Interest you should refer the matter to the NWEAB's Monitoring Officer.

## 5. Procedure for assessing whether an Interest is a Conflict of Interest

In order to determine whether an Interest is a "**Conflict of Interest**", the following steps shall be followed:

### 5.1 Step One – Exclusions

Do any of the Exclusions apply? It is acknowledged and agreed that where you have a Personal or Organisational Interest in any business of the North Wales Economic Ambition Board, this is not a Conflict of Interest where that business:

(a) involves your attending or making submissions to any body or meeting where you are not the decision maker or adviser but are attending by invitation to represent your organisation or making submissions or otherwise participating in any process on behalf of your organisation; and/or

(b) where the nature of the Conflict of Interest is such that it is common to the majority of the business or other sector representatives of which you are part, each one an "**Exclusion**".

## 5.2 Step Two - Objective Test

- (a) If none of the Exclusions above apply, you should consider whether the Interest in question is one which is likely to significantly impair your decision making. To do so you should consider the following "Objective Test":-

*'Would an ordinary member of the public, with knowledge of the relevant facts, reasonably conclude that the Interest is so significant that it is likely to prejudice your discussion or decision making?'*

- (b) If the answer to the above is yes, you must promptly declare such Conflict of Interest to the Monitoring Officer and, in addition, declare such Conflict of Interest at each board meeting that such matter is discussed. Please see paragraph 7 in relation to the additional implications of having a Conflict of Interest.
- (c) Where you have a Personal or Organisational Interest but the Objective Test has not been satisfied or you are not certain that the Objective Test has been satisfied, you must promptly declare such Conflict of Interest to the Monitoring Officer and, in addition, declare such Conflict of Interest at each meeting that such matter is discussed. You shall provide reasons as why they consider that the Objective Test has not been satisfied. The Monitoring Officer shall be responsible for determining whether or not such interest is one which may materially prejudice the person's input into the matter.

## 5.3 Step Three - Monitor

Should any additional grounds arise that change the nature or extent of the conflict, you shall endeavour to either withdraw from the discussions relating to the conflict matter entirely and/or make a further disclosure to the board in line with step three above (as appropriate).

## 6. Process for declaring conflicts

- 6.1 The first item on the agenda of each meeting will be a standing item requiring all Persons attending the meeting to declare any Interests and whether or not such they consider such Interest to be an actual or potential Conflict of Interest.
- 6.2 If a Person considers that they have an actual or potential Conflict of Interest, they must inform the chair as soon as possible and always before any discussion of the relevant matter. The declaration must specify the nature and extent of any Interest that gives rise to a Conflict of Interest.
- 6.3 If a Party is uncertain whether or not they are conflicted, they must err on the side of caution and transparency and declare the Interest and paragraph 5 above shall apply.
- 6.4 All Conflicts of Interest that have been declared must be recorded in the minutes of the meeting in which they were declared or, if not declared in a meeting, in the minutes of the next meeting.

6.5 If a Person has an Interest in a transaction or arrangement that has already been entered into by the NWEAB but has not declared that Interest, they must declare the nature and extent of that Interest as soon as is reasonably practicable.

## **7. Implications of a conflict**

7.1 If you decide you have a Conflict of Interest and it meets the Objective Test you must:

- (a) not make any written or oral representations (whether in person or via any form of electronic communication or otherwise) in respect of that business;
- (b) ensure that you do not participate in, or influence in any way, any discussions relating to the relevant conflict matter;
- (c) excuse yourself from the part of the meeting in which the conflict matter is discussed and again during any vote of such matter; and
- (d) your will not count towards the quorum for such vote and will not be entitled to vote on such matter.

7.2 The minutes of the relevant meeting must include a record of the nature and extent of the conflict, an outline of the discussion and the actions taken to manage the conflict.

7.3 In all instances the advice of the Monitoring Officer must be sought.

## **8. Declaration and Register of Interests by prospective Parties**

8.1 Each Person within the NWEAB Team has a personal responsibility to declare any Interest that might reasonably be regarded as potentially giving rise to a conflict.

8.2 Before a prospective Party is appointed to the NWEAB Team they may be asked to identify potential Conflicts of Interests.

8.3 If the Parties consider it likely that the prospective Party will be subject to serious or frequent Conflicts of Interest, the Parties should consider whether it is appropriate to proceed with the appointment.

8.4 If a Person joins the NWEAB Team it must confirm that it is accepts and will comply with (and ensure that its representatives shall) shall comply with this Conflicts Policy.

8.5 The Monitoring Officer of the NWEAB will be responsible for maintaining the register of Interests, and will record in the register all conflicts, Interests, gifts and hospitality declared by each Person; and

## **9. Monitoring, enforcing and reviewing this Conflicts Policy**

Any Person who becomes aware of a breach of this Conflicts Policy must report it to the Monitoring Officer as soon as possible who will determine what steps are required in response.

## SCHEDULE 1

### LIST OF THE COUNCILS AND ADVISERS OF THE NWEAB

**"Councils"**

means the following:-

- (a) Conwy Council;
- (b) Denbighshire Council;
- (c) Flintshire Council;
- (d) Gwynedd Council;
- (e) Isle of Anglesey Council; and
- (f) Wrexham Council

**"Advisers"**

means the bodies and individuals listed below plus any further individuals and/or bodies whom the Joint Committee chooses to invite in that capacity from time to time:-

- (a) Bangor University;
- (b) Coleg Cambria;
- (c) Grwp Llandrillo Menai;
- (d) Wrexham Glyndwr University; and
- (e) Business Delivery Board.

**"NWEAB Bodies"**

means the bodies and individuals listed below plus any further bodies whom the Joint Committee determines the Policy should apply to :-

- (a) Executive Support Group
- (b) Programme Board
- (c) Project Board;

**SCHEDULE 12**  
**GRANT OFFER LETTER**

**FEL Y TYSTIWYD**, mae'r Cytundeb hwn wedi'i gyflawni fel Gweithred ar y dyddiad a ysgrifennwyd ar ddechrau'r Cytundeb hwn yng ngŵydd y rheini sydd wedi'u nodi.

**AS WITNESSED** this Agreement has been executed as a Deed on the date written at the beginning of this Agreement in the presence of those stated.

Gosodwyd Sêl Gyffredin **CYNGOR** )  
**BWRDEISTREF SIROL CONWY** )  
at hynny yng ngŵydd: - )  
The Common Seal of **CONWY COUNTY** )  
**BOROUGH COUNCIL** was )  
hereunto affixed in the presence of: - )

Gosodwyd Sêl Gyffredin )  
**CYNGOR SIR DDINBYCH** )  
at hynny yng ngŵydd:- )  
The Common Seal of **DENBIGHSHIRE** )  
**COUNTY COUNCIL** was )  
hereunto affixed in the presence of:- )

Gosodwyd Sêl Gyffredin )  
**CYNGOR SIR Y FFLINT** )  
at hynny yng ngŵydd:- )  
The Common Seal of **FLINTSHIRE** )  
**COUNTY COUNCIL** was )  
hereunto affixed in the presence of:- )

Gosodwyd Sêl Gyffredin )  
**CYNGOR GWYNEDD** )  
at hynny yng ngŵydd:- )  
The Common Seal of **GWYNEDD** )  
**COUNCIL** was )  
hereunto affixed in the presence of:- )

Gosodwyd Sêl Gyffredin )  
**CYNGOR SIR YNYS MÔN** )  
at hynny yng ngŵydd:- )  
The Common Seal of **THE ISLE OF** )  
**ANGLESEY COUNTY COUNCIL** was )  
hereunto affixed in the presence of:- )

Gosodwyd Sêl Gyffredin **CYNGOR** )  
**BWRDEISTREF SIROL WRECSAM** )  
at hynny yng ngŵydd:- )  
The Common Seal of **WREXHAM** )  
**COUNTY BOROUGH COUNCIL** was )  
hereunto affixed in the presence of:- )



Gosodwyd Sêl Gyffredin

**PRIFYSGOL BANGOR** drwy hyn yn unol â'i (1).....  
Herthyglau  
cwmni:- (AELOD O'R CYNGOR/MEMBER OF  
COUNCIL)

The Common Seal of the **BANGOR  
UNIVERSITY**

was hereby affixed in accordance with its .....  
Articles of (PRINTIWCH ENW/PRINT NAME)

Association

(2).....  
(AELOD O'R CYNGOR/MEMBER OF  
COUNCIL)

.....  
(PRINTIWCH ENW/PRINT NAME)

(3).....  
(COFRESTRYDD/ YSGRIFENNYDD)  
(REGISTRAR/SECRETARY)

.....  
(PRINTIWCH ENW/PRINT NAME)

ym mhresenoldeb  
In the presence of .....)  
Enw Tyst  
Witness name .....)  
Llofnod Tyst  
Witness signature .....)  
Cyferiad Tyst

Arwyddwyd fel gweithred ar ran )  
**PRIFYSGOL GLYNDWR** )  
at hynny yng ngŵydd:- )  
The Common Seal of )  
**GLYNDWR UNIVERSITY** was )  
hereunto affixed in the presence of:- )

Arwyddwyd fel gweithred ar ran )  
**COLEG CAMBRIA** )  
Signed as a deed on behalf of )  
**COLEG CAMBRIA** by:- )  
In the presence of )  
Witness name )  
Witness signature )  
Witness address )

Arwyddwyd fel gweithred ar ran )  
**GRWP LLANMDRILLO MENAI** )  
Signed as a deed on behalf of **GRWP** )  
**LLANDRILLO MENAI** by:- )  
In the presence of )  
Witness name )  
Witness signature )  
Witness address )

# Future Generations and Cross Cutting Themes Assessment

HOW DOES THE PROPOSAL ALIGN WITH THE WELL-BEING GOALS?		
Well Being Goal	How does the proposal align to the well-being goals? (Please specify any negative or positive impact)	What actions have/will be taken to mitigate any negative impact or to improve positive impact?
<p><b>A prosperous Wales</b> An innovative, productive and low carbon society which recognises the limits of the global environment and therefore uses resources efficiently and proportionately (including acting on climate change); and which develops a skilled and well-educated population in an economy which generates wealth and provides employment opportunities, allowing people to take advantage of the wealth generated through securing decent work.</p>	<ul style="list-style-type: none"> <li>+ The portfolio will create several thousand new jobs for North Wales</li> <li>+ It will also train businesses and individuals and expand space for training, incubation, research and development</li> <li>+ The portfolio strengthens North Wales leadership in low carbon technologies across high value manufacturing (biotechnology, hydrogen cell technology), agri-food (carbon neutral agriculture), transport and energy production</li> <li>- Site development will create carbon emissions; these will be mitigated and managed through relevant national and local authority policies and processes.</li> </ul>	<ul style="list-style-type: none"> <li>• Project case approval process will consider likely carbon emissions and savings from each project</li> <li>• The Future Generations Act will be embedded into all procurement activity assessing contribution to relevant national wellbeing indicators for Wales</li> <li>• Environmental considerations will be embedded into contract opportunities, minimising impact on the environment and supporting new technologies, approaches and innovation with contractors and the supply chain, with a focus on the circular economy.</li> </ul>
<p><b>A resilient Wales</b> A nation which maintains and enhances a biodiverse natural environment with healthy functioning ecosystems that support social, economic and ecological resilience and the capacity to adapt to change (for example climate change).</p>	<ul style="list-style-type: none"> <li>+ The portfolio will build skills of businesses and individuals supporting the ability of those businesses and individuals to adapt to change and preparing them for future-focused opportunities</li> <li>+ The Agri-Food &amp; Tourism Programme will build skills in carbon neutral land management and renewable energy</li> </ul>	<ul style="list-style-type: none"> <li>• Project case approval process will consider biodiversity enhancements and impact of each project</li> <li>• The Future Generations Act will be embedded into all procurement activity assessing contribution to relevant national wellbeing indicators for Wales</li> </ul>

	<p>technologies through education of young people and SMEs</p> <ul style="list-style-type: none"> <li>+ The regional transport decarbonisation project and the digital programmes will help improve air quality through a shift from travel in petrol/diesel vehicles to remote working and low or zero carbon travel options</li> <li>- Site development may impact some ecologically sensitive sites, releasing carbon and replacing natural ecosystems; impact will be mitigated and managed through relevant national and local authority policies and processes</li> </ul>	<ul style="list-style-type: none"> <li>• Environmental considerations will be embedded into contract opportunities, minimising impact on the environment, with a focus on redevelopment of brownfield sites over greenfield development, incorporation of the circular economy and integration of green infrastructure</li> <li>• Seek to minimise the carbon footprint of projects and support low carbon economy, focused on the commitment by Welsh Government to achieve a carbon neutral public sector by 2030, reducing greenhouse gases, improving our natural environment and protecting our biodiversity.</li> <li>• Support and engage with the third sector in a valued based approach that support resilience in the third sector to work with and support contractors and the supply chain.</li> </ul>
<p><b>A healthier Wales</b> A society in which people’s physical and mental well-being is maximised and in which choices and behaviours that benefit future health are understood.</p>	<ul style="list-style-type: none"> <li>+ The Growth Deal will help improve mental well-being by (1) creating better-quality jobs for the local labour market through targeted interventions in high value sectors and (2) building a more skilled workforce within the region through supporting skills and training initiatives</li> <li>+ These opportunities will support improvements in standards of living across the region reducing poverty, inequality and deprivation</li> <li>+ Through its partnership with the Regional Skills Partnership, the NWEAB has engaged with the Public Sector Boards considering</li> </ul>	<ul style="list-style-type: none"> <li>• The Future Generations Act will be embedded into all procurement activity assessing contribution to relevant national wellbeing indicators for Wales</li> <li>• The NWEAB will work directly with the Public Service Boards (PSBs) to include community resilience and wealth building developing assets in our communities to include supporting positive mental health in workforces, supply chain and in communities</li> <li>• The NWEAB will work with national and local planning processes to promote and champion well-being outcomes through procurement activity and test key policies in</li> </ul>

	<p>ways the programmes/projects can equitably benefit the region's residents through skills development and employment</p> <p>+ The regional transport decarbonisation project will improve air quality across North Wales supporting improvements to cardiovascular and respiratory diseases and overall life expectancy</p>	<p>areas such as <i>building designs that promote health; access to project sites by walking/cycling, including for those with disabilities; and consideration of opportunities to incorporate green infrastructure.</i></p>
<p><b>A more equal Wales</b> A society that enables people to fulfil their potential no matter what their background or circumstances (including their socio economic background and circumstances).</p>	<p>+ Regional Skills Partnership has been a key partner in portfolio development considering how the programmes/projects can equitably benefit the region's residents through skills development and employment</p> <p>+ Growth Deal programmes have been distributed across the North Wales region with leadership and engagement from all County Councils with the intention of distributing benefits equitably</p> <p>+ Procurement systems will support local supply chains to engage with larger contracts through supply chain briefings and joint bidding opportunities and pipeline of projects</p> <p>+ Leakage of economic benefits through jobs created being filled by residents from outside the North Wales boundary has been factored into each programme/project</p> <p>+ Jobs created across the portfolio will be disaggregated by gender, age, diversity and job satisfaction</p> <p>- North Wales' residents with poor inter-generational educational experiences may</p>	<ul style="list-style-type: none"> <li>• The NWEAB will promote and champion the delivery of social value and community benefits through procurement activity and test key policies such as the socio economic duty and the social partnerships bill.</li> <li>• Work with our partners to ensure we support people from all backgrounds and circumstances to retrain, develop new skills through volunteering or contribute to education/apprenticeships through innovative recruitment and engagement strategies</li> <li>• Target opportunities and engage with existing mechanisms to support specific groups such as young people or those in areas of deprivation to engage in education and learning/development.</li> <li>• Support engagement and connections with schools and engage with the new curriculum 2022 in Wales, with a focus on digital inclusion.</li> </ul>

	not be able to access quality training and employment opportunities created by the Growth Deal, perpetuating the region's long-standing poverty gap	
<p><b>A Wales of cohesive communities</b> Attractive, viable, safe and well-connected communities.</p>	<ul style="list-style-type: none"> <li>+ The Growth Deal focuses on scalable and dispersed growth across the region to achieve sustainable, balanced and inclusive economic growth with the benefits shared across the region.</li> <li>+ The digital programme will enable better communication across North Wales, connecting communities virtually</li> <li>+ Jobs created across the portfolio will be disaggregated (annually?) by gender, age, and diversity</li> <li>+ Programmes and projects are being co-produced through partnerships involving the public and private sector, research bodies and the regional skills partnership, including a focus on engagement of those and those disadvantaged by gender, disability, ethnicity or age.</li> </ul>	<ul style="list-style-type: none"> <li>• The Future Generations Act will be embedded into all procurement activity assessing contribution to relevant national wellbeing indicators for Wales</li> <li>• Work with procurement partners and third sector organisations to maximise community wealth building opportunities.</li> <li>• On-going work to build understanding and ownership of the Growth Deal at the community level across the region, ensuring an inclusive approach that engages hard-to-reach groups and communities and those disadvantaged by gender, disability, ethnicity or age</li> <li>• All project business cases will be required to include a plan setting out steps the project will take to ensure equitable and inclusive access to opportunities arising from the Growth Deal investment as part of their development and approval process</li> </ul>
<p><b>A Wales of vibrant culture and thriving Welsh language</b> A society that promotes and protects culture, heritage and the Welsh language, and which encourages people to participate in the arts, and sports and recreation.</p>	<ul style="list-style-type: none"> <li>• The Growth Deal will create jobs and training opportunities for young people to stay and work in North Wales and continue to use Welsh in their personal and professional lives</li> <li>• The Growth Deal includes projects within growth industries of low carbon energy and high value manufacturing which will provide high value job opportunities cross North Wales, particularly in Gwynedd and Anglesey</li> </ul>	<ul style="list-style-type: none"> <li>• The Future Generations Act will be embedded into all procurement activity assessing contribution to relevant national wellbeing indicators for Wales</li> <li>• Engage with new partnership such as museums, theatres and arts to support developing our cultural and Welsh language considerations in contract opportunities</li> </ul>

	<p>which have a greater percentage of Welsh speakers across the region</p> <ul style="list-style-type: none"> <li>• There are also projects focused on more traditional foundation sectors – agri-food and tourism. This is particularly relevant for the agriculture sector where a greater percentage of workers speak Welsh compared to the general population.</li> <li>• The Agri-Food and Tourism programme will enhance opportunities for residents and visitors to engage positively with our cultural and environmental heritage by providing enhanced customer service opportunities and more opportunities for developing Welsh food products</li> <li>• The NWEAB operates as a bilingual entity in all its operations; all public material is produced bilingually</li> </ul>	<ul style="list-style-type: none"> <li>• All project business cases will be required to complete a Welsh Language impact assessment as part of their development and approval process, and consider opportunities to incorporate celebration of and engagement with Welsh culture and language into the commissioning of each infrastructure project</li> </ul>
<p><b>A globally responsible Wales</b> A nation which, when doing anything to improve the economic, social, environmental and cultural well-being of Wales, takes account of whether doing such a thing may make a positive contribution to global well-being.</p>	<ul style="list-style-type: none"> <li>• The portfolio will support the transition to a low carbon economy through energy generation, carbon savings and pioneering low carbon technologies within industry and at a business/farm level. Projects will contribute towards Wales’ action on climate change and towards global decarbonisation efforts.</li> </ul>	<ul style="list-style-type: none"> <li>• The Future Generations Act will be embedded into all procurement activity assessing contribution to relevant national wellbeing indicators for Wales</li> <li>• Consider global off-setting for any carbon emissions</li> <li>• Look for opportunities to engage refugees and asylum seekers with valuable skills relevant to the programmes / projects</li> <li>• Ensure that supply chains for projects do not support modern slavery, environmental and human rights abuses</li> </ul>

Cross-cutting theme	How does the proposal deliver against the cross-cutting theme?	What actions have/will be taken to mitigate any negative impact or to improve positive impact?
<p><b>Equal Opportunities</b></p>	<ul style="list-style-type: none"> <li>+ The Growth Deal aims to provide increased opportunities for all across North Wales through a range of transformational projects that will bring opportunities for skills development and training. One of the key aspects of the North Wales Growth Deal is that it is spatially targeted to create opportunities across the region</li> <li>+ Regional Skills Partnership has been a key partner in portfolio development considering how the programmes/projects can equitably benefit the region's residents through skills development and employment</li> <li>+ Procurement systems will support local supply chains to engage with larger contracts through supply chain briefings and joint bidding opportunities and pipeline of projects</li> <li>+ The strategic transport and digital programmes will better connect communities across North Wales physically and virtually</li> <li>+ Programmes and projects are being co-produced through partnerships involving the public and private sector, research bodies and the regional skills partnership, including a focus on engagement of those and those disadvantaged by gender, disability, ethnicity or age</li> </ul>	<ul style="list-style-type: none"> <li>• The NWEAB will promote and champion the delivery of social value and community benefits through procurement activity and test key policies such as the socio economic duty and the social partnerships bill.</li> <li>• Work with our partners to ensure we support people from all backgrounds and circumstances to retrain, develop new skills through volunteering or contribute to education/apprenticeships through innovative recruitment and engagement strategies</li> <li>• Target opportunities and engage with existing mechanisms to support specific groups such as young people or those in areas of deprivation to engage in education and learning/development.</li> <li>• Support engagement and connections with schools and engage with the new curriculum 2022 in Wales, with a focus on digital inclusion</li> <li>• Jobs created across the portfolio will be disaggregated by gender, age, and diversity</li> <li>•</li> </ul>



<p><b>Sustainable Development</b></p>	<ul style="list-style-type: none"> <li>+ Sustainable development is at the core of the Growth Deal with a clear focus on low carbon energy, improving digital infrastructure, promoting innovation and securing longer-term sustainability for the region and communities</li> <li>+ Strengthens North Wales’ leadership in low carbon technologies across high value manufacturing (biotechnology, hydrogen cell technology), agri-food (carbon neutral agriculture), transport and energy production</li> <li>+ Builds skills of business and individuals helping those businesses and individuals adapt to change and prepare for future-focused opportunities</li> <li>+ The Agri-Food &amp; Tourism Programme will build skills in carbon neutral land management and renewable energy technologies through education of young people and SMEs</li> <li>+ The strategic transport and digital programmes will help improve air quality through a shift from travel in petrol/diesel vehicles to remote working and low or zero carbon travel options</li> </ul>	<ul style="list-style-type: none"> <li>• The Future Generations Act will be embedded into all procurement activity assessing contribution to relevant national wellbeing indicators for Wales</li> <li>• Environmental considerations will be embedded into contract opportunities, minimising impact on the environment, with a focus on redevelopment of brownfield sites over greenfield development, incorporation of the circular economy and integration of green infrastructure</li> <li>• Seek to minimise the carbon footprint of projects and support low carbon economy, focused on the commitment by Welsh Government to achieve a carbon neutral public sector by 2030, reducing greenhouse gases, improving our natural environment and protecting our biodiversity.</li> <li>• Support and engage with the third sector in a valued based approach that support resilience in the third sector to work with and support contractors and the supply chain.</li> </ul>
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<p><b>Tackling Poverty</b></p>	<ul style="list-style-type: none"> <li>+ The Growth Deal delivers against the North Wales Growth Vision and its objectives, specifically to improve the economic, environmental and cultural well-being of North Wales. A key element of this is supporting and retaining young people in the region and addressing wordlessness and inactivity.</li> <li>+ The portfolio will create several thousand new jobs for North Wales</li> <li>+ It will also train businesses and individuals and expand space for training, incubation, research and development</li> <li>+ Strengthens North Wales' economy through leadership in low carbon technologies across high value manufacturing (biotechnology, hydrogen cell technology), agri-food (carbon neutral agriculture), transport and energy production.</li> <li>+ Regional Skills Partnership has been a key partner in portfolio development considering how the programmes/projects can equitably benefit the region's residents through skills development and employment</li> <li>+ Growth Deal programmes have been distributed across the North Wales region with leadership and engagement from all County Councils with the intention of distributing benefits equitably</li> </ul>	<ul style="list-style-type: none"> <li>• The Future Generations Act will be embedded into all procurement activity assessing contribution to relevant national wellbeing indicators for Wales</li> <li>• Work with our partners to ensure we support people from all backgrounds and circumstances to retrain, develop new skills through volunteering or contribute to education/apprenticeships through innovative recruitment and engagement strategies</li> <li>• Target opportunities and engage with existing mechanisms to support specific groups such as young people or those in areas of deprivation to engage in education and learning/development.</li> <li>• Work with procurement partners and third sector organisations to maximise community wealth building opportunities.</li> <li>• Support engagement and connections with schools and engage with the new curriculum 2022 in Wales, with a focus on digital inclusion</li> </ul>
<p><b>Welsh Language &amp; Culture</b></p>	<ul style="list-style-type: none"> <li>• The Growth Deal will create jobs and training opportunities for young people to stay and work in North Wales and continue to use Welsh in their personal and professional lives</li> </ul>	<ul style="list-style-type: none"> <li>• The Future Generations Act will be embedded into all procurement activity assessing contribution to relevant national wellbeing indicators for Wales</li> </ul>

	<ul style="list-style-type: none"><li>• The Growth Deal includes projects within growth industries of low carbon energy and high value manufacturing which will provide high value job opportunities cross North Wales, particularly in Gwynedd and Anglesey which have a greater percentage of Welsh speakers across the region</li><li>• There are also projects focused on more traditional foundation sectors – agri-food and tourism. This is particularly relevant for the agriculture sector where a greater percentage of workers speak Welsh compared to the general population.</li><li>• The Agri-Food and Tourism programme will enhance opportunities for residents and visitors to engage positively with our cultural and environmental heritage by providing enhanced customer service opportunities and more opportunities for developing Welsh food products</li><li>• The NWEAB operates as a bilingual entity in all its operations; all public material is produced bilingually</li></ul>	<ul style="list-style-type: none"><li>• Engage with new partnership such as museums, theatres and arts to support developing our cultural and Welsh language considerations in contract opportunities</li><li>• All project business cases will be required to complete a Welsh Language impact assessment as part of their development and approval process, and consider opportunities to incorporate celebration of and engagement with Welsh culture and language into the commissioning of each infrastructure project</li></ul>
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# Welsh Language Impact Assessment

## Does the proposal align with Welsh Government strategy for the Welsh language - Cymraeg 2050: A million Welsh Speakers

The Cymraeg 2050 strategy provides a focus for the Welsh Language and sets out the Welsh Government's vision to achieve a million Welsh Speakers by 2050. A thriving Welsh language is also one of the 7 main goals of the Well-being of Future Generations (Wales) Act 2015.

The ambitious target in the strategy requires action and intervention from across all sectors. The strategy includes a specific theme to create 'favourable conditions – infrastructure and context', this includes community and economy, culture and media, and digital technology; all of which the Growth Deal will contribute towards. The NWEAB have adopted a vision to develop "a confident, cohesive region with sustainable economic growth, capitalising on the success of high value economic sectors and our connection to the economies of the Northern Powerhouse & Ireland." This Vision was founded on three key principles for a smart, connected and resilient North Wales.

The Welsh language strengthens our communities, culture and heritage here in North Wales. The Growth Deal will promote the relevance and value of bilingualism to our economy to support the Welsh language within our communities and within workplaces.

## Describe the impact of the proposal on the Welsh Language?

According to the Annual Population Survey in the year ending June 2018, North Wales had 286,400 Welsh speakers in the region. Gwynedd was the authority with the highest proportion of Welsh speakers both in North Wales and in Wales as a whole, with 76.4 per cent of residents aged three and over saying they could speak Welsh. Flintshire had the lowest rate of Welsh-speaking in North Wales at approximately 23.3 per cent. On a regional level, North Wales had the highest proportion of Welsh speakers in Wales, at an estimated 42.7 per cent in the year ending June 2018.

The economy is integral to creating the social conditions for Welsh speakers to remain in the area in Welsh speaking communities or return to those communities. The Growth Deal portfolio aims to create between 3,400 and 4,200 new jobs by 2036. It will also support a net additional GVA uplift of between £1.4billion and £1.7billion for the North Wales economy; to deliver a total investment of upto £1.1billion in the North Wales economy. The programmes and projects within the portfolio will deliver benefits that will have a positive impact on as many communities as possible across the region; enable economic growth; and attract investment.

Employment opportunities are key to the future of the Welsh language, the language is a valuable skill for employment in the region. The programmes and projects will enable job creation; this will provide opportunities for Welsh speakers to work in North Wales. Historically North Wales has seen the outward migration of young people, the delivery of the Growth Deal will support to retain young people in the region. This will protect and promote the Welsh language and culture, and contribute towards scalable and dispersed growth in the region. Having a bilingual workforce in North Wales, both current and future, enables us to promote the diversity of language skills. This will ultimately lead to retention and development of the Welsh language across all sectors adding value and strength to our economy.

The Welsh language can be seen as an economic driver boosting business and tourism within the region for the community and visitors to experience the culture and strong sense of community within the region.

The Growth Deal will proactively seek opportunities to promote and support good practice with regard to the language. The North Wales Economic Ambition Board promotes and facilitates the use of the Welsh language within new regional ways of working.

**How will you mitigate any negative impact on the Welsh language or promote the positive impact on the language?**

The North Wales Growth Deal aims to create between 3,400 and 4,200 new jobs to benefit the region's residents. Leakage of economic benefits through jobs created being filled by residents from the outside North Wales could be a risk, this will be managed on a project by project basis.

The North Wales Economic Ambition Board is a partnership that operates bilingually; all documentation and Board meetings are bilingual.

The Programme Office team is a bilingual team, our key public facing roles have Welsh language skills as an essential requirement in order for people to engage with us through their language of choice. The team promote the use of the Welsh language, and in time will develop a Welsh language Policy.

The Welsh language will be embedded in our procurement processes. Our Procurement Strategy includes a series of procurement principles, as part of the community resilience and well-being principles. The NWEAB will 'engage with new partnerships such as museums, theatres and arts to support developing our cultural and Welsh language considerations in contract opportunities.'

The North Wales Growth Deal will proactively support, facilitate and seek opportunities to promote the Welsh language across the portfolio, programmes and projects. We will encourage the integration of the Welsh language across our projects. It is key that we recognise the importance of the Welsh and English languages here in North Wales. All Growth Deal projects will undertake a Welsh language Impact Assessment and a Future Generations Impact Assessment as part of the decision making process.

Promotion of the Welsh language in the delivery and outcomes of the Growth Deal enables the NWEAB to be context specific and holistic in tackling economic challenges and sustainable economic growth.

# Equality Impact Assessment

Protected Characteristics – Please detail the evidence you have / impact if any / mitigation			
Characteristic	Evidence and information	Details of the impact	What actions have/will be taken to mitigate any negative impact or to improve positive impact?
Page 282  <b>Race</b>	<ul style="list-style-type: none"> <li>According to the Annual Population Survey (June 2019) 97.8% of the population was classified as being 'white', 0.5% Mixed / multiple ethnic groups, 1% Asian, and 0.5% from other ethnic groups.</li> </ul>	<ul style="list-style-type: none"> <li>The North Wales Growth Deal aims to build a more vibrant, sustainable and resilient economy and seeks to have a positive impact on all on all protected groups.</li> <li>The Growth Deal aims to create several thousand new jobs in a region. Building a more skilled workforce within the region through supporting skills and training initiatives provides opportunities for all.</li> <li>These opportunities will support improvements in standards of living across the region for all protected groups.</li> <li>Programmes and projects are being co-produced through partnerships involving the public and private sector, research bodies and the regional skills partnership, including a focus on engagement of those and those disadvantaged by gender, disability, ethnicity or age.</li> </ul>	<ul style="list-style-type: none"> <li>We will adopt a positive approach to social inclusion in order to promote sustainable, prosperous and equal communities.</li> <li>All project business cases will develop Equality Impact Assessments to identify and assess barriers.</li> <li>On-going work to build understanding and ownership of the Growth Deal at the community level across the region, ensuring an inclusive approach that engages all protected groups.</li> <li>Ensure that communications messages and mechanisms are inclusive.</li> </ul>

<p><b>Gender</b></p> <p>Page 283</p>	<ul style="list-style-type: none"> <li>At the 2011 Census, 49.2% of North Wales's population was male and 50.9% was female, similar to the Wales average.</li> </ul>	<ul style="list-style-type: none"> <li>The North Wales Growth Deal aims to build a more vibrant, sustainable and resilient economy and seeks to have a positive impact on all on all protected groups.</li> <li>The Growth Deal aims to create several thousand new jobs in a region. Building a more skilled workforce within the region through supporting skills and training initiatives provides opportunities for all.</li> <li>These opportunities will support improvements in standards of living across the region for all protected groups.</li> <li>Programmes and projects are being co-produced through partnerships involving the public and private sector, research bodies and the regional skills partnership, including a focus on engagement of those and those disadvantaged by gender, disability, ethnicity or age.</li> </ul>	<ul style="list-style-type: none"> <li>We will adopt a positive approach to social inclusion in order to promote sustainable, prosperous and equal communities.</li> <li>All project business cases will develop Equality Impact Assessments to identify and assess barriers.</li> <li>On-going work to build understanding and ownership of the Growth Deal at the community level across the region, ensuring an inclusive approach that engages all protected groups.</li> <li>Ensure that communications messages and mechanisms are inclusive.</li> </ul>
<p><b>Sexual orientation</b></p>	<ul style="list-style-type: none"> <li>TONS data for 2016 indicated that 95.2% of people in Wales identified themselves as heterosexual/straight, 1.7% as gay/lesbian/bisexual and 0.4% as other (the remainder either did not respond to the survey or didn't know).</li> </ul>	<ul style="list-style-type: none"> <li>The North Wales Growth Deal aims to build a more vibrant, sustainable and resilient economy and seeks to have a positive impact on all on all protected groups.</li> <li>The Growth Deal aims to create several thousand new jobs in a region. Building a more skilled workforce within the region through supporting skills and training initiatives provides opportunities for all.</li> </ul>	<ul style="list-style-type: none"> <li>We will adopt a positive approach to social inclusion in order to promote sustainable, prosperous and equal communities.</li> <li>All project business cases will develop Equality Impact Assessments to identify and assess barriers.</li> <li>On-going work to build understanding and ownership of the Growth Deal at the community level across the region, ensuring an inclusive approach that engages all protected groups.</li> <li>Ensure that communications messages and mechanisms are inclusive.</li> </ul>

		<ul style="list-style-type: none"> <li>• These opportunities will support improvements in standards of living across the region for all protected groups.</li> <li>• Programmes and projects are being co-produced through partnerships involving the public and private sector, research bodies and the regional skills partnership, including a focus on engagement of those and those disadvantaged by gender, disability, ethnicity or age.</li> </ul>	
<p style="text-align: center;">Page 284</p> <p><b>Marriage or Civil Partnership</b></p>	<ul style="list-style-type: none"> <li>• According to the Annual Population Data (February 2019), 50% of the population of North Wales are married, 32% single, 21 Divorced / Separated / Dissolved Civil Partnership, and 14% Widowed / Surviving Civil Partnership.</li> </ul>	<ul style="list-style-type: none"> <li>• The North Wales Growth Deal aims to build a more vibrant, sustainable and resilient economy and seeks to have a positive impact on all on all protected groups.</li> <li>• The Growth Deal aims to create several thousand new jobs in a region. Building a more skilled workforce within the region through supporting skills and training initiatives provides opportunities for all.</li> <li>• These opportunities will support improvements in standards of living across the region for all protected groups.</li> <li>• Programmes and projects are being co-produced through partnerships involving the public and private sector, research bodies and the regional skills partnership, including a focus on engagement of those and those disadvantaged by gender, disability, ethnicity or age.</li> </ul>	<ul style="list-style-type: none"> <li>• We will adopt a positive approach to social inclusion in order to promote sustainable, prosperous and equal communities.</li> <li>• All project business cases will develop Equality Impact Assessments to identify and assess barriers.</li> <li>• On-going work to build understanding and ownership of the Growth Deal at the community level across the region, ensuring an inclusive approach that engages all protected groups.</li> <li>• Ensure that communications messages and mechanisms are inclusive.</li> </ul>



<p><b>Gender reassignment</b></p> <p>Page 285</p>	<ul style="list-style-type: none"> <li>No data for North Wales available at this point.</li> </ul>	<ul style="list-style-type: none"> <li>The North Wales Growth Deal aims to build a more vibrant, sustainable and resilient economy and seeks to have a positive impact on all on all protected groups.</li> <li>The Growth Deal aims to create several thousand new jobs in a region. Building a more skilled workforce within the region through supporting skills and training initiatives provides opportunities for all.</li> <li>These opportunities will support improvements in standards of living across the region for all protected groups.</li> <li>Programmes and projects are being co-produced through partnerships involving the public and private sector, research bodies and the regional skills partnership, including a focus on engagement of those and those disadvantaged by gender, disability, ethnicity or age.</li> </ul>	<ul style="list-style-type: none"> <li>We will adopt a positive approach to social inclusion in order to promote sustainable, prosperous and equal communities.</li> <li>All project business cases will develop Equality Impact Assessments to identify and assess barriers.</li> <li>On-going work to build understanding and ownership of the Growth Deal at the community level across the region, ensuring an inclusive approach that engages all protected groups.</li> <li>Ensure that communications messages and mechanisms are inclusive.</li> </ul>
<p><b>Pregnancy and Maternity</b></p>	<ul style="list-style-type: none"> <li>According to Maternity and Birth Statistics, Wales there were 6,740 live births in the Betsi Cadwaladr University Health Board area in 2018.</li> </ul>	<ul style="list-style-type: none"> <li>The North Wales Growth Deal aims to build a more vibrant, sustainable and resilient economy and seeks to have a positive impact on all on all protected groups.</li> <li>The Growth Deal aims to create several thousand new jobs in a region. Building a more skilled workforce within the region through supporting skills and training initiatives provides opportunities for all.</li> </ul>	<ul style="list-style-type: none"> <li>We will adopt a positive approach to social inclusion in order to promote sustainable, prosperous and equal communities.</li> <li>All project business cases will develop Equality Impact Assessments to identify and assess barriers.</li> <li>On-going work to build understanding and ownership of the Growth Deal at the community level across the region, ensuring an inclusive approach that engages all protected groups.</li> <li>Ensure that communications messages and mechanisms are inclusive.</li> </ul>

		<ul style="list-style-type: none"> <li>• These opportunities will support improvements in standards of living across the region for all protected groups.</li> <li>• Programmes and projects are being co-produced through partnerships involving the public and private sector, research bodies and the regional skills partnership, including a focus on engagement of those and those disadvantaged by gender, disability, ethnicity or age. It is important that this group has easy access to services and facilities within the communities and not to feel isolated.</li> </ul>	
<p>Page 286</p> <p><b>Religion or belief</b></p>	<ul style="list-style-type: none"> <li>• According to the Annual Population Data (June 2019), the proportion of North Wales residents who are Cristian is 60%, 1 % Muslim, 4% other religion and 37% reported no religion.</li> </ul>	<ul style="list-style-type: none"> <li>• The North Wales Growth Deal aims to build a more vibrant, sustainable and resilient economy and seeks to have a positive impact on all on all protected groups.</li> <li>• The Growth Deal aims to create several thousand new jobs in a region. Building a more skilled workforce within the region through supporting skills and training initiatives provides opportunities for all.</li> <li>• These opportunities will support improvements in standards of living across the region for all protected groups.</li> <li>• Programmes and projects are being co-produced through partnerships involving the public and private sector, research bodies and the regional skills partnership, including a focus on engagement of those and those</li> </ul>	<ul style="list-style-type: none"> <li>• We will adopt a positive approach to social inclusion in order to promote sustainable, prosperous and equal communities.</li> <li>• All project business cases will develop Equality Impact Assessments to identify and assess barriers.</li> <li>• On-going work to build understanding and ownership of the Growth Deal at the community level across the region, ensuring an inclusive approach that engages all protected groups.</li> <li>• Ensure that communications messages and mechanisms are inclusive. Where appropriate we will protect cultural resources and the services.</li> </ul>

		<p>disadvantaged by gender, disability, ethnicity or age.</p>	
	<ul style="list-style-type: none"> <li>• According to the Annual Population Data (June 2019), a total of 77,000 of working age people in North Wales were classified as disabled equivalent to 18.7% of the working age population.</li> </ul>	<ul style="list-style-type: none"> <li>• The North Wales Growth Deal aims to build a more vibrant, sustainable and resilient economy and seeks to have a positive impact on all on all protected groups.</li> <li>• The Growth Deal aims to create several thousand new jobs in a region. Building a more skilled workforce within the region through supporting skills and training initiatives provides opportunities for all.</li> <li>• These opportunities will support improvements in standards of living across the region for all protected groups.</li> <li>• Programmes and projects are being co-produced through partnerships involving the public and private sector, research bodies and the regional skills partnership, including a focus on engagement of those and those disadvantaged by gender, disability, ethnicity or age. Digital connectivity can enable home working, in particular in rural areas that are less accessible. This could enable home working for people with mobility issues.</li> <li>• The Land &amp; Property projects will facilitate improved access to transport, employment, training and access to goods / services to benefit all protected groups.</li> </ul>	<ul style="list-style-type: none"> <li>• We will adopt a positive approach to social inclusion in order to promote sustainable, prosperous and equal communities.</li> <li>• All project business cases will develop Equality Impact Assessments to identify and assess barriers.</li> <li>• On-going work to build understanding and ownership of the Growth Deal at the community level across the region, ensuring an inclusive approach that engages all protected groups.</li> <li>• Ensure that communications messages and mechanisms are inclusive. We will consider accessibility in infrastructure developments with consideration to accessible locations. This could include transport accessibility, community facilities and services etc. Where appropriate we will seek to enhance provision and accessibility for disabled people.</li> <li>• Promote good accessibility, inclusive design in new developments including internal accessibility suitable for disabled people; external accessibility by transport.</li> </ul>

- North Wales has an ageing population.
- Between 1998 and 2018, the proportion of the population aged 65 and over has increased from 18.5 per cent to 23.0 per cent, while the proportion of the population aged 15 and under has fallen from 19.8 per cent to 17.8 percent.

- The North Wales Growth Deal aims to build a more vibrant, sustainable and resilient economy and seeks to have a positive impact on all on all protected groups.
- The Growth Deal aims to create several thousand new jobs in a region. Building a more skilled workforce within the region through supporting skills and training initiatives provides opportunities for all.
- These opportunities will support improvements in standards of living across the region for all protected groups.
- Programmes and projects are being co-produced through partnerships involving the public and private sector, research bodies and the regional skills partnership, including a focus on engagement of those and those disadvantaged by gender, disability, ethnicity or age. Opportunities through employment to attract and retain young people to North Wales.
- Opportunities for older people living in rural areas but not restricted to could include improved access to services.

- We will adopt a positive approach to social inclusion in order to promote sustainable, prosperous and equal communities.
- All project business cases will develop Equality Impact Assessments to identify and assess barriers.
- On-going work to build understanding and ownership of the Growth Deal at the community level across the region, ensuring an inclusive approach that engages all protected groups.
- Ensure that communications messages and mechanisms are inclusive. Target opportunities and engage with existing mechanisms to support specific groups such as young people or those in areas of deprivation to engage in education and learning/development.
- Consider accessibility for the elderly. Ensure development does not have an impact on community facilities and that are suitable for all ages.

**Welsh language**

Please see separate Welsh Language Impact Assessment completed for the North Wales Growth Deal



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**REPORT TO THE NORTH WALES ECONOMIC AMBITION BOARD**  
**23 OCTOBER, 2020**

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**TITLE:** *Final Growth Deal*  
**AUTHOR:** *Alwen Williams, Programme Director*

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**1. PURPOSE OF THE REPORT**

- 1.1. The purpose of this report is to present the key documents required to reach Final Deal Agreement for the North Wales Growth Deal with the UK Government and Welsh Government.
- 1.2. These key documents include the following:
- Portfolio Business Case
  - Overarching Business Plan
  - Draft Final Deal Agreement
  - Governance Agreement 2

**2. DECISION SOUGHT**

- 2.1. To approve the submission of the Portfolio Business Case and the 5 Programme Business Cases to UK and Welsh Governments for Final Deal Agreement on the North Wales Growth Deal.
- 2.2. To recommend that each of the Partners individually approve the Overarching Business Plan that sets out the arrangements for delivering the North Wales Growth Deal as the basis for completing the Final Deal Agreement and acceptance of the Grant Funding Letter with the UK and Welsh Governments.
- 2.3. To recommend that each of the Partners individually approve and enter into Governance Agreement 2 and specifically adopt the delegations and Terms of Reference in “*Governance Agreement 2: Appendix 1*” thereof as the basis for entering into the Final Deal Agreement and acceptance of the Grant Funding letter with the UK and Welsh Governments.
- 2.4. To recommend approval of the method used to calculate the cost of borrowing notionally required to facilitate the negative cash flow for the Growth Deal, and the corresponding annual partner contributions required to meet this cost and the established core and supplementary contributions as set out in GA2 (and in paragraphs 5.5 - 5.7 below).
- 2.5. That the Programme Director in consultation with the Chair and Vice Chair of the NWEAB, the Accountable Body Monitoring Officer and the Accountable Body Section 151 Officer be granted delegated authority to agree minor changes to the documents as necessary to complete the agreement.

- 2.6. To approve the renaming of the of Programme Office to the Portfolio Management Office in line with best practice and as a consequence, and change the job title of the Programme Director to Portfolio Director.

### **3. REASONS FOR THE DECISION**

- 3.1. In 2016 the North Wales Economic Ambition Board adopted A Growth Vision for the Economy of North Wales. Based on the Growth Vision Strategy, a Growth Deal was prepared and agreed by all the partners working with both the UK and Welsh Government and the private sector in October 2018. In November 2019 the NWEAB and the Welsh and UK Governments agreed the Heads of Terms, for Final Deal Agreement to be completed in 2020.
- 3.2. The NWEAB are committed to achieving the Final Deal Agreement with both Governments before the end of December 2020.
- 3.3. The Portfolio Management Office have developed the documentation required to submit to both Governments to reach Final Deal Agreement. The contents of these documents are outlined within this report, and copies of the documents attached as appendices.
- 3.4. This report recommends that the Programme Office is renamed as the Portfolio Management Office. This proposed change responds to questions raised during the recent gateway review with Welsh Government where the review team questioned the name of the Programme Office given the Growth Deal is a portfolio of programmes and projects. The proposed name 'Portfolio Management Office' aligns with recognised best practice and creates a clear differential between the role of the Director who has responsibility for the whole Growth Deal and the Programme Managers responsible for the delivery of individual programmes.

### **4. BACKGROUND AND RELEVANT CONSIDERATIONS**

- 4.1. The North Wales Growth Deal is a portfolio consisting of 5 programmes to be delivered over the next 15 years. It is to be delivered by the Portfolio Management Office on behalf of the North Wales Economic Ambition Board.
- 4.2. The Growth Deal is seeking to deliver a total investment of up to £1.1bn in the North Wales economy (£240m from the Growth Deal), to create 3,400 – 4,200 net additional jobs and generate £2.0- £2.4 billion in net additional GVA.
- 4.3. The five programmes include 14 projects, which have been carefully designed and developed with stakeholders to address specific market failures and barriers to economic growth.
- 4.4. To agree the Final Deal with both Governments, the NWEAB have prepared a suite of documents, namely the Overarching Business Plan, Portfolio Business Case, Draft Final Deal Agreement and Governance Agreement 2.

#### **4.5. Overarching Business Plan**

- 4.5.1. The Overarching Business Plan developed by the Portfolio Management Office sets out the arrangements for delivering the North Wales Growth Deal, including an overview of the programmes and projects and to seek approval from each partner for the financial implications of delivering the deal.
- 4.5.2. A copy of the Overarching Business Plan is available in **Appendix 1**.

#### 4.6. Portfolio Business Case

4.6.1. The Portfolio Business Case has been developed by the Portfolio Management Office with support from Hatch Regeneris.

4.6.2. The purpose of the portfolio business case is to provide an overview of the North Wales Growth Deal and its programmes.

4.6.3. The portfolio and programme business cases once approved as part of the Final Deal will be live documents used to manage the delivery of the Growth Deal on an ongoing basis and updated regularly as the programmes and projects develop.

4.6.4. The Portfolio Business Case follows the structure of the Five Case Model and HM Treasury Green Book principles. The Portfolio Management Office have consulted with UK and Welsh Government throughout the development of the business case.

4.6.5. The Portfolio Business Case consists of the five cases:

- **The Strategic Case:** the rationale for the Growth Deal investments, their objectives and fit with wider policy
- **The Economic Case:** the value for money provided by the Growth Deal
- **The Commercial Case:** the contractual and procurement approach to be taken
- **The Financial Case:** the costs and funding profile for the Growth Deal
- **The Management Case:** the approach to managing the Growth Deal

4.6.6. The portfolio business case document provides a summary investment proposal for the North Wales Growth Deal, to inform the agreement of a Final Deal in 2020. It accompanies the Programme level business cases, which set out the detail for the five constituent programmes using the Five Case Model framework.

4.6.7. The Portfolio Business Case is available in **Appendix 2**.

4.6.8. The Portfolio Business Case is supported by a set of programme level business cases, which provide details on the five individual programmes. The programme business cases are summarised below, and the executive Summaries are available in **Appendix 3** (full copies of the programme business cases are available on request).

#### 4.6.9. Low carbon energy

**Strategic aims:** To unlock the economic benefits of transformational low carbon energy projects and position North Wales as a leading UK location for low carbon energy generation, innovation and supply chain investment.

**Types of intervention:** Enabling works for new low carbon energy generation, enhancing research and innovation facilities for low carbon energy sectors, transport decarbonisation and support for local energy projects.

#### 4.6.10. Innovation in high value manufacturing

**Strategic aims:** To consolidate North Wales' position as a powerful and innovative high value manufacturing cluster, building on existing specialisms and leading expertise to create a higher value, more diverse economic base that supports the transition to a low carbon economy.

**Types of intervention:** Industry and research collaborations along with the establishment of centres of excellence to help overcome barriers and market failures in the research commercialisation process.

#### 4.6.11. Agri-food and tourism

**Strategic aims:** To build a more sustainable, vibrant and resilient foundation economy within the region, optimising opportunities for employment and prosperity through our environment and landscape.

**Types of intervention:** Introducing new technologies & innovation, skills and practices to these sectors, via business support and upskilling.

#### 4.6.12. Land and property

**Strategic aims:** To address the shortage of suitable land and properties for business growth and to bring forward sites for housing development and to deliver improvements that stimulate investment in the Port of Holyhead and the wider region. These projects will play an enabling role for the other programmes by ensuring that serviced sites are available for investors and developers.

**Types of intervention:** The provision of primary services and enabling works to bring forward commercial and housing development sites, delivery of employment floor space and future proofing and capacity enhancement works to the port of Holyhead.

#### 4.6.13. Digital

**Strategic aims:** To deliver the step change in digital connectivity needed to ensure North Wales is able to satisfy user demand, maintain pace with the rest of UK, unlock the growth potential of priority sectors and sites and underpin a flourishing innovation ecosystem. Plays an enabling role for other programmes to deliver maximum benefit.

**Types of intervention:** The programme has identified a need to which balance investment in infrastructure and technology, through enhanced fixed broadband footprint at key sites in rural areas, unlocking applications through 5G access, and furthering digital innovation.

4.6.14. The Growth Deal is based on 14 transformational projects to be delivered across the 5 programmes named above. Individual project business cases will be developed and will be presented to the NWEAB for approval from January 2021 onwards.

#### 4.7. Final Deal Agreement

4.7.1. The Heads of Terms Agreement was agreed by the NWEAB, Welsh Government and UK Government in November 2019, with the aim for Final Deal Agreement to be completed in 2020.

4.7.2. The Draft Final Deal Agreement was developed collaboratively between the NWEAB and both Governments.

4.7.3. The Final Deal Agreement is the contract between the NWEAB, UK Government and Welsh Government for the delivery of the North Wales Growth Deal.



4.7.4. The Final Deal will be signed on the basis of the portfolio business case and five programme business cases.

4.7.5. The Draft Final Deal Agreement is included in **Appendix 4**.

#### **4.8. Governance Agreement 2**

4.8.1. Governance Agreement 2 has been developed by the regional Heads of Legal with expert and independent advice by legal advisers Pinsent Masons.

4.8.2. Governance Agreement 1 was adopted into in order to take forward the formal offer of funding to both Governments. Government Agreement 2 will take the partnership into the implementation stage of the Growth Deal. The agreement is a partnership agreement between the 6 Local Authorities and the Partner University and College bodies. It continues the governance model adopted in GA1 namely a Joint Committee supported by a host authority and provides for the commitments and responsibilities of the Partners to the partnership. It also defines the relationship between the Board and its constituent Partner organisations, the limits of delegation and accountability.

4.8.3. Governance Agreement 2 is a necessary element for implementing the Growth Deal. It provides assurance to the Governments as to the governance of the partnership. It establishes a legally binding commitment by and to the Partners and Accountable Body which is necessary to enable the Growth Deal Final Agreement and Grant Letter to be agreed. Without that assurance the Final Deal Agreement and the Grant Offer Letter could not be entered into on behalf of the Partners.

4.8.4. A more detailed explanatory summary of Governance Agreement 2 is provided in **Appendix 5** and a copy of Governance Agreement 2 is included in **Appendix 6**.

### **5. FINANCIAL IMPLICATIONS**

5.1. There is a medium-term temporary funding gap between the expected expenditure profile of the Growth Deal and the expected profile of government funding received over 15 years. The NWEAB, through the host authority, will be responsible for managing this negative cash flow, and have worked with Arlingclose to model the cost of borrowing notionally required to facilitate the negative cash flow for the Growth Deal, and the corresponding annual partner contributions required to meet this cost.

5.2. With a range of assumptions to consider, the NWEAB have forecasted a range of figures, modelled as the best case scenario (Version 1) and the worst case scenario (Version 2), to reflect the timing of finalising the Growth Deal and consequent timing of government grant funding. The difference between the best and worst case scenarios highlights the importance of finalising the Growth Deal by the end of the calendar year. In both versions the other variables, i.e. interest rate and NNDR income have remained the same. The interest rate used was 2.2% and is considered to be a prudent assumption. The NWEAB will utilise its “retained” NNDR grant from Welsh Government to offset against the negative cash flow, with the net total cost (£12.46m - £17.73m) met by the local authorities (proportional to population) for regional NWEAB projects, and with project lead sponsors responsible for the cost in relation to their projects.

5.3. Any changes to the projects, will result in a reserved matter if it means increasing partner contributions (e.g. change from project lead sponsor to NWEAB, lower NNDR yield, higher cost, earlier spend profile).

5.4. With capital projects, there is always a risk of overspending, and controls will be put in place to limit overspending costs on specific projects. For regional projects, the Portfolio Management Office would be responsible for controlling expenditure and ensuring sufficient contingency budgets are included in the project business cases. Overspend would be a matter for the Lead Sponsor to deal with in relation to their projects.

5.5. The table below shows the **total (15 years) partner contributions** to cover the cost of ‘borrowing’ notionally required to facilitate the negative cash flow.

Version	Bangor University	Glyndwr University	Grŵp Llandrillo Menai	Coleg Cambria	Other Commerical Partners	Conwy	Denbighshire	Flintshire	Gwynedd	Isle of Anglesey	Wrexham	Total
	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m
1	1.40	0.51	0.75	0.52	2.29	1.17	0.96	1.56	1.24	0.70	1.36	12.46
2	1.99	0.73	1.07	0.74	3.24	1.67	1.36	2.22	1.77	1.00	1.94	17.73

5.6. The table below shows the **annual partner contributions** to cover the cost of ‘borrowing’ notionally required to facilitate the negative cash flow.

Version	Bangor University	Glyndwr University	Grŵp Llandrillo Menai	Coleg Cambria	Other Commerical Partners	Conwy	Denbighshire	Flintshire	Gwynedd	Isle of Anglesey	Wrexham	Total
	£	£	£	£	£	£	£	£	£	£	£	£
1	93,330	34,000	50,000	34,670	152,660	78,010	64,000	104,000	82,670	46,670	90,670	830,680
2	132,670	48,670	71,330	49,330	216,000	111,340	90,670	148,000	118,000	66,670	129,340	1,182,020

5.7. These annual partner contributions above are in addition to the established ‘core’ and ‘supplementary’ annual contributions below.

Contributions	Bangor University	Glyndwr University	Grŵp Llandrillo Menai	Coleg Cambria	Conwy	Denbighshire	Flintshire	Gwynedd	Isle of Anglesey	Wrexham	Total
	£	£	£	£	£	£	£	£	£	£	£
Core	25,000	25,000	25,000	25,000	50,000	50,000	50,000	50,000	50,000	50,000	400,000
Supplementary	0	0	0	0	40,000	40,000	40,000	40,000	40,000	40,000	240,000

## 6. LEGAL IMPLICATIONS

6.1. The report explains relevant provisions of Governance Agreement 2 (GA2), The Overarching Business Plan (“OBP”) and the Final Deal Agreement. They form part of the legal implications, but in order to avoid duplication are not repeated in this section.

6.2. The recommendations in the report are made pursuant to the powers conferred on the Councils under sections 101, 102, 111 and 113 of the Local Government Act 1972, section 1 of the Local Authority (Goods & Services) Act 1970, section 25 of the Local Government (Wales) Act 1994, section 2, 19 and 20 of the Local Government Act 2000, section 9 of the Local Government Wales Measure 2009 and all other enabling powers now vested in the Councils.

6.3. The provisions of the Local Government and Elections Bill (Wales) 2019 in relation to proposed Corporate Joint Committees (CJC’s) and the recent publication of a consultation document on the proposed regulations are clearly of relevance to the matters addressed in this report. However, the North Wales Economic Ambition Board has been in operation as a formal Joint Committee since January 2019. GA2 does not change this basic governance model but is a necessary component to enable the Partners to commit to the Growth Deal within the given time frame. As a result there is no proposal to make any changes to the recommendations pending the advent of CJC’s although GA2 does acknowledge the provisions of the Bill and the possibility of future review.

- 6.4. The OBP is a key document in relation to the delivery of the Growth Deal. The content of the Plan serves to create a legitimate expectation that the Programmes will be progressed as set out in the Plan. Accordingly, it is important that each Partner is content with the content of the OBP. Decisions relating to the delivery of the programmes and projects will need to be considered in accordance with the provision set out in GA2 at which stage any legal issues raised in relation to a specific project can be considered and detailed legal advice provided.
- 6.5. In considering this matter regard should be had, amongst other matters, to the Councils duties under the Wellbeing of Future Generations (Wales) Act 2015. In summary the Act places a duty on public bodies in to act in accordance with the principle of sustainable development so as to ensure that the needs of the present can be met without undermining the ability of future generations to meet their needs. This is in order to improve the economic, social, environmental and cultural well-being of Wales. The OBP explains that the Wellbeing of Future Generations (Wales) Act 2015 will be intrinsic to the development and implementation of the Growth Vision and Growth deal.
- 6.6. A Well-being and Equality Assessment has been undertaken and is included in **Appendix 7**. Regard should be had to the same in reaching a decision on this matter.
- 6.7. Regard has been given to public sector duties under the Equalities Act 2010 (including specific Welsh public sector duties). Pursuant to these legal duties Councils must in making decisions have due regard to the need to:
- a. eliminate unlawful discrimination, harassment and victimisation and other conduct that is prohibited by that Act;
  - b. advance equality of opportunity between people who share a relevant protected characteristic and those who do not;
  - c. foster good relations between people who and share a protected characteristic and those who do not.
- 6.8. In Wales, public sector bodies listed are required to take certain steps in order to demonstrate that they have due regard to the public sector equality duty. These Welsh specific equality duties include assessing the impact of policies and procedures on equality (often called Equality Impact-Assessment).
- 6.9. The Well-being and Equalities Assessment demonstrates that the detail contained in the preparation of and in the draft OBP demonstrates compliance with the well-being 5 ways of working, supports the well-being goals and identifies that the Growth Vision and Growth Deal will a positive impact on all groups and people with protected characteristics.

## **7. STAFFING IMPLICATIONS**

- 7.1. None.

## **8. IMPACT ON EQUALITIES**

- 8.1. Copies of the impact assessments are included in **Appendix 7-8**.

## **9. CONSULTATIONS UNDERTAKEN**

- 9.1. On 7<sup>th</sup> of October, 2020 the contents of this report and the documentation was supported by the Executive Officers Group.

- 9.2. A report and the relevant documents have been circulated to all partner organisations. The covering report and appendices will be presented to all six local authority Scrutiny, Cabinet and Council Meetings – copy of the draft report can be found in **Appendix 9**.
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**APPENDICES:**

<b>Appendix 1</b>	Overarching Business Plan*
<b>Appendix 2</b>	Portfolio Business Case*
<b>Appendix 3</b>	Programme Business Cases: Executive Summaries* (full copies of the programme business cases are available on request)
<b>Appendix 4</b>	Draft Final Deal Agreement*
<b>Appendix 5</b>	Summary of Governance Agreement 2*
<b>Appendix 6</b>	Governance Agreement 2*
<b>Appendix 7</b>	Equality Impact Assessment
<b>Appendix 8</b>	Welsh Language Impact Assessment
<b>Appendix 9</b>	Draft Report to Scrutiny, Cabinet and Council Meetings

*\*subject to final edit and proof read*

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**STATUTORY OFFICERS RESPONSE:**

**i. Monitoring Officer – Host Authority:**

“I have contributed to the preparation of this report and I have no specific observations to add in relation to propriety but I will be in a position to give further guidance at the meeting.”

**ii. Statutory Finance Officer (the Host Authority’s Section 151 Officer):**

“I have contributed to the financial aspects of the report and support the recommendations.”

**Anticipated Direct Benefits to Anglesey**

1. Direct investment in capital projects on Anglesey including Holyhead Gateway, Morlais and MSParc development
2. Supply chain and job opportunities from large capital projects such as Morlais, Holyhead Gateway etc.
3. Improved digital connectivity for businesses, residents and visitors
4. Access to new facilities, equipment, support and specialist research for our food and drink businesses

**Anticipated In-Direct Benefits to Anglesey**

1. Access to cutting-edge research and support on sustainable farming techniques for Anglesey's farm businesses through the Grwp Llandrillo Menai site in Glynllifon
2. Opportunities for renewable energy initiatives within the Smart Access to Energy project and an investment in a Low Carbon Centre of Excellence at Bangor University & MSParc
3. Potential opportunities for strategic sites to be developed as part of the long-term Land & Property programme
4. Improved skills through biotechnology, low carbon centre of excellence, tourism and the rural economy

## NOTICE of the Decisions of the Virtual Meeting of the Partnership and Regeneration Scrutiny Committee Meeting held on 10 November 2020

**Present:** Councillor Gwilym O Jones (Chair)  
Councillor Glyn Haynes (Vice-Chair)

Councillors T LI Hughes MBE, K P Hughes, Vaughan Hughes, R LI Jones, Alun Roberts, Dafydd Roberts and Margaret Murley Roberts.

**Apologies:** Councillor Nicola Roberts

**In Attendance:** Chief Executive,  
Deputy Chief Executive,  
Director of Function (Council Business)/Monitoring Officer (for item 4),  
Director of Function (Resources) and Section 151 Officer (for item 4),  
Interim Director of Social Services,  
Interim Head of Adults Services,  
Interim Head of Regulation and Economic (for item 4),  
Service Manager – Learning Disability and Mental Health (BW) (for Item 3),  
Head of Housing Services,  
Principal Development Officer (TJ) (for item 4),  
Finance Manager (CE),  
Scrutiny Manager,  
Scrutiny Officer (SR),  
Committee Officer (MEH).

**Also Present:** Councillors Llinos M Huws – Leader and Portfolio Holder for Social Services (for items 3, 4, 5 and 6);  
Councillor Carwyn Jones – Portfolio Holder (Major Projects and Economic Development)  
Councillor Dafydd R Thomas – Portfolio Holder (Corporate Services).

Ms Alwen Williams – North Wales Ambition Board (for item 4),  
Mr Hedd Vaughan Evans – North Wales Ambition Board (for item 4),  
Ms Bethan Jones Edwards – Head of Regional Collaboration (Denbighshire County Council) (for item 5),  
Ms Nonn Hughes – Programme Manager, Gwynedd and Anglesey Public Services Board (for item 6),  
Mr Emyr Williams – Chair of the Gwynedd and Anglesey Public Services Board (for item 6)

(2.00 - 4.30 pm)

ITEM NUMBER AND SUBJECT MATTER	<b>3 Ynys Mon County Council and Betsi Cadwaladr University Health Board Shared Service Delivery (Pooled Budget) Pilot - Learning Disabilities</b>
DECISION	<b>It was RESOLVED to recommend to the Executive the approval of the piloting of a pooled fund between the Isle of Anglesey County Council and Betsi Cadwaladr</b>

	<b>University Health Board in a staged approach for the existing supported living budget for adults with learning disabilities residents in Anglesey who are currently jointly funded.</b>
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<b>ITEM NUMBER AND SUBJECT MATTER</b>	<b>4 Governance Arrangement 2 - North Wales Economic Ambition Board</b>
<b>DECISION</b>	<b>It was RESOLVED to recommend to the Executive and Council to approve the draft resolutions as worded in the report.</b>

<b>ITEM NUMBER AND SUBJECT MATTER</b>	<b>5 Annual Report : Regional Partnership Board (Part 9 : Health and Social Services)</b>
<b>DECISION</b>	<p><b>It was RESOLVED :-</b></p> <ul style="list-style-type: none"> <li>• <b>To confirm that the Committee has taken into account the work that is required to be undertaken by the Regional Partnership Board;</b></li> <li>• <b>That the Committee notes the work and progress in 2019/20 on the work areas that are being taken forward regionally through the North Wales Regional Partnership Board.</b></li> </ul>

<b>ITEM NUMBER AND SUBJECT MATTER</b>	<b>6 Public Services Board - Scrutiny of Governance Arrangements</b>
<b>DECISION</b>	<b>It was RESOLVED to note the Gwynedd and Anglesey Public Services Board governance arrangements.</b>

<b>ITEM NUMBER AND SUBJECT MATTER</b>	<b>7 Forward Work Programme for 2020/21</b>
<b>DECISION</b>	<b>It was RESOLVED to note the Work Programme from September 2020 – April 2021.</b>

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<b>ISLE OF ANGLESEY COUNTY COUNCIL</b>	
<b>Report to:</b>	<b>Executive</b>
<b>Date:</b>	<b>30 November 2020</b>
<b>Subject:</b>	Cyngor Sir Ynys Mon and Betsi Cadwaladr University Health Board Shared Service Delivery (Pooled Budget) Pilot – Learning Disabilities
<b>Portfolio Holder(s):</b>	Councillor Llinos Medi
<b>Head of Service / Director:</b>	Iola Richards, Interim Head of Adults Services
<b>Report Author:</b> Tel: E-mail:	Barbara Williams, Service Manager - Learning Disability & Mental Health.  Emma Edwards, Deputy Business Manager 01248 751887 <a href="mailto:Emmaedwards@ynysmon.gov.uk">Emmaedwards@ynysmon.gov.uk</a>
<b>Local Members:</b>	Relevant to all Members

<b>A –Recommendation/s and reason/s</b>
<p><b><u>Purpose of the Report:</u></b> Purpose of this report is to update members on the progress made by IOACC and partners at BCUHB on the project “ <b>Shared Service Delivery - Pooled Budgets for Learning Disabilities Services</b>”.</p> <p><b>Background:</b> The North Wales Learning Disability Strategy <a href="https://www.northwalescollaborative.wales/learning-disabilities/">https://www.northwalescollaborative.wales/learning-disabilities/</a> was approved by all six local authorities and Betsi Cadwaladr University Health Board in March 2019. The aim of the strategy is to develop seamless health and social care services for people with learning disabilities. Through better integrating health, social care and the third sector, the strategy aims to help people with learning disabilities live more independently and get the care they need to closer to home.</p> <p>A pivotal action in the strategy is to explore and <b>pilot pooled budgets</b> between health and social care in a locality.</p> <p>To support the implementation of the strategy, the North Wales Regional Partnership Board secured funding through ‘A Healthier Wales’ Transformation Fund to put in place the North Wales Together Learning Disability Transformation Programme and a delivery team. This team is charged with providing the support and resources required by the partners to implement the key tenants of</p>

the strategy.

The pooled fund pilot between BCUHB and Anglesey County Council is in many respects, the flagship of the programme and the Welsh Government have shown a specific interest in its development and success.

The pilot will have the added benefit of supporting the delivery of the North Wales Social Services and Wellbeing Improvement Collaborative Integration Agreement under Part 9 of the Social Services and Wellbeing (Wales) Act 2014.

This agreement sets out the key projects (including learning disabilities) that the six County Council's and BCUHB have agreed to collaborate on in order to identify opportunities for integrated services that may also lend themselves to formalised pooled fund arrangements. This agreement was formally signed by all six County Council's and BCUHB in 2018.

### **The Pilot Project**

North Wales has a growing population of both young and elderly people with learning disabilities (North Wales Population Assessment, p.165). Medical advances have had a positive impact with more young people with very complex needs surviving into adulthood. Older people with learning disabilities also have increasingly complex needs and behaviours as they get older.

This trend presents significant challenges to the region's health and social care services to provide the right type of support to ensure people with a learning disability achieve wellbeing. Innovative approaches are required including better joint working around funding, commissioning and resolving disputes quicker (North Wales Population Assessment, p.164).

**The North Wales Together Learning Disability Transformation Programme** which is supported by Ynys mon Local Authority and BCUHB is responding to this challenge by seeking to pilot a pooled fund for the supported living budget for adults with learning disabilities resident in Anglesey. The pilot will be delivered jointly by Ynys Mon, Adult Learning Disability Services and BCUHB Mental Health and Learning Disabilities division who have a long history of strong partnership working.

Pooled funds are a mechanism to enable greater integration of health and social care support and are viewed as being particularly effective for population groups with complex needs. The current mechanism for securing joint health and social care funding for adults with learning disabilities involves two processes which are not well aligned.

The rationale for piloting a pooled fund, is to test and evaluate whether integrating these processes leads to better quality services and outcomes for individuals whilst also improving the efficiency and effectiveness of service delivery.

*A copy of the Pilot Project plan and milestones aligned to full pooled budget transformation plan can be found in the Appendix for your perusal.*

## **Pilot Project Assessment & Analysis**

### Strategy Implications:

IOACC is a key partner in both the North Wales Learning Disability Strategy and the North Wales Together: seamless service for people with Learning disabilities. The approval of this pilot by IOACC will enable the Local Authority to make a significant contribution to the successful achievement of key performance measures for the Transformation Programme the foundation of which is the Learning Disability Strategy.

The discussions have been held through the Regional Partnership Board..

### Standard Operational Implications:

The pooled fund is underpinned by a statutory Sect 33 agreement outlining joint responsibilities, management structures, performance and quality assurance measures , financial governance and project governance structures.

To support the embedding into current operational practice- the S33 will inform the development of a standard operational procedure that outlines the supportive governance structures and systems to support implementation.

This will include clear and robust quality assurance processes aligned to key performance indicators from existing frameworks. IOACC, along with BCUHB will be supporting the view that the current KPI's and Q&A processes for CHC / Joint funding applications to the health board will be utilised.

Additionally the health equalities framework will be used to measure outcomes for each individual.

### Financial Implications:

The first stage of the pilot will pool the existing financial commitments of both agencies for supported living for adults with learning disabilities resident in Anglesey. The North Wales Together Transformation Programme will allocate a financial contribution to the pooled fund once the pilot is operational to support the initial stages of delivery.

The financial implications for IOACC and BCUHB will not be increased as a result of the pilot though there may be a requirement to contribute to annual supported living uplifts and uplifts in health care support needs for individuals as would be the case regardless of the pilot.

The first stage of the pilot will involve pooling of the existing joint funding commitments for supported living for 36 cases. The current total spend for both BCUHB and the Local Authority is: £ 3,166,201.87. This is currently split as:

- Health - 1,346,723.81
- Local Authority - £1,819,478.06

The pooled fund will be held and managed by IOACC on behalf of the partners and the Service Manager for Learning Disability and Mental Health will become the pooled Fund Manager responsible for the effective utilisation of the agreed pooled fund in line with the sect 33 agreement..

Progress beyond this stage will be dependent on an evaluation of impact against the agreed performance measures for the pilot. These will be set out in the Section 33 agreement that both partners will sign prior to the commencement of the pilot in December 2020. The North Wales Together Programme will provide resources to support every element of the pilot's delivery including:

- Financial contribution to the pooled fund to support any uplift of costs.
- Independent evaluation support.

Continued support from BCUHB finance team is instrumental in supporting the additional governance to this pilot.

#### Risk Analysis

The benefit of putting in place a Section 33 agreement for the pilot is that it will provide an agreed framework for both partners to manage risk. Such agreements must comply with certain statutory directions on content and which therefore, enable the partners:

- to clearly agree joint priorities and targets,
- what resources are needed, the types of services required,
- what outcomes are to be met,
- how the partnership will be governed including dispute resolution

A Partnership Management Board will also be established for the pilot. It will jointly report to the Regional Partnership Board and to the Senior Management Structures within BCUHB and Ynys Mon. The Board will provide opportunity for the partners to meet regularly and agree on objectives, resources, performance and any urgent variations within the context of local measures for the partnership. The Board will receive reports on performance measuring, the impact of the partnership and whether any appropriate action requires to be taken. The Board will have an annual review process, whereby resources and next steps in business plans will be confirmed.

#### Legal and Compliance:

Part 9 Agreements under the Social Services & Well-being (Wales) Act 2014 (or Section 33 Agreements), permits the pooling of budgets between the NHS and a Local Authority if a full written agreement is completed between the partners.

As noted a Section 33 agreement will be approved and signed by both Ynys Mon and BCUHB thereby providing the legal framework under which the pilot will operate. Both partners shall seek joint and individual legal advice prior to signing the partnership agreement. This will ensure that both partners know their rights/powers and any legal restrictions.

Once signed the agreement will remain in place for one calendar year at which stage it will be subject to a strategic and financial review by the Partnership Management Board.

#### Timetable

It is proposed that the report is shared with the following committees:

Senior Leadership Team 18<sup>th</sup> October 2020.  
Corporate Scrutiny Committee 10<sup>th</sup> November 2020  
Executive Committee 30<sup>th</sup> November 2020

**Recommendations**

- 1.1 Members are invited to offer comment on the content of the draft Cyngor Sir Ynys Môn and Betsi Cadwaladr University Health Board Shared Service Delivery / Pooled Budget Pilot – Learning Disabilities
- 1.2 To approve the piloting of a pooled fund between Cyngor Sir Ynys Môn and Betsi Cadwaladr University Health Board in a staged approach for the existing supported living budget for adults with learning disabilities resident in Anglesey who are currently jointly funded. This is for agreement of phase 1 sign off initially.
- 1.3 IOACC Legal department to provide an independent view aligned to the S33 agreement.
- 1.4 That the Executive delegate to the Monitoring Officer the right to complete the section 33 agreement and to the 151 Officer to agree with the BCUHB the financial arrangements to ensure the funds are properly and effectively managed.

**B – What other options did you consider and why did you reject them and/or opt for this option?**

The suggested pilot is being run under the safety of a Section 33 agreement in order to evaluate progress to ensure that the Pooled Budget long term project can be amended and developed to be effective and future proofed. Phase 2 of the pooled fund will be dependent on an independent evaluation of Phase 1 pilot over 12 month period( 2021-2022)

**C – Why is this a decision for the Executive?**

As the above clarifies, Pooled Budgets, managed through a joint Partnership Management Board, governed by a Section 33 agreement will be a strategic change in direction, and it is essential that our Executive Members fully understand and support the implications and effects.

**CH – Is this decision consistent with policy approved by the full Council?**

YES

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<b>D – Is this decision within the budget approved by the Council?</b>
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Yes
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<b>E – Impact on our Future Generations(if relevant)</b>
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1	How does this decision impact on our long term needs as an Island	Provides better outcomes for service users and delivers on the integration agenda.
2	Is this a decision which it is envisaged will prevent future costs / dependencies on the Authority. If so, how:-	Will provide more streamlined processes for agreeing jointly funded care provision for service users in supported living accommodation
3	Have we been working collaboratively with other organisations to come to this decision, if so, please advise whom:	Yes This is a collaborative initiative between IOACC and BCUHB and supported by the regional Transformation team for Learning Disability
4	Have Anglesey citizens played a part in drafting this way forward? Please explain how:-	There is no direct impact on service users in how the funding arrangements are agreed and managed.
5	Outline what impact does this decision have on the Equalities agenda and the Welsh language	Fully compliant with requirements of the Equalities and Welsh Language

<b>DD – Who did you consult?</b>	<b>What did they say?</b>
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1	<b>Chief Executive / Senior Leadership Team (SLT)</b> (mandatory)	This was approved by the SLT on the 18 <sup>th</sup> October 2020.
2	<b>Finance / Section 151</b> (mandatory)	As above. IOACC Finance Staff have been involved in the process to date.
3	<b>Legal / Monitoring Officer</b> (mandatory)	As above. IOACC Legal staff have been involved in the process to date.
4	<b>Human Resources (HR)</b>	Not applicable
5	<b>Property</b>	Not applicable

<b>6</b>	<b>Information Communication Technology (ICT)</b>	Not applicable
<b>7</b>	<b>Procurement</b>	Not applicable
<b>8</b>	<b>Scrutiny</b>	The Report was considered by Members of the Corporate Scrutiny Committee on 10 <sup>th</sup> November 2020.
<b>9</b>	<b>Local Members</b>	Not applicable

<b>F - Appendices:</b>
<p>:</p>

<b>FF - Background papers (please contact the author of the Report for any further information):</b>
<p>Further information can be found by searching the North Wales Learning Disability Strategy link: <a href="https://www.northwalescollaborative.wales/learning-disabilities/">https://www.northwalescollaborative.wales/learning-disabilities/</a></p>

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<b>ISLE OF ANGLESEY COUNTY COUNCIL</b>	
<b>Report to:</b>	<b>Executive / County Council</b>
<b>Date:</b>	<b>30 November / 8 December 2020</b>
<b>Subject:</b>	<b>Amending the constitutional process in relation to the setting of the Council's Budget</b>
<b>Portfolio Holder(s):</b>	<b>Councillor Dafydd Rhys Thomas Corporate Business Portfolio Holder</b>
<b>Head of Service / Director:</b>	<b>Lynn Ball Director of Function (Council Business) / Monitoring Officer</b>
<b>Report Author:</b> Tel: E-mail:	<b>Mared Yaxley 01248 752566 <a href="mailto:maredyaxley@ynysmon.gov.uk">maredyaxley@ynysmon.gov.uk</a></b>
<b>Local Members:</b>	<b>Not a ward specific matter</b>

<b>A –Recommendation/s and reason/s</b>
<p><u>Background</u></p> <ol style="list-style-type: none"> <li>1. Last year, a report was presented to the Executive on 29 November (leader's delegation to approve the report) and the <a href="#">Council on 10 December</a> noting that the provisional and final Local Government settlement for 2020/21, because of the general election held in December 2019, would be announced much later than the normal timetable.</li> <li>2. Confirmation has been received that the provisional and final Local Government settlement for 2021/2022 is also going to be announced late. The provisional settlement will not be announced until 22 December 2020 [8 days later than last year]. There is no known announcement date for the final settlement as yet.</li> </ol> <p><u>Consequences of the delay</u></p> <ol style="list-style-type: none"> <li>3. As a result of the delay in announcing the settlement for the 2020/21 budget, Council agreed to suspend paragraph 4.3.2.2.8 of the Council's Constitution for the 2020/21 budget setting process and to allow the Corporate Scrutiny Committee to consider the Executive's Initial Budget Proposals, less than 2 weeks before the date the annual budget was adopted by the Council on 10 March 2020.</li> <li>4. Due to the delayed announcement, the budget setting process will again need to be revised for setting the 2021/2022 budget as it will not be practically possible to follow the timetable included in this Council's Constitution.</li> <li>5. Setting the budget contrary to the requirements of the Council's own Constitution may lead to a challenge that the annual budget and council tax have not been legally set.</li> </ol> <p><u>The Constitutional requirement</u></p> <ol style="list-style-type: none"> <li>6. The timetable included in the Council's Constitution is what has been adopted by this Council by way of local choice matter. The only exception to this is the date on which the final budget must be adopted by Council; the Local Government Finance Act 1992 (paragraph 30 (6)) states that the amount of Council Tax must be set <u>on or before 11 March</u> in the financial year preceding that for which it is set.</li> </ol>

7. In order to ensure the constitutional process is followed, one must start with that date as the absolute deadline and work back so as to build in the timeframe stipulated in the Constitution.
8. As this is the second consecutive year in which the Council is requested to adapt the budget setting process, due to reasons outside this Council's control, rather than asking for the Council's approval to suspend the requirement for one year only, Council is asked to agree to amend the Constitution so that there is flexibility built into the constitutional timetable; this would then be available should a similar situation arise in the future.
9. The below table sets out the current budget setting process (column 1) and an explanation of the current constitutional requirement (column 2). Where an amendment to the current arrangement is recommended, the new wording is included underlined (and in red text) and any words to be deleted have been struck through (column 3).

<b>Budget Process Stage</b>	<b>Current constitutional requirement</b>	<b>Proposed constitutional requirement</b>
Pre Budget Statement announced by Executive	Para 4.3.2.2.1 – Pre Budget Statement to be announced by Executive before 30 September.	<i>There is no proposal to amend this as this is a report based on internal data and thus not dependent on external factors that affects the timetable.</i>
Scrutiny Committee to consider Initial Budget Proposals	Para 4.3.2.2.4 – Executive shall take account of representations from the Corporate Scrutiny Committee before framing its Initial Budget Proposals.	<i>Amendment proposed:</i> 4.3.2.2.2 <u>Using best endeavours</u> , before 30 November in any year, <u>or as soon as reasonably possible</u> , the Corporate Scrutiny Committee shall consider the Executive's Pre-Budget Statement as regards its effect and having regard to the authority's corporate plans, service plans and proposals for their development. It may make representations to the Executive concerning the budgets for matters within its terms of reference and may additionally make representations concerning the budget as a whole.
Executive to publish Initial Budget Proposals	Para 4.3.2.2.5 – Initial Budget Proposals to be published before 15 January.	<i>Amendment proposed:</i> 4.3.2.2.5 <u>Using best endeavours</u> , before 15 January in any year, <u>or as soon as reasonably possible</u> , the Executive will publish Initial Budget Proposals for the year beginning the following 1 April. The Initial Budget Proposals will include the following: (i) if the Council has adopted a budget strategy, whether the proposed annual budget conforms to that strategy, and details of any departures or proposals to revise or update the strategy; (ii) how the proposals link to the assumptions of the Pre-Budget Statement and corporate and service plans adopted by the authority or to be proposed by the Executive; (iii) details of how the proposals have been influenced by consultation undertaken or by the feedback from the Corporate Scrutiny committee.

Initial Budget proposals to be considered by the Corporate Scrutiny Committee	Para 4.3.2.2.8 – At least 2 weeks before the date on which the annual budget is to be adopted by the Council, the Corporate Scrutiny Committee shall consider the Initial Budget Proposals.	<i>Amendment proposed:</i> 4.3.2.2.8 <del>At least two weeks before the date on which an annual budget is to be adopted by the Council,</del> the Corporate Scrutiny Committee shall consider the Executive's Initial Budget Proposals as regards their effect, and having regard to the authority's corporate plans, service plans and proposals for their development. <u>Using best endeavours, this will be done at least two weeks before the date on which an annual budget is to be adopted by the Council, or as soon as reasonably practicable.</u> The Corporate Scrutiny Committee may make any representations it considers appropriate to the Executive concerning the Initial Budget Proposals.
Final Budget Proposals to be announced by the Executive	Para 4.3.2.2.9 – At least one week before the date on which the annual budget is to be adopted by the Council, the Executive, having considered the responses of the Corporate Scrutiny Committee and the outcomes of the consultation undertaken, will publish its Final Budget Proposals.	<i>Amendment proposed:</i> 4.3.2.2.9 <del>At least one week before the date on which an annual budget is to be adopted by the Council,</del> the Executive, having considered the responses of the Corporate Scrutiny Committee and the outcomes of consultation undertaken, will publish its Final Budget Proposals. <u>Using best endeavours, this will be done at least one week before the date on which an annual budget is to be adopted by the Council, or as soon as reasonably practicable.</u> The Final Budget Proposals will include the following: (i) if the Council has adopted a budget strategy, whether the proposed annual budget conforms to that strategy, and details of any departures or proposals to revise or update the strategy; (ii) the proposed Council Tax for the year; (iii) any proposed transfers to or from financial reserves; (iv) a summary of proposed expenditure by service; (v) details of significant changes to service delivery implied by the budget; (vi) the extent to which the proposals take account of reports of Committees; (vii) the extent to which the proposal takes account of details of any consultation that has been undertaken; (viii) details of any other significant differences between the initial and final proposals; (ix) the Executive's proposal for virement provisions during the year; (x) proposals for borrowing; (xi) any other statutory matters to be decided by the full Council.
Final Budget adopted by Council	The Local Government Finance Act 1992 states that the amount of Council Tax must be set before 11 March in the financial year preceding	<i>This is a statutory deadline and no amendment is possible to this date.</i>

	that for which it is set.	
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### 10. Recommendation

Council is asked to agree that:

- 10.1 the Council's Constitution is amended as noted in the table in paragraph 9 above, and
- 10.2 the Monitoring Officer be given delegated authority to make any consequential amendments to the Constitution to reflect the amendments approved in 10.1 above.

#### **B – What other options did you consider and why did you reject them and/or opt for this option?**

To do nothing is not an option as setting the budget contrary to the requirements of the Council's own Constitution may lead to a challenge that the annual budget and council tax have not been legally set. By amending the Constitutional requirements, this allows the timetable to be more fluid, and so the risk of not meeting the constitutional process in this regard is nullified.

A report similar to last year could be presented, asking for a one-year approval again. But as this is the second consecutive year in which the settlement has been late, it seems more efficient to ask for Council's agreement that flexibility is inbuilt to the Constitutional requirements so that annual reports requesting Council consent will not be necessary.

#### **C – Why is this a decision for the Executive?**

Paragraph 2.15.2.1 of the Constitution details: "Changes to the Constitution will only be approved by the full Council after consideration of the proposal by the Executive."

#### **CH – Is this decision consistent with policy approved by the full Council?**

Yes

#### **D – Is this decision within the budget approved by the Council?**

Not applicable

#### **E – Impact on our Future Generations(if relevant)**

<b>1</b>	<b>How does this decision impact on our long term needs as an Island</b>	
<b>2</b>	<b>Is this a decision which it is envisaged will prevent future costs / dependencies on the Authority. If so, how:-</b>	
<b>3</b>	<b>Have we been working collaboratively with other organisations to come to this decision, if so, please advise whom:</b>	
<b>4</b>	<b>Have Anglesey citizens played a part in drafting this way forward? Please explain how:-</b>	
<b>5</b>	<b>Outline what impact does this decision have on the Equalities agenda and the Welsh language</b>	

<b>DD – Who did you consult?</b>		<b>What did they say?</b>
<b>1</b>	<b>Chief Executive / Senior Leadership Team (SLT)</b> (mandatory)	No comments.
<b>2</b>	<b>Finance / Section 151</b> (mandatory)	No comment.
<b>3</b>	<b>Legal / Monitoring Officer</b> (mandatory)	Author of the report.
<b>4</b>	<b>Human Resources (HR)</b>	
<b>5</b>	<b>Property</b>	
<b>6</b>	<b>Information Communication Technology (ICT)</b>	
<b>7</b>	<b>Procurement</b>	
<b>8</b>	<b>Scrutiny</b>	
<b>9</b>	<b>Local Members</b>	Not a local matter.

<b>F - Appendices:</b>
None

<b>FF - Background papers (please contact the author of the Report for any further information):</b>
None

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