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To: Cllr Clive Carver (Chairman)

Councillors: Sean Bibby, Haydn Bateman, Geoff Collett, Andy Dunbobbin,
Mared Eastwood, Patrick Heesom, Richard Jones, Kevin Rush, Paul Shotton,
Andy Williams and Arnold Woolley

6 November 2020

Dear Sir/Madam

NOTICE OF REMOTE MEETING
CORPORATE RESOURCES OVERVIEW & SCRUTINY COMMITTEE
THURSDAY, 12 NOVEMBER, 2020 at 10.00 AM

Yours faithfully

Robert Robins
Democratic Services Manager

Please note: Due to the current restrictions on travel and the requirement for physical distancing, this meeting will not be held at its usual location. This will be a remote meeting and 'attendance' will be restricted to Committee Members. The meeting will be recorded.

If you have any queries regarding this, please contact a member of the Democratic Services Team on 01352 702345.

A G E N D A

1 **APOLOGIES**

Purpose: To receive any apologies.

2 **DECLARATIONS OF INTEREST (INCLUDING WHIPPING DECLARATIONS)**

Purpose: To receive any Declarations and advise Members accordingly.

3 **MINUTES** (Pages 5 - 16)

Purpose: To confirm as a correct record the minutes of the meetings held on 28 September and 15 October 2020.

4 **ACTION TRACKING** (Pages 17 - 20)

Report of Head of Democratic Services

Purpose: To inform the Committee of progress against actions from previous meetings.

5 **FORWARD WORK PROGRAMME** (Pages 21 - 28)

Report of Head of Democratic Services

Purpose: To consider the Forward Work Programme of the Corporate Resources Overview & Scrutiny Committee.

6 **EMERGENCY SITUATION BRIEFING (VERBAL)**

Purpose: To update on the latest position and the risks and implications for Flintshire and service and business continuity.

7 **NORTH WALES ECONOMIC AMBITION BOARD - FINAL GROWTH DEAL** (Pages 29 - 224)

Report of Chief Executive, Chief Officer (Planning, Environment and Economy) - Cabinet Member for Economic Development

Purpose: To consider Governance Agreement 2 and Final Deal Agreement for the North Wales Economic Ambitions Board prior to approval by Cabinet.

8 RECOVERY STRATEGY UPDATE (Pages 225 - 252)

Report of Chief Executive, Chief Officer (Governance), Senior Manager, Human Resources & Organisational Development, Corporate Finance Manager – Collective Cabinet

Purpose: To provide oversight on the recovery planning for the Committee's respective portfolio(s).

9 MID-YEAR PERFORMANCE INDICATORS FOR RECOVERY, PORTFOLIO AND PUBLIC ACCOUNTABILITY MEASURES (Pages 253 - 294)

Report of Chief Executive - Cabinet Member for Corporate Management and Assets

Purpose: To review the levels of progress in the achievement of activities, performance levels and current risk levels as identified in the Council Plan.

10 BUDGET 2021/22 - STAGE 1 (VERBAL)

Purpose: To share an update following consideration of the forecast by each of the Overview & Scrutiny committees.

11 REVENUE BUDGET MONITORING 2020/21 (MONTH 6) AND CAPITAL PROGRAMME MONITORING 2020/21 (MONTH 6) (Pages 295 - 344)

Report of Corporate Finance Manager - Cabinet Member for Finance

Purpose: To provide Members with the Revenue Budget Monitoring 2020/21 (Month 6) Report and the Capital Programme 2020/21 (Month 6) Report and significant variances.

12 CAPITAL PROGRAMME 2021/22 - 2023/24 (Pages 345 - 382)

Report of Corporate Finance Manager, Chief Executive, Chief Officer (Housing and Assets) - Cabinet Member for Finance

Purpose: To present the Capital Programme 2021/22 – 2023/24 for review.

13 CAPITAL STRATEGY INCLUDING PRUDENTIAL INDICATORS 2021/22 - 2023/24 (Pages 383 - 402)

Report of Corporate Finance Manager - Cabinet Member for Finance

Purpose: To present the Capital Strategy 2021/22 – 2023/24 for review.

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CORPORATE RESOURCES OVERVIEW & SCRUTINY COMMITTEE **28 SEPTEMBER 2020**

Minutes of the remote meeting of the Corporate Resources Overview & Scrutiny Committee of Flintshire County Council held on Monday, 28 September 2020

PRESENT: Councillor Clive Carver (Chairman)

Councillors: Sean Bibby, Haydn Bateman, Geoff Collett, Andy Dunbobbin, Mared Eastwood, Patrick Heesom, Richard Jones, Kevin Rush, Paul Shotton, Andy Williams and Arnold Woolley

APOLOGY: Councillor Billy Mullin

CONTRIBUTORS: Councillor Ian Roberts (Leader and Cabinet Member for Education), Councillor Carolyn Thomas (Deputy Leader and Cabinet Member for Streetscene & Countryside), Councillor Glyn Banks (Cabinet Member for Finance), Chief Executive, Chief Officer (Governance), Corporate Finance Manager, Senior Manager Human Resources & Organisation Design, Finance Manager and Principal Accountant.

IN ATTENDANCE: Head of Democratic Services and Democratic Services Officer

01. APPOINTMENT OF CHAIR

The Head of Democratic Services reminded the Committee that at the Annual Meeting, Council had resolved that the Conservative group should nominate the Chair of the Committee. The nomination from the group had been for Councillor Clive Carver.

RESOLVED:

That Councillor Clive Carver be confirmed as Chairman of the Committee for the municipal year.

(From this point, Councillor Carver chaired the remainder of the meeting)

02. APPOINTMENT OF VICE-CHAIR

The Chairman sought nominations for the appointment of Vice-Chair. Councillor Geoff Collett was nominated by Councillor Paul Shotton and this was seconded by Councillor Andy Dunbobbin. No further nominations were received. On being put to the vote, the nomination was carried.

RESOLVED:

That Councillor Geoff Collett be appointed Vice-Chair of the Committee for the municipal year.

03. DECLARATIONS OF INTEREST

Councillor Paul Shotton declared a personal interest as a board member of the North Wales Fire & Rescue Authority.

04. MINUTES

The minutes of the meeting held on 12 March 2020 were submitted. Councillor Andy Dunbobbin moved approval of the minutes and this was duly seconded by Councillor Paul Shotton.

RESOLVED:

That the minutes be approved as a correct record and signed by the Chairman.

05. EMERGENCY SITUATION BRIEFING

The Chief Executive provided a verbal update on the latest position in Wales and the risks and implications for Flintshire and service and business continuity.

The Chief Executive explained that the current situation was fluid. He and his Chief Officer colleagues would be ensuring that Members received short up to date verbal briefings at the start of meetings. He also commented that it may yet be necessary to reinstate the situational briefings which had been delivered to members during the first six months of the emergency.

Officers responded to a number of Member concerns and queries.

Councillor Ian Roberts said that, if necessary, Member briefings would be held if the position deteriorated and also gave a commitment to hold a Group Leaders meeting. He sought the support of Members to encourage their local communities to follow latest guidelines to protect against Covid-19.

RESOLVED:

That the update be noted and the Chief Executive and Chief Officer Team be thanked for the work which they were undertaking in planning for the impact of Coronavirus (COVID-19) in Flintshire.

06. TERMS OF REFERENCE OF THE COMMITTEE

The Head of Democratic Services advised that the new Overview & Scrutiny Committee structure was approved by Council on 27 February 2020. At the Annual Meeting on 9 September, Chairs were appointed to the five committees within the new structure.

The respective terms of reference of each of the Committees and the main contributors to them were identified in Appendix 1 of the report. The Officer drew

attention to the terms of reference for the Corporate Resources Overview & Scrutiny Committee and advised that these remain unchanged. The Chief Executive commented that the Committee had retained Emergency Planning within its functions. This was particularly appropriate given the ongoing pandemic and its impact on Council finances.

The recommendation was moved by Councillor Andy Dunbobbin and seconded by Councillor Paul Shotton.

RESOLVED:

That the Committee receives its terms of reference as agreed by Council and as set out in Appendix 1 of the report.

07. RECOVERY STRATEGY

The Chief Executive introduced a report to provide an oversight on the recovery planning for the Committee's respective portfolio(s) and to rebuild the forward work programme for the remainder of the 2020/21 Council year with a specific focus on recovery planning.

The Chief Executive led a comprehensive presentation which covered the following key areas on the Recovery Strategy:

- purpose
- recommendations
- objectives of the recovery strategy
- local chronology
- response objectives
- some local achievements in response
- recovery objectives – organisation
- recovery objectives - service
- recovery activities
- Council Plan and performance
- democratic governance of recovery
- recovery objectives

In response to a concern raised by Councillor Richard Jones around the Council Plan and alignment to the budget the Chief Executive gave an assurance that nothing had been abandoned in the Plan due to the Recovery Strategy and Committee were being asked to consider areas which were most relevant in the next 6 to 12 months.

The Chief Executive provided background information and delivered a presentation on the Corporate Risk Register Analysis which covered the following key points :

- open and closed risk trend
- current risk status analysis
- risk trend status analysis

The Chief Executive invited the Corporate Finance Manager, Senior Manager Human Resources & Organisation Design, and the Chief Officer (Governance) to present the risk register and risk mitigation actions for their respective service portfolios (Finance, Workforce, and Governance).

During his presentation, the Corporate Finance Manager responded to the question raised by Councillor Patrick Heesom. This related to the affordability of having to borrow at an earlier stage to fund the capital programme due to lower level of reserves being held. He felt that this was a risk. The Corporate Finance Manager advised that reserves were positive and the capital programme was spending less than the amount budgeted. In response to the further question raised by Councillor Heesom, the Officer confirmed that there was no additional borrowing requirement for the year.

The Chief Executive advised that the Register, with contextual analysis would be brought to Committee each month for review.

The Corporate Finance Manager also provided a detailed response to the further comments and questions raised by Councillor Richard Jones around the risks to reserves (CF06, CF07) and increase in costs from suppliers for goods and services due to supply/demand and business recovery strategies (CF10).

The Chief Executive advised that specific reports on some of the finance risks would be submitted to the Committee in the near future for consideration in detail.

Referring to the risks identified under the heading Workforce, Councillor Richard Jones asked if the proposal that teaching staff in all schools received flu vaccinations funded by the Council was being progressed. The Senior Manager Human Resources & Organisation Design confirmed that the Council had ordered 4,500 vaccinations and advised that school teachers and key workers were included in the programme and the Occupational Health Team were planning delivery of the scheme. She continued that a number of communications had been provided to strongly encourage the workforce to take up the offer.

The full set of strategic priorities for recovery recommended for extraction from the draft Council Plan for 2020/21 and inclusion in the Recovery Strategy was also attached, together with the full set of revised performance indicator targets for 2020/21.

The recommendations were moved by Councillor Paul Shotton and seconded by Councillor Andy Dunbobbin

RESOLVED:

- (a) That the presentation be received, with thanks to the officers; and

- (b) That the Committee tasks Officers to rebuild the Forward Work Programme for the remainder of the 2020/21 Council year with recovery planning at its core.

08. REVENUE BUDGET MONITORING 2020/21 (MONTH 4)

The Corporate Finance Manager delivered a presentation which covered the following key areas:

- Revenue Budget Monitoring 2020/21
- Budget monitoring 2020/21 – Assumptions
- Council Tax and Council Tax Reduction Scheme (CTRS)
- Claims update – additional costs
- Claims update – income loss

The Corporate Finance Manager presented a copy of the report on Revenue Budget Monitoring 2020/21 (Month 4) which had been presented to Cabinet on 22 September 2020 and was appended to the report.

Councillor Richard Jones raised a query on the information provided under significant variances this month and referred to the information in Table 1 of the report under Streetscene and Transportation. In his response the Corporate Finance Manager explained that a full breakdown of the figures provided was detailed in appendix 1 of the report. Councillor Jones suggested that an additional column be added to Table 1 to report on income level over/under (in year over and underspend). In his response the Corporate Finance Manager agreed to give the suggestion further consideration for future reports.

Referring to the comments made by Councillor Jones, the Chief Executive cited an example of how the Council was actively managing risk within the Streetscene and Transportation area. The Chief Executive advised that the Council was in negotiation with the Welsh Government to recover income loss where possible, however not all claims might be eligible.

The recommendation in the report was moved by Councillor Richard Jones and duly seconded.

RESOLVED:

That having considered the Revenue Budget Monitoring 2020/21 (Month 4) report, the Committee confirms that there are no specific matters which it wishes to have reported to the Cabinet.

09. CAPITAL PROGRAMME MONITORING 2020/21 (MONTH 4)

The Corporate Finance Manager presented a copy of the report on Capital Programme Monitoring 2020/21 (Month 4) which had been presented to Cabinet on 22 September 2020 and was appended to the report. He advised that the report summarised changes made to the Capital Programme 2020/21 since it was set in January 2020 to the end of Month 4 (July 2020), along with expenditure to

date and projected outturn. He referred to the main considerations as detailed in the report.

In response to a question raised Councillor Carolyn Thomas advised that the Standard Waste Transfer Station was in the capital programme, however, she was hopeful that financial assistance would be provided by the Welsh Government and said two bids had been submitted.

The Finance Officer responded to the further comments and questions raised by Councillor Richard Jones around prudential borrowing and carry forward of capital funding. Councillor Jones stated, as part of the finance policy, that the Council did not carry forward capital until schemes were contractually committed, however recognised that given the current circumstances, this may not be the case for all carry forward requests this financial year.

The recommendation in the report was moved by Councillor Richard Jones and seconded by Councillor Geoff Collett.

RESOLVED:

That having considered the Capital Programme Monitoring 2020/21 (Month 4) report, the Committee confirms that there are no specific matters which it wishes to have reported to the Cabinet.

10. MEMBERS OF THE PUBLIC AND PRESS IN ATTENDANCE

There were no members of the public or press in attendance.

(The meeting started at 10.00 am and ended at 11.45 am)

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Chairman

CORPORATE RESOURCES OVERVIEW & SCRUTINY COMMITTEE
15 OCTOBER 2020

Minutes of the meeting of the Corporate Resources Overview & Scrutiny Committee of Flintshire County Council held as a remote attendance meeting on Thursday, 15 October 2020

PRESENT: Councillor Clive Carver (Chairman)

Councillors: Sean Bibby, Haydn Bateman, Geoff Collett, Andy Dunbobbin, Mared Eastwood, Patrick Heesom, Richard Jones, Kevin Rush, Andy Williams and Arnold Woolley

APOLOGY: Chief Executive

SUBSTITUTE: Councillor: Paul Johnson (for Paul Shotton)

CONTRIBUTORS: Councillor Ian Roberts (Leader and Cabinet Member for Education), Councillor Carolyn Thomas (Deputy Leader and Cabinet Member for Streetscene and Countryside), Councillor Billy Mullin (Cabinet Member for Corporate Management and Assets), Councillor Glyn Banks (Cabinet Member for Finance), Chief Officer (Governance), Corporate Finance Manager, Senior Manager for Human Resources & Organisational Development and Finance Manager

IN ATTENDANCE: Head of Democratic Services, Democratic Services Team Leader and Democratic Services Officer

11. DECLARATIONS OF INTEREST

None.

12. EMERGENCY SITUATION BRIEFING (VERBAL)

The Chief Officer (Governance) gave a brief update on the current situation and referred to the possible impact of Health Protection Zones on the number of cases and the importance of complying with the advice. Members would be kept informed of any changes and further announcements by Welsh Government were expected. The update also reflected on the Test, Trace & Protect service and work to refresh business continuity plans for the Winter period.

As Leader of the Council, Councillor Roberts thanked Members, officers and the people of Flintshire for the way in which they were dealing with the emergency situation. He gave a brief update on schools and assured Members that updates would be shared in a timely manner.

RESOLVED:

That the verbal update be received.

13. RECOVERY STRATEGY UPDATE

The Chief Officer (Governance) presented a report to update the Committee on the Corporate Portfolio Risk Register and mitigating actions as part of recovery planning, following the item at the previous meeting.

The Chief Officer, Corporate Finance Manager and Senior Manager for Human Resources & Organisational Development gave a joint presentation on the main changes and live issues on risk and recovery within their respective portfolios as follows:

- Open and closed risk trend
- Current risk status analysis
- Risk trend status analysis
- Finance
- Workforce
- Governance

Finance

Councillor Richard Jones said that to avoid any confusion, the data should differentiate between improving risk trends and static trends, therefore risk trends that were static should be annotated with the appropriate arrow but could remain red, amber or green in that static condition. The Chief Officer said that the data was presented to provide context on the current status alongside the trend, but could be reviewed if other Members shared the same concern. Councillor Jones proposed his suggestion as a recommendation and also questioned the title of the Recovery Strategy as he felt that this did not reflect the current phase of the pandemic. The Chief Officer said that the three phases followed national terminology and that the Recovery stage looked at forward planning. Inevitably each phase could be subject to change at any time.

Councillor Jones referred to the change in risk rating on national funding to replace lost income (CF01) which he said should be annotated to reflect the update in that month. In response to questions, the Chief Officer spoke about the proactive approach taken by the Revenues team to engage with private companies to access Welsh Government (WG) grant funding and to provide support through repayment agreements where possible. On the retention of Deeside Leisure Centre as an emergency hospital, the Corporate Finance Manager said that negotiations were ongoing on financial support for private companies operating within the building.

On financial risks, Councillor Johnson asked about the potential impact on Council Tax setting. The Corporate Finance Manager said that the budget report for the forthcoming Cabinet meeting detailed a range of known cost pressures and the limited solutions available to the Council to meet them. The start of the budget consultation process in November would provide an opportunity for Overview & Scrutiny committees to review and challenge those cost pressures alongside the broader approach to identify efficiencies. In addition, councils in

Wales were currently working with the Welsh Local Government Association on the financial impact of the emergency situation.

In response to questions from Councillor Dunbobbin, the Corporate Finance Manager agreed to liaise with the Chief Officer (Housing & Assets) to provide more information on the value and reasons for the increase in rent arrears. A report on rent arrears would be considered by Overview & Scrutiny prior to Cabinet.

Following a question by Councillor Bateman, it was confirmed that although the loss of car parking income from quarter 2 did not meet the eligibility criteria for WG funding, officers were pursuing a possible claim for reduced footfall. Councillor Roberts explained that the Council's decision to withdraw charges during the period was regarded as a local decision by WG.

Councillor Banks reminded Members that the rationale behind the Council's decision was to support local town centres. Councillor Jones said that this case could be evidenced to WG. The Chief Officer assured Members that the Council was doing everything possible to maximise funding available from WG to support the recovery process.

Workforce

In response to a question from Councillor Jones on workforce availability as a result of caring responsibilities, the Senior Manager outlined the arrangements in place to support employees who were unable to work from home. She also referred to the impact on the workforce arising from the risk around the personal protective equipment (PPE) supply chain which was being monitored by Procurement. The Chief Officer advised that WG had agreed to procure the appropriate levels of PPE for social care and councils during the forthcoming winter.

When asked by Councillor Dunbobbin about the risk on employee availability in the education sector, the Senior Manager said that this was low and that pupils had been mainly affected, with schools adopting creative methods to deal with the situation. She also provided information on continuing positive engagement with Trade Union colleagues during the emergency period.

In response to a question from Councillor Johnson, the Senior Manager spoke about changes made to the recruitment process using digital means which were proving efficient. She also provided clarification on recruitment to critical roles including the approval process.

Governance

Councillor Dunbobbin thanked officers for the response to the recent data breach which he suggested could be used as a training opportunity for employees. The Chief Officer gave examples of actions put in place to safeguard against reoccurrence. In response to concerns about the rise in cyber-crime across the region, he gave an overview of the maintenance and renewal

programme to update ICT hardware and software and would provide a separate response on the type of firewall software used by the Council.

In thanking officers for the report, Councillor Heesom took the opportunity to raise his concerns about aspects of the Planning function. As the matter was outside the remit of this Committee, the Chief Officer would ask the Chief Officer (Planning, Environment & Economy) to liaise directly with Councillor Heesom.

Councillor Jones reiterated his earlier proposal which was seconded by Councillor Heesom.

RESOLVED:

- (a) That the Committee accepts the latest update risk register and risk mitigation within the corporate portfolios; and
- (b) That for future updates, the Committee requests that when a risk trend is static, it should be annotated with the appropriate arrow but can remain red, amber or green in that static condition.

14. REVENUE BUDGET MONITORING 2020/21 (MONTH 5)

The Corporate Finance Manager presented a report on the revenue budget monitoring position for the Council Fund and Housing Revenue Account (HRA) as at Month 5 prior to consideration by Cabinet. This reflected the budget position at the close of the financial year if all things remained unchanged and took into account the latest position on Welsh Government (WG) Emergency Grant Funding announcements.

The operating deficit of £0.921m was a positive movement of £0.062m from the previous month. This projection did not include the impact of the two significant financial risks on Council Tax income and Council Tax Reduction Scheme (CTRS), along with the pay award which would be met from reserves. The overall position had benefitted from £0.316m of temporary savings identified as part of the review of non-essential spend, however this was offset by a significant increase in Out of County spend which was £0.144m above the £0.300m contingency level that was set aside.

Officers were continuing to liaise with WG on future support for the CTRS and would update Members accordingly, along with progress on new risks on free school meals and transportation. To condense future reports, details of variances would only show those which had changed from the previous month.

On Reserves and Balances, the projected year-end balance on Contingency Reserves was £1.418m assuming that the projected overspend of £0.921m was met from the amount available in the £3m emergency ring-fenced fund, which would leave a remaining amount of £1.965m. The projected year-end balance on earmarked reserves at this stage was £11.4m.

On the HRA, a projected underspend of £0.364m would leave a closing un-earmarked balance of £2.373m, which was above the recommended guidelines on spend.

Councillor Dunbobbin referred to the potential impact of the Mockingbird project and proposed that the overspend on Out of County Placements be referred to the Social & Health Care Overview & Scrutiny Committee.

The proposal was seconded by Councillor Richard Jones who also asked about the effect of Covid-19 on Out of County Placements. On the table showing the projected position by portfolio, he requested an extra column to identify income and costs and questioned the movement of funding within the 'approved budget' column for some portfolios (excluding Central and Corporate Finance) acknowledging that the total was reconciled at year-end. On the first point, the Corporate Finance Manager referred to the software used to generate the data and suggested that future reports could instead provide narrative for portfolios which may help to provide context. He also agreed look into the movement of funding in the approved budget of portfolios.

Councillor Banks spoke about the potential for long-term benefits of the Mockingbird project which was in the early stages of development and the first of its type in Wales.

The recommendations, which were amended to reflect the debate, were moved and seconded by Councillors Jones and Dunbobbin.

RESOLVED:

- (a) That having considered the Revenue Budget Monitoring 2020/21 Month 5 report, the Committee confirms that there are no issues to be raised with the Cabinet on this occasion;
- (b) That the Social & Health Care Overview & Scrutiny Committee be requested to consider an item on Out of County Placements and the Mockingbird initiative;
- (c) That Finance officers look into the possibility of including an additional column in Table 1 of future reports to separate income from costs, and provide a response on movement within approved budgets of portfolios; and
- (d) That information be provided on the impact of Covid-19 on Out of County Placements.

15. ACTION TRACKING

In presenting the report, the Head of Democratic Services advised that a Member workshop on Digital was being arranged, as requested at the workshop on the North Wales Economic Ambition Board. He also advised that discussions with the Welsh Local Government Association were currently on hold.

The recommendation was moved and seconded by Councillors Dunbobbin and Heesom.

RESOLVED:

That the Committee notes the progress which has been made.

16. FORWARD WORK PROGRAMME

The Head of Democratic Services presented the current Forward Work Programme for consideration.

In response to a question from Councillor Richard Jones, officers provided clarification on the timing of the budget consultation process starting with the Committee's meeting on 2 November.

The recommendations were moved and seconded by Councillors Dunbobbin and Bibby.

RESOLVED:

- (a) That the Forward Work Programme be noted; and
- (b) That the Head of Democratic Services, in consultation with the Committee Chair, be authorised to vary the Forward Work Programme between meetings, as the need arises.

17. MEMBERS OF THE PUBLIC AND PRESS IN ATTENDANCE

There was one member of the press in attendance.

(The meeting started at 10am and ended at 12pm)

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Chairman



CORPORATE RESOURCES OVERVIEW & SCRUTINY COMMITTEE

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|------------------------|-----------------------------|
| Date of Meeting | Thursday, 12 November 2020 |
| Report Subject | Action Tracking |
| Report Author | Head of Democratic Services |
| Type of Report | Operational |

EXECUTIVE SUMMARY

The report shows the action points from previous meetings of the Corporate Resources Overview & Scrutiny Committee and the progress made in completing them. The majority of the requested actions have been completed. Any outstanding will be reported back to the next monthly meeting.

RECOMMENDATIONS

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| 1 | That the Committee notes the progress which has been made. |
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REPORT DETAILS

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| 1.00 | EXPLAINING THE ACTION TRACKING REPORT |
| 1.01 | In previous meetings, requests for information, reports or actions have been made. These have been summarised as action points. Following the meeting of the committee in July 2018, it was recognised that there was a need to formalise such reporting back, as 'Matters Arising' is not an item which can feature on an agenda. |
| 1.02 | This paper summarises those points and where appropriate provides an update on the actions resulting from them. The Action Tracking details are attached in appendix A. |

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| 2.00 | RESOURCE IMPLICATIONS |
| 2.01 | None arising directly from this report. |

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| 3.00 | CONSULTATIONS REQUIRED/CARRIED OUT |
| 3.01 | In some cases, action owners have been contacted to provide an update on their actions. |

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| 4.00 | RISK MANAGEMENT |
| 4.01 | Not applicable. |

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| 5.00 | APPENDICES |
| 5.01 | Appendix A - CRO&SC Action Points |

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| 6.00 | LIST OF ACCESSIBLE BACKGROUND DOCUMENTS |
| 6.01 | Minutes of previous meetings of the committee as identified in the report. |

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|-------------|---|
| 7.00 | CONTACT OFFICER DETAILS |
| 7.01 | Contact Officer: Robert Robins, Head of Democratic Services Telephone: 01352 702320 E-mail: robert.robins@flintshire.gov.uk |

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| 8.00 | GLOSSARY OF TERMS |
| | None. |

Action Tracking Appendix for November 2020 CRO&SC

| Meeting | Agenda item | Action Required and by whom | Action taken | Timescale |
|----------|--|---|---|-----------|
| 15.10.20 | 4. Recovery Strategy Update | Cllr Dunbobbin asked for information on the threat or impact of unemployment on CF14 (Increase in rent arrears impacts on the stability of the Housing Revenue Account business plan). The Corporate Finance Manager indicated that this information would be sought from the Chief Officer (Housing & Assets). | Included in the update circulated to committee members before the meeting. | |
| 15.10.20 | 4. Recovery Strategy Update | Cllr Heesom commented on his concerns at the management of the planning function, especially in relation to development control. The Chief Officer (Governance) undertook to pass on these concerns to the Chief Officer (P, E &E) who would contact Cllr Heesom to ask for specific examples and instances | This issue is not within the remit of the committee and so will not be included in future action tracking. | |
| 15.10.20 | 4. Recovery Strategy Update | 3. The Chief Officer (Governance) agreed to provide a response to Cllr Dunbobbin's question on the type of firewall software used by the Council's IT department. | The Council has an Enterprise grade Security Firewall which protects the Council Systems and information. It provides multiple layers of defence against unauthorised access. | |
| 15.10.20 | 5. Revenue Budget Monitoring 2020/21 Month 5 | 1. Cllr Dunbobbin asked whether the Social & Health O&SC would be considering the Mockingbird initiative. Head of Democratic Services to investigate for response | The committee have previously considered Mockingbird and an update is scheduled for the 4 th march 2021 meeting | |

| Meeting | Agenda item | Action Required and by whom | Action taken | Timescale |
|----------|--|---|---|-----------|
| 15.10.20 | 5. Revenue Budget Monitoring 2020/21 Month 5 | 2. Cllr Dunbobbin asked for information on the Covid impact on Out of county placements. Head of Democratic Services to seek response. | This is contained in the Social services risk register: <i>Expenditure on out of county placements increases as placement costs increase in a demand led market.</i> <i>Note: risk trend is amended as it is static</i> | |
| 15.10.20 | 5. Revenue Budget Monitoring 2020/21 Month 5 | 3. Cllr R B Jones requested that an extra column be put into the projected position by portfolio analysis (Table 1) to separate income and costs. The Corporate Finance Manager indicated that this may not be possible with the software being used. | Under consideration, but the Corporate Finance Manager indicated that this may not be possible with the software being used | |
| 15.10.20 | 5. Revenue Budget Monitoring 2020/21 Month 5 | 4. In response to Cllr Jones' question, the Corporate Finance Manager agreed to provide a reconciliation of the Central & Corporate Finance budget to explain any movement since last month. | Update to be circulated to Members of the committee before the November meeting. | |



CORPORATE RESOURCES OVERVIEW & SCRUTINY COMMITTEE

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|------------------------|--|
| Date of Meeting | Thursday, 12 th November 2020 |
| Report Subject | Forward Work Programme |
| Cabinet Member | Not applicable |
| Report Author | Head of Democratic Services |
| Type of Report | Operational |

EXECUTIVE SUMMARY

Overview & Scrutiny presents a unique opportunity for Members to determine the Forward Work programme of the Committee of which they are Members. By reviewing and prioritising the Forward Work Programme Members are able to ensure it is Member-led and includes the right issues. A copy of the Forward Work Programme is attached at Appendix 1 for Members' consideration which has been updated following the last meeting.

The Committee is asked to consider, and amend where necessary, the Forward Work Programme for the Corporate Resources Overview & Scrutiny Committee.

RECOMMENDATIONS

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|---|--|
| 1 | That the Committee considers the draft Forward Work Programme and approve/amend as necessary. |
| 2 | That the Head of Democratic Services, in consultation with the Chair of the Committee be authorised to vary the Forward Work Programme between meetings, as the need arises. |

REPORT DETAILS

| | |
|-------------|--|
| 1.00 | EXPLAINING THE FORWARD WORK PROGRAMME |
| 1.01 | Items feed into a Committee's Forward Work Programme from a number of sources. Members can suggest topics for review by Overview & Scrutiny Committees, members of the public can suggest topics, items can be referred by the Cabinet for consultation purposes, or by County Council or Chief Officers. Other possible items are identified from the Cabinet Work Programme and the Improvement Plan. |
| 1.02 | <p>In identifying topics for future consideration, it is useful for a 'test of significance' to be applied. This can be achieved by asking a range of questions as follows:</p> <ol style="list-style-type: none">1. Will the review contribute to the Council's priorities and/or objectives?2. Is it an area of major change or risk?3. Are there issues of concern in performance?4. Is there new Government guidance of legislation?5. Is it prompted by the work carried out by Regulators/Internal Audit?6. Is the issue of public or Member concern? |
| 2.00 | RESOURCE IMPLICATIONS |
| 2.01 | None as a result of this report. |
| 3.00 | RISK MANAGEMENT |
| 3.01 | None as a result of this report. |
| 4.00 | CONSULTATIONS REQUIRED/CARRIED OUT |
| 4.01 | Publication of this report constitutes consultation. |
| 5.00 | APPENDICES |
| 5.01 | Appendix 1 – Draft Forward Work Programme. |
| 6.00 | LIST OF ACCESSIBLE BACKGROUND DOCUMENTS |
| 6.01 | None |

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| 7.00 | CONTACT OFFICER DETAILS |
| 7.01 | <p>Contact Officer: Robert Robins, Head of Democratic Services Telephone: 01352 702320 E-mail: robert.robins@flintshire.gov.uk</p> |

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| 8.00 | GLOSSARY OF TERMS |
| | <p>Council Plan: the document which sets out the annual priorities of the Council. It is a requirement of the Local Government (Wales) Measure 2009 to set Improvement Objectives and publish such a plan.</p> |

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Corporate Resources Overview & Scrutiny Committee Forward Work Programme 2020/21

| DATE | ISSUE | O&S FOCUS / PURPOSE | REPORT(S) FROM |
|---|--|--|---|
| Thursday 10 th December 2020 10.00 | Emergency Situation Briefing (Verbal) | Information and assurance | Chief Executive |
| | Risk Register | Monitoring and assurance on particular risks | Chief Executive , Gareth Owens Gary Ferguson Sharon Carney |
| | Action tracking Forward work programme | Progress chasing Approval | Robert Robins |
| | Council Plan | Monitoring and assurance | Chief Executive & Jay Davies |
| | Revenue Budget Monitoring (Month 7) | Monitoring | Dave Ledsham |
| | Employment & Workforce update to include Absence trends and analysis for Quarters 1 & 2 | Monitoring | Sharon Carney and Andrew Adams |
| Item deferred from the November meeting | Public Services Ombudsman for Wales Annual Letter 2019-20 and Complaints against Flintshire County Council 2020-21 | Monitoring and assurance | Rebecca Jones |
| Item deferred from the November meeting | Pension Fund Update – Annual report | Monitoring and assurance | Phil Latham |
| | Emergency Situation Briefing (Verbal) | Information and assurance | Chief Executive |
| | Risk Register | Monitoring and assurance on particular risks | Chief Executive , Gareth Owens Gary Ferguson Sharon Carney |

Corporate Resources Overview & Scrutiny Committee Forward Work Programme 2020/21

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|---|--|--|---|
| | Action tracking Forward work programme | Progress chasing Approval | Robert Robins |
| | Community Safety Partnership Annual Report | Monitoring & Assurance | Sian Jones |
| | Member Communication and Case Management Support update. | Monitoring | Rebecca Jones |
| | Revenue Budget Monitoring (Month 7) | Monitoring | Dave Ledsham |
| Thursday 11 th February 2021 10.00 | Emergency Situation Briefing (Verbal) | Information and assurance | Chief Executive |
| | Risk Register | Monitoring and assurance on particular risks | Chief Executive , Gareth Owens Gary Ferguson Sharon Carney |
| | Monthly Revenue Budget Monitoring 2020/21 (Month 9) | Monitoring | Dave Ledsham |
| Thursday 11 th March 2021 10.00 | Emergency Situation Briefing (Verbal) | Information and assurance | Chief Executive |
| | Risk Register | Monitoring and assurance on particular risks | Chief Executive , Gareth Owens Gary Ferguson Sharon Carney |
| | Action tracking Forward Work programme | Progress chasing Approval | Robert Robins |
| | Monthly Revenue Budget Monitoring 2020/21 (Month 10) | Monitoring | Dave Ledsham |

Corporate Resources Overview & Scrutiny Committee Forward Work Programme 2020/21

Item to be allocated

- North Wales Councils Regional Emergency Planning Service,
- North Wales Fire & Rescue authority – annual consultation
- Alignment of risks identified from the Annual Governance Statement

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CORPORATE RESOURCES OVERVIEW AND SCRUTINY COMMITTEE

| | |
|------------------------|--|
| Date of Meeting | Thursday, 12 th November 2020 |
| Report Subject | North Wales Economic Ambition Board Final Growth Deal |
| Cabinet Member | Cabinet Member for Economic Development |
| Report Author | Chief Executive Chief Officer (Planning, Environment and Economy) |
| Type of Report | Strategic |

EXECUTIVE 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 NWEAB have prepared a suite of documents, namely the Overarching Business Plan, Portfolio Business Case, Draft Final Deal Agreement and Governance Agreement 2.

RECOMMENDATIONS

| | |
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| 1 | That the Scrutiny Committee formally endorses and recommends that Cabinet 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 Scrutiny Committee formally endorses and recommends that Cabinet approves the provisions in Governance Agreement 2 relating to executive functions, recommends that Council approves the provisions relating to non-executive functions, and that Cabinet specifically adopts the delegations and Terms of Reference in " <i>Governance Agreement 2: Appendix 1</i> " thereof as the basis for completing the Final Deal Agreement and acceptance of the Grant Funding Letter with the UK and Welsh Governments. |

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| 3 | That the Cabinet 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 Cabinet 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. |

REPORT DETAILS

| | |
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| 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 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 Overarching Business Plan is available in Appendix 1 . |

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| 1.07 | The overarching business plan 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 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. |
| 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. |

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| 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 are committed to achieving Final Deal Agreement with both Government before the end of December 2020. |
| 1.23 | 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. |
| 1.24 | Covid-19 |
| 1.25 | Covid-19 has had an immense 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 Overarching Business Plan, 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 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. |

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| 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 and Equality 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 | <p>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:</p> <ul style="list-style-type: none"> 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 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. |

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| 2.00 | RESOURCE IMPLICATIONS |
| 2.01 | 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. |
| 2.02 | 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. |
| 2.03 | 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). |
| 2.04 | 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 for the Lead Sponsor to deal with in relation to their projects. |

2.05 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 |

2.06 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 |

2.07 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 |

2.08 The Corporate Finance Manager (Section 151 Officer) advises that the level of borrowing required to meet the negative cash flow is prudent and provides good value for money in the context of the timely delivery of such a major Project. The additional annual contributions will be built into the budget for 2021/22 as part of the current ongoing work on the budget process and are deemed affordable.

3.00 IMPACT ASSESSMENT AND RISK MANAGEMENT

3.01 **Ways of Working (Sustainable Development) Principles Impact**

| | |
|---------------|--|
| Long-term | |
| Prevention | |
| Integration | |
| Collaboration | |
| Involvement | |

Well-being Goals Impact

| | |
|------------------|---|
| Prosperous Wales | |
| Resilient Wales | |
| Healthier Wales | |
| More Equal Wales | Copies of the impact assessments are included in Appendix 5-7. |

| | | |
|--|----------------------------|--|
| | Cohesive Wales | |
| | Vibrant Wales | |
| | Globally Responsible Wales | |

| | |
|-------------|---|
| 4.00 | CONSULTATIONS REQUIRED/CARRIED OUT |
| 4.01 | CONSULTATIONS UNDERTAKEN |
| 4.02 | On 7 th of October, 2020 the contents of this report and the documentation was supported by the Executive Officers Group. |
| 4.03 | 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. |
| 4.04 | A report and the relevant documents will be presented to the NWEAB on 23 rd October, 2020. Please find a copy of the Covering Report in Appendix 8 and the complete documentation is available HERE . |

| | |
|-------------|---|
| 5.00 | APPENDICES |
| 5.01 | <p>Appendix 1 Overarching Business Plan*</p> <p>Appendix 2 Draft Final Deal Agreement*</p> <p>Appendix 3 A summary of Governance Agreement 2*</p> <p>Appendix 4 Governance Agreement 2*</p> <p>Appendix 5 Future Generations Impact Assessment</p> <p>Appendix 6 Welsh Language Impact Assessment</p> <p>Appendix 7 Equality Impact Assessment</p> <p>Appendix 8 NWEAB Report</p> <p><i>*subject to final edit and proof read</i></p> |

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| 6.00 | LIST OF ACCESSIBLE BACKGROUND DOCUMENTS |
| 6.01 | See appendices |

| | |
|-------------|--|
| 7.00 | CONTACT OFFICER DETAILS |
| 7.01 | <p>Contact Officer: Andrew Farrow</p> <p>Telephone: 01352 703201</p> <p>E-mail: Andrew.farrow@flintshire.gov.uk</p> |

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| 8.00 | GLOSSARY OF TERMS |
| 8.01 | - |

NORTH WALES GROWTH DEAL OVERARCHING BUSINESS PLAN

2020-25

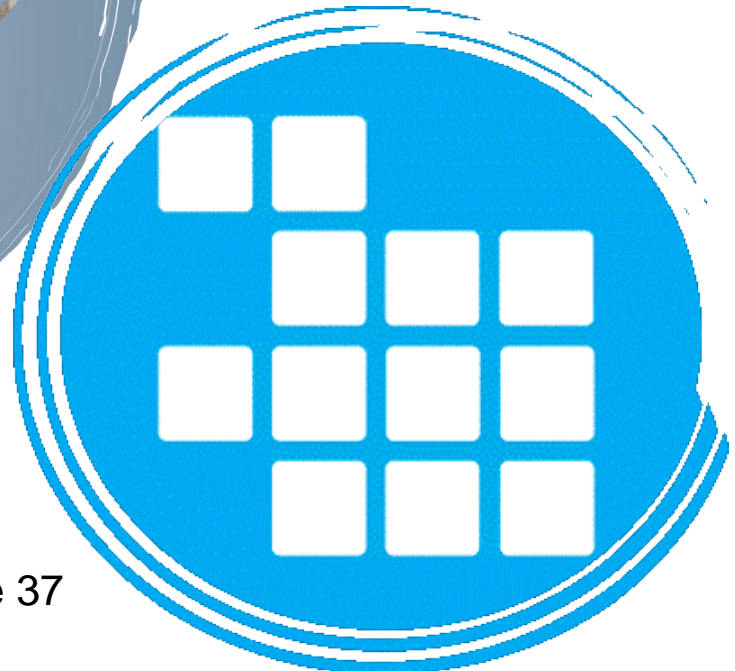


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Foreword

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

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 | 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. |

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,¹ representing 22% of the Welsh economy.² 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

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

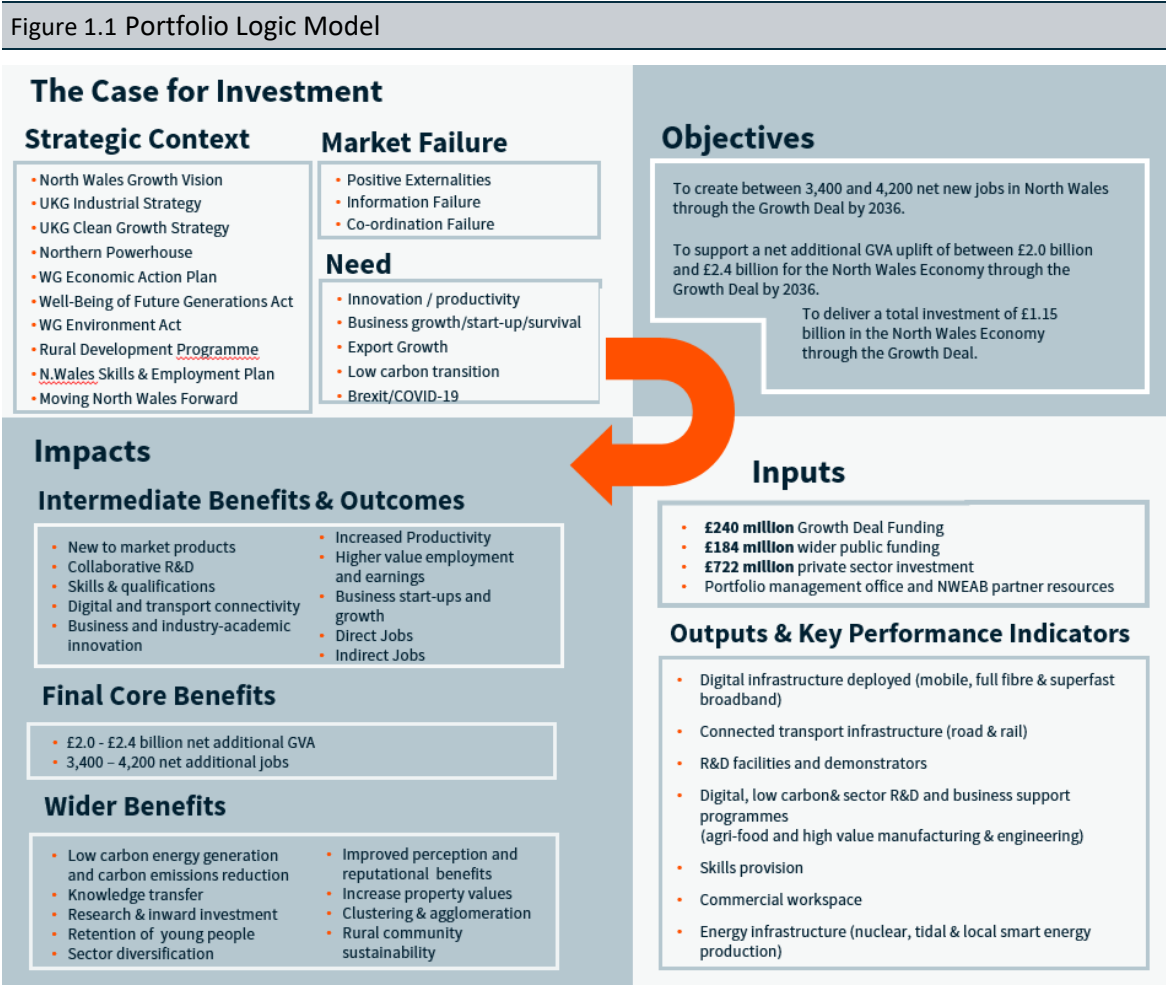
² <https://statswales.gov.wales/Catalogue/Business-Economy-and-Labour-Market/Regional-Accounts/Gross-Value-Added-GDP/gva-by-measure-welsh-economic-region-year>

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.



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

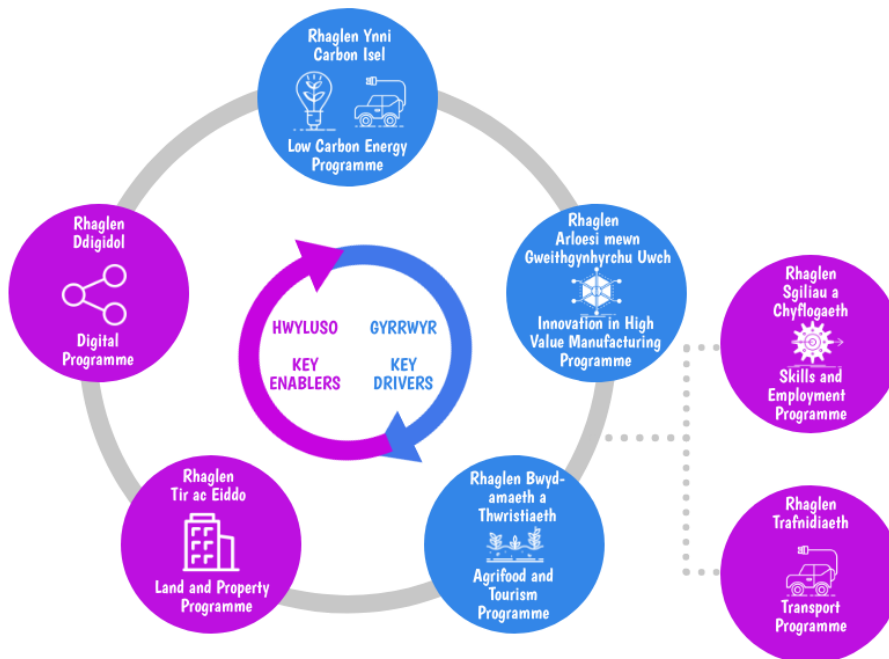
- 1.12 The projects within the Growth Deal aimed at increasing the value and impact of high growth sectors will be focused on three key programmes:
 - **Low carbon energy**
 - **Innovation in high value manufacturing**
 - **Agri-food and tourism**

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**

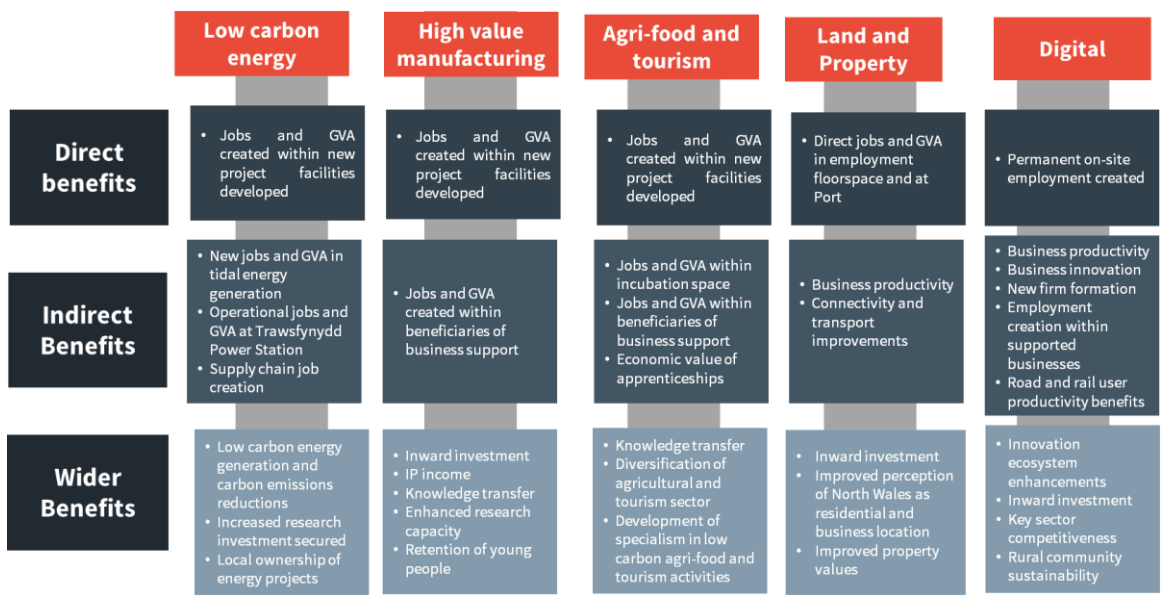
Figure 1.2. The Growth Deal Programmes



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 |
| Total | 240.0 | 184.3 | 722.1 | 1,146.4 |

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 |
| Annual Core Contributions | £50k per LA | *£25k per partner | £400k |
| Annual Supplementary Contribution* | £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.

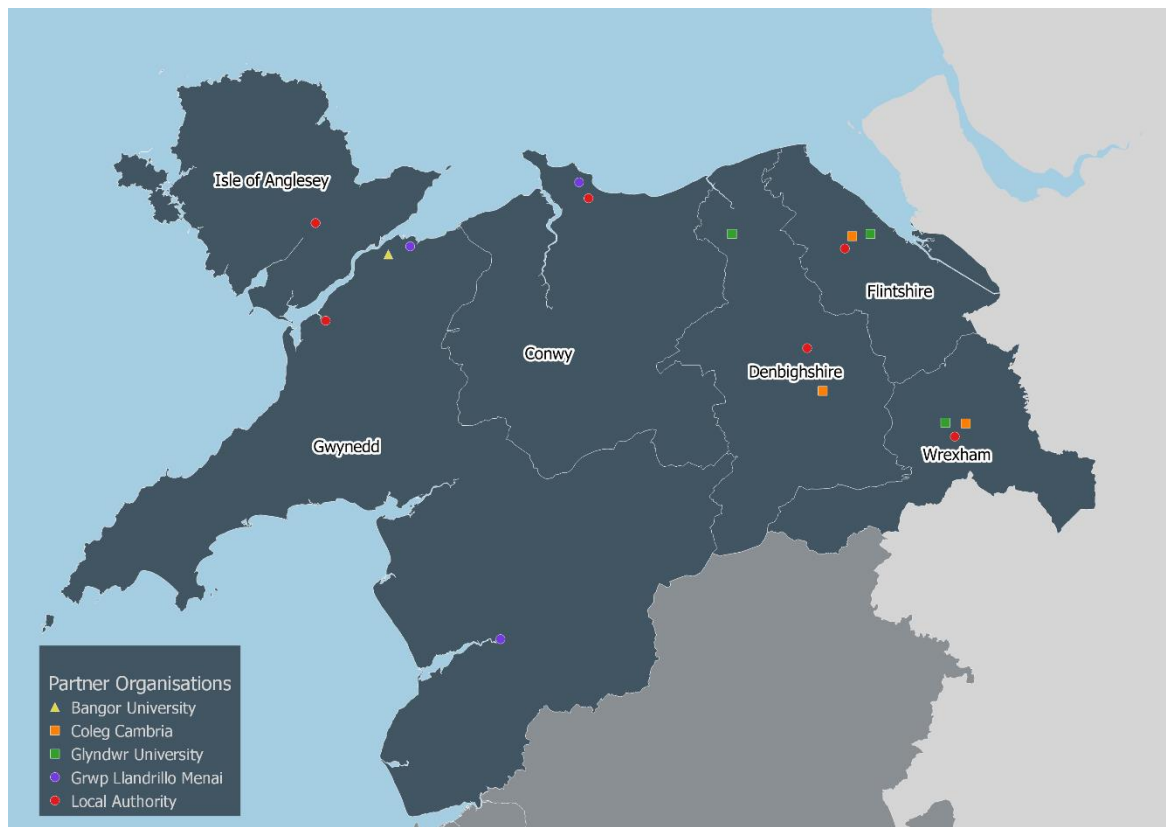
3. North Wales Economic Ambition Board

- 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

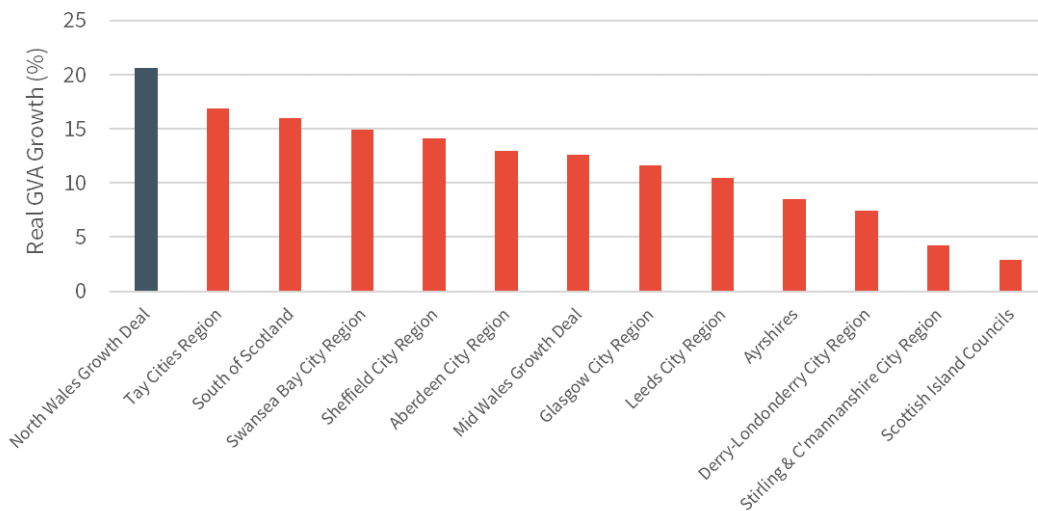
- 5.1 There remains a persistent and widening productivity gap between North Wales and the UK with wide variations in GVA (Gross Value Added) average per person across the region. Addressing this disparity is an important priority for the Growth Deal.
- 5.2 North Wales is home to nearly 700,000 residents and contributes £14.2 billion to the UK economy each year,³ representing 22% of the Welsh economy.⁴ Economic performance has been resilient following the financial crisis and during the period of austerity, with real⁵ 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.

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

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

⁵ i.e. inflation-adjusted.

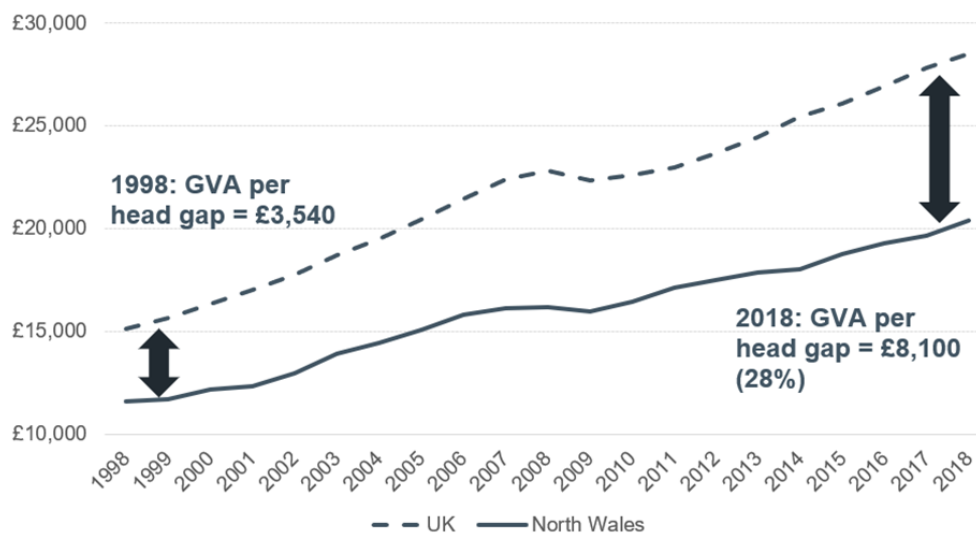
Figure 5.1 Real GVA Growth since 2009 in selected Locations in the UK



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

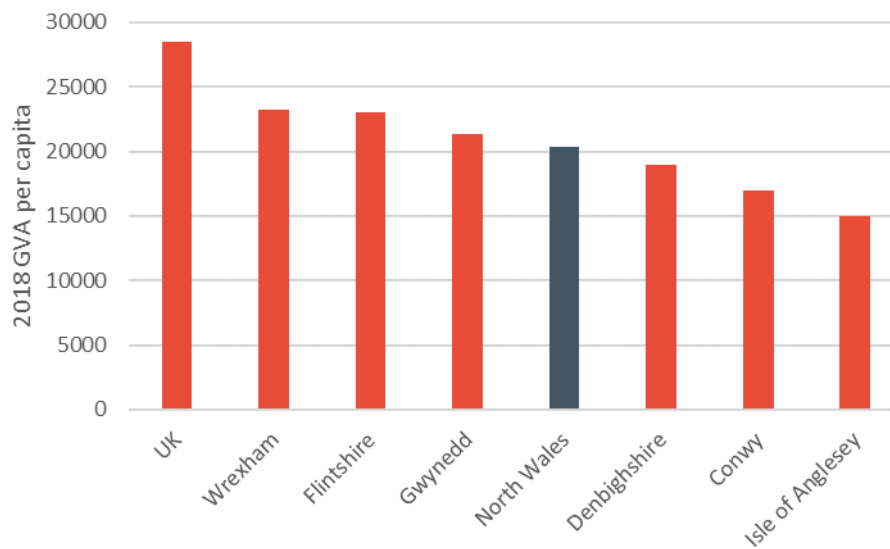


Source: Regional GVA, ONS, 2018

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).⁶ 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.

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

Figure 5.3 GVA per Head (£), 2018

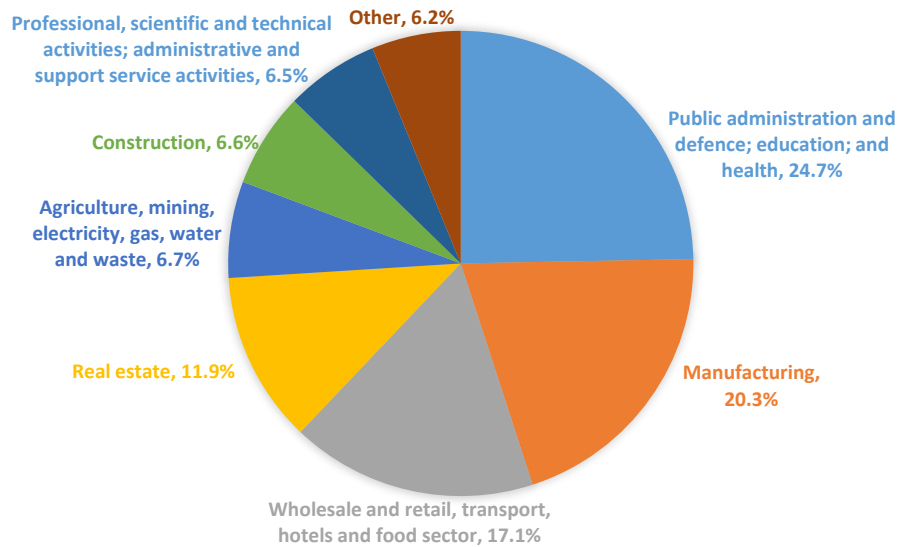


Source: Regional GVA, ONS, 2017

- 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.⁷ 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.

⁷ 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.⁸ 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 2020⁹. 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 2014-2016.¹⁰ 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.

⁸ Source: North Wales Regional Skills Partnership; Labour Market Insights, June 2020

⁹ Source: Welsh Government Action Plan for Food and Drink

¹⁰ 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.¹¹ 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 Ireland¹². The port has the second highest number of short sea ferry crossings by total number of passengers in the UK.¹³ 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 2018¹⁴, in the same period passenger visits have increased from 15,000 to 50,000¹⁵.

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.

¹¹ Source : JLL (2017) Priority Property Interventions for Economic Development Report.

¹² DfT Port Freight Stats 2019

¹³ DfT Port Freight Stats 2019

¹⁴ Stena Line Ports, 2018

¹⁵ 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**

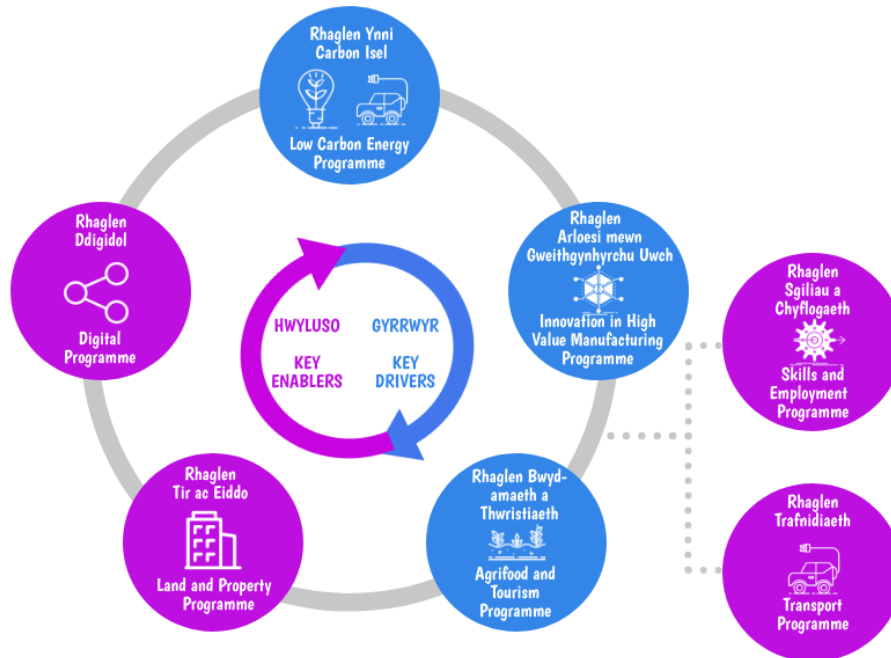
6.5 By focusing delivery on these programmes collectively, the Growth Deal will achieve a greater impact in terms of our ambition and use of resources rather than delivering them in isolation.

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. |
| | Glynllifon Rural Economy Hub | 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. |
| | The Llysfasi Carbon Neutral Centre | Coleg Cambria | Llysfasi 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. |
| Land and property | Holyhead Gateway | 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. |
| | Regional Land and Property | North Wales Economic Ambition Board | Comprised initially of five development sites: Denbigh Hospital Site -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. Bodelwyddan Strategic Site -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. Parc Bryn Cegin Strategic Site -Provide industrial floor space to meet known demand for units. Wrexham Gateway - 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. Warren Hall Strategic Site - 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. |
| Digital | Digital Connectivity Project | North Wales Economic Ambition Board | Comprises of four elements: Full fibre - 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>Connected Campus 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>Connected Corridor - 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>Connecting the last few % - 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 |
|--------------------------|---|-------------------------------------|---|
| | Digital Signal Processing Centre Project (DSP) | 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. |
| Low carbon energy | Morlais | 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. |
| | Trawsfynydd Power Station | Cwmni Eginó | 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. |
| | Low Carbon Energy Centre of Excellence | 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 |
| | Smart Local Energy | 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. |
| | Transport Decarbonisation | 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.

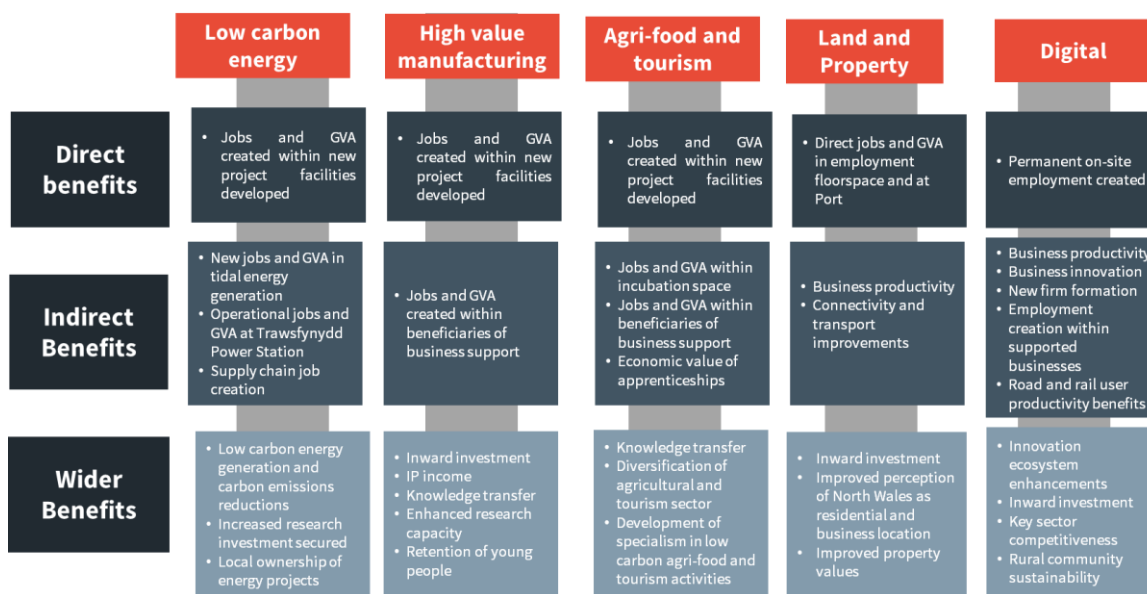
| | |
|-----------------------------------|--|
| Spending Objective 1 - Jobs | To create between 3,400 and 4,200 net new jobs in North Wales through the Growth Deal by 2036. |
| Spending Objective 2 - GVA | To support a net additional GVA uplift of between £2.0 billion and £2.4 billion for the North 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 |
| Total, North Wales Growth Deal | 1,970 – 2,410 | 3,440 – 4,210 |

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.¹⁶

| | 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 | £930 – £1,140 | £1,120 - £1,370 |
| BCR | 2.8:1 - 3.5:1 | 5.0:1 - 6.1:1 |

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:

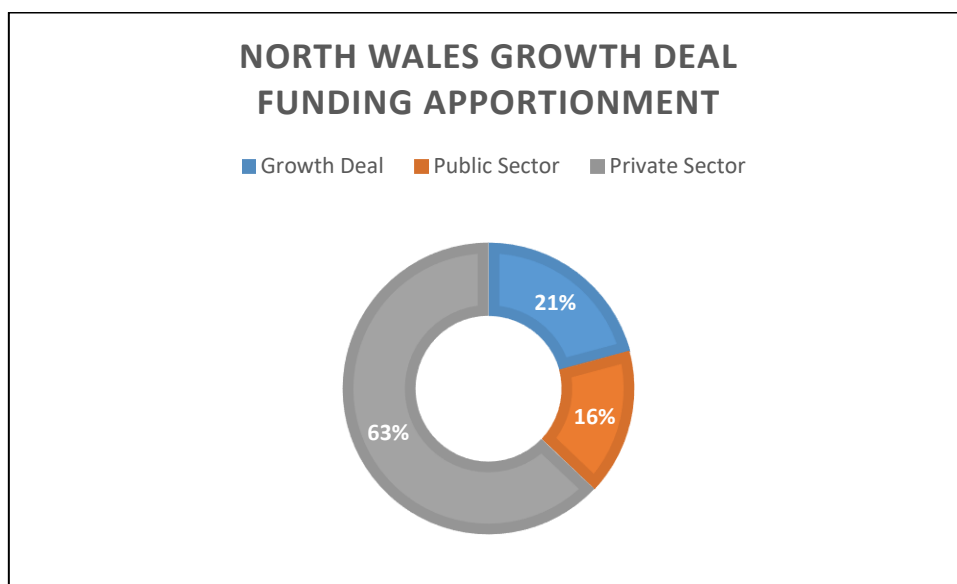
| Project | Project Sponsor | Growth Deal Investment (£m) | Other Public Sector Investment (£) | Private Sector Investment (£) | Total Capital Investment (£) |
|--|-------------------------|-----------------------------|------------------------------------|-------------------------------|------------------------------|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

¹⁶ 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

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

| 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 |

| | | | | |
|--------------------------|------------|--------------|--------------|---------------|
| GROWTH DEAL TOTAL | 240 | 184.3 | 722.1 | 1146.4 |
|--------------------------|------------|--------------|--------------|---------------|



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 |
|---|------------------------------|----------------------------|---------------------------|
| Annual Core Contributions | £50k per LA | £25k per partner | £400k |
| Annual Supplementary Contribution* | £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.

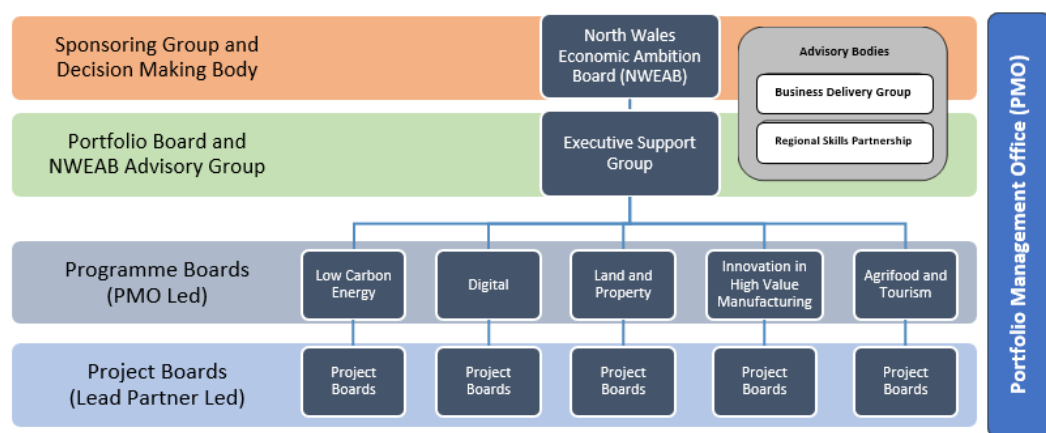
- 13.3 It is a key document providing a clear structure and foundation for taking the implementation of the Growth Deal forward.

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:

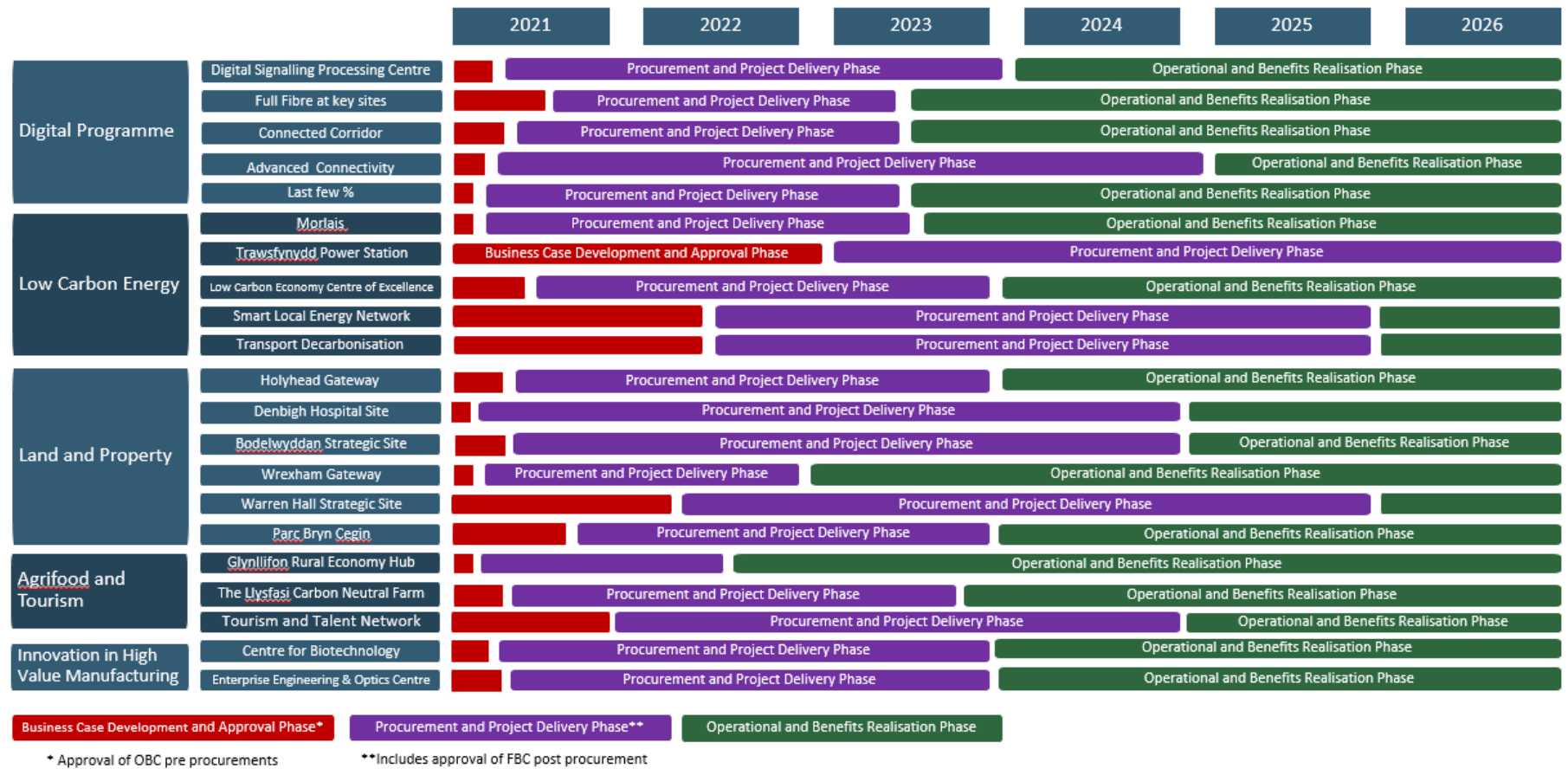
13.24 Monthly Highlight Reports for all programmes and projects;

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



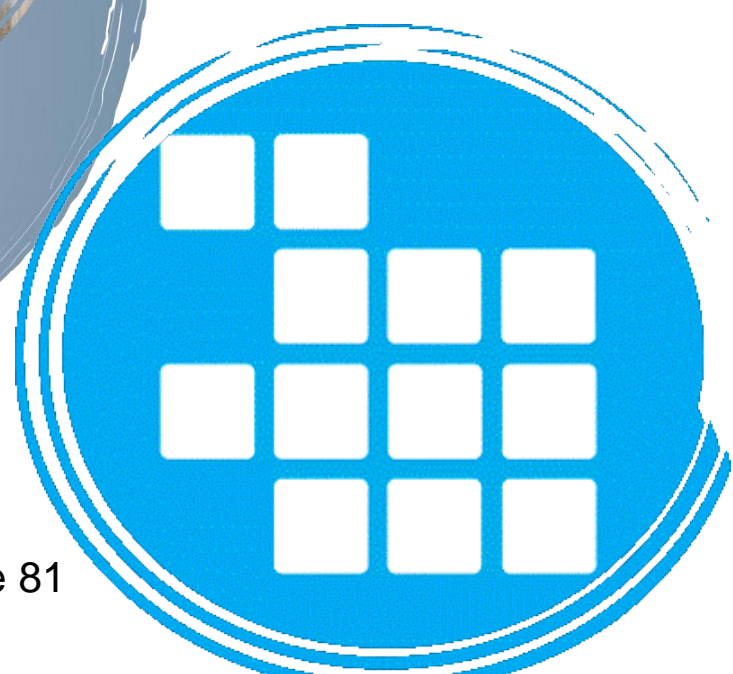
Source: NWEAB

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

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NORTH WALES GROWTH DEAL DRAFT FINAL DEAL AGREEMENT



1. Table of Contents

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2. Definitions

[Note: To be inserted]

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.

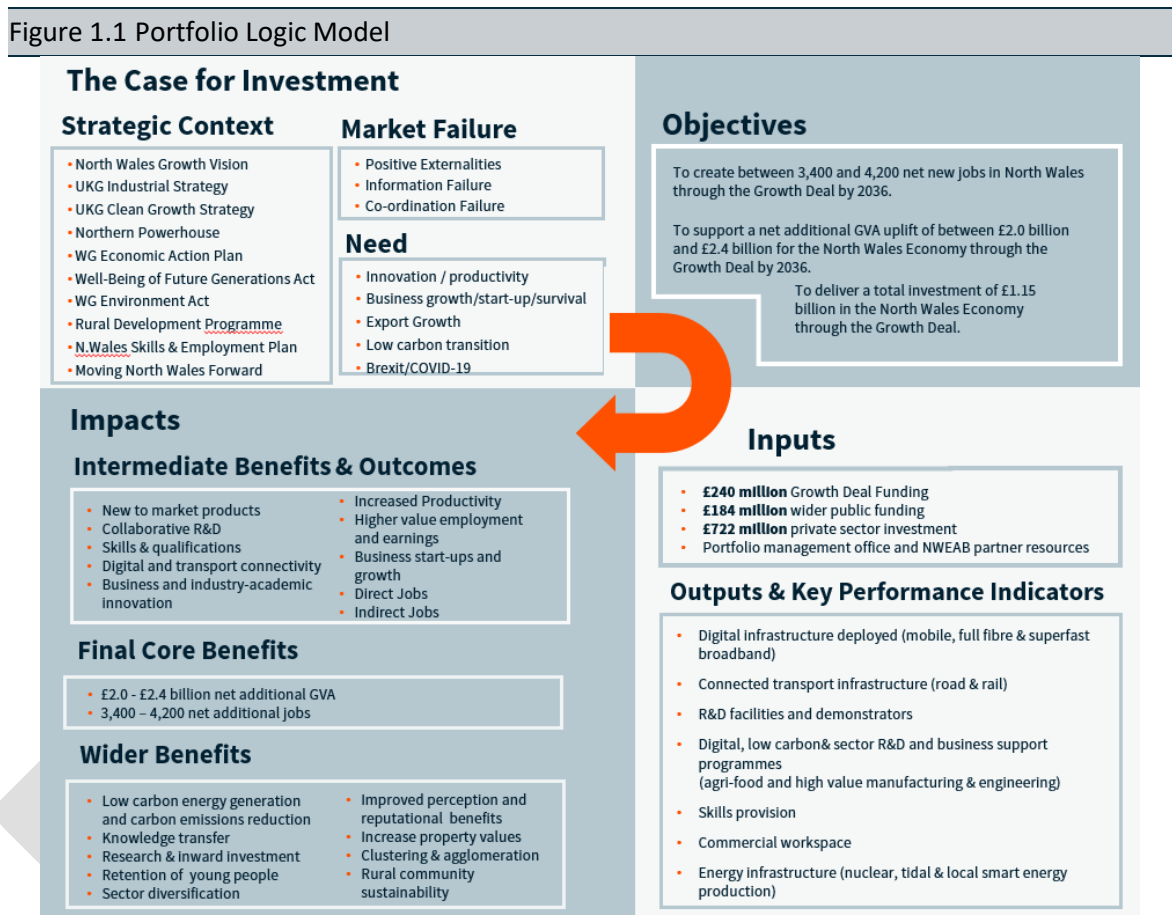
We look forward to leading this important investment in our home and our region, North Wales.

[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.



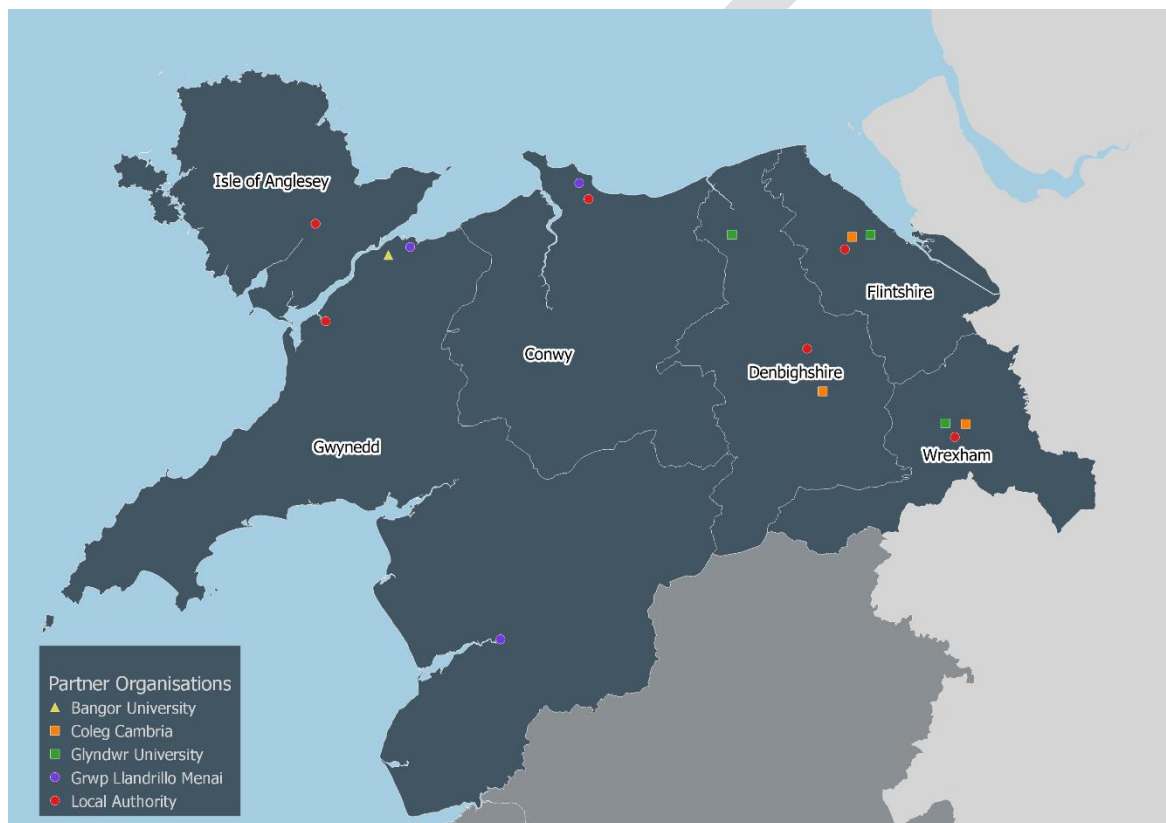
Source: Hatch; NWEAB. A Note on Market Failure: **Positive externalities**: third party economic/social/environmental benefits to the wider economy/ society. These cannot be captured in entirely by commercial organisations and so public investment is required. **Information failure**: businesses do not 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 3rd 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%¹.

North Wales is home to nearly 700,000 residents and contributes £14.2 billion to the UK economy each year,² representing 22% of the Welsh economy.³ 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 cent⁴. 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 real⁵ 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.⁶ 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).⁷ 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

¹ Welsh Government – Summary Statistics for Welsh economic regions: North Wales, May2020

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

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

⁴ Welsh Government – Summary Statistics for Welsh economic regions: North Wales, May2020

⁵ i.e. inflation-adjusted.

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

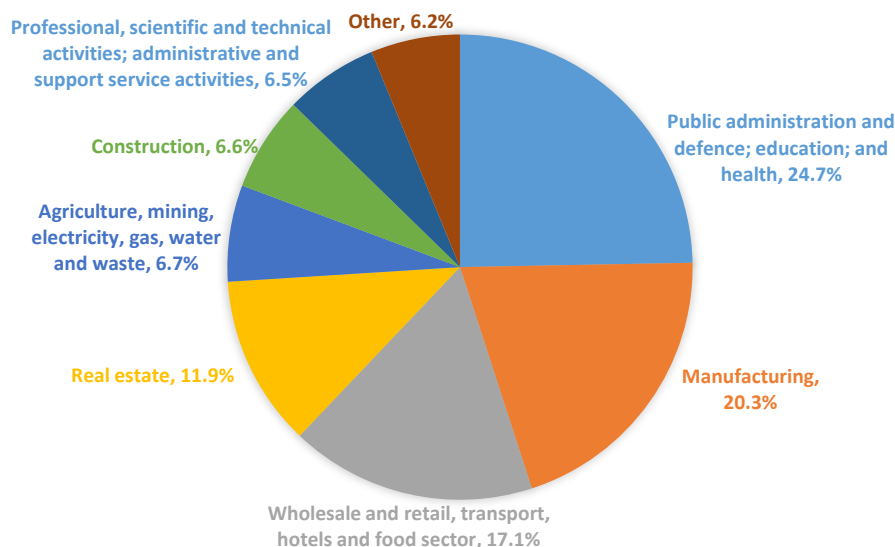
⁷ <https://statswales.gov.wales/Catalogue/Business-Economy-and-Labour-Market/Regional-Accounts/Gross-Value-Added-GDP/gvaperhead-by-area-year>

economic inactivity rates of the Welsh regions⁸. 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.⁹



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

⁸ Welsh Government – Summary Statistics for Welsh economic regions: North Wales, May2020

⁹ 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 |
| Total | 240.0 | 184.3 | 722.1 | 1,146.4 |

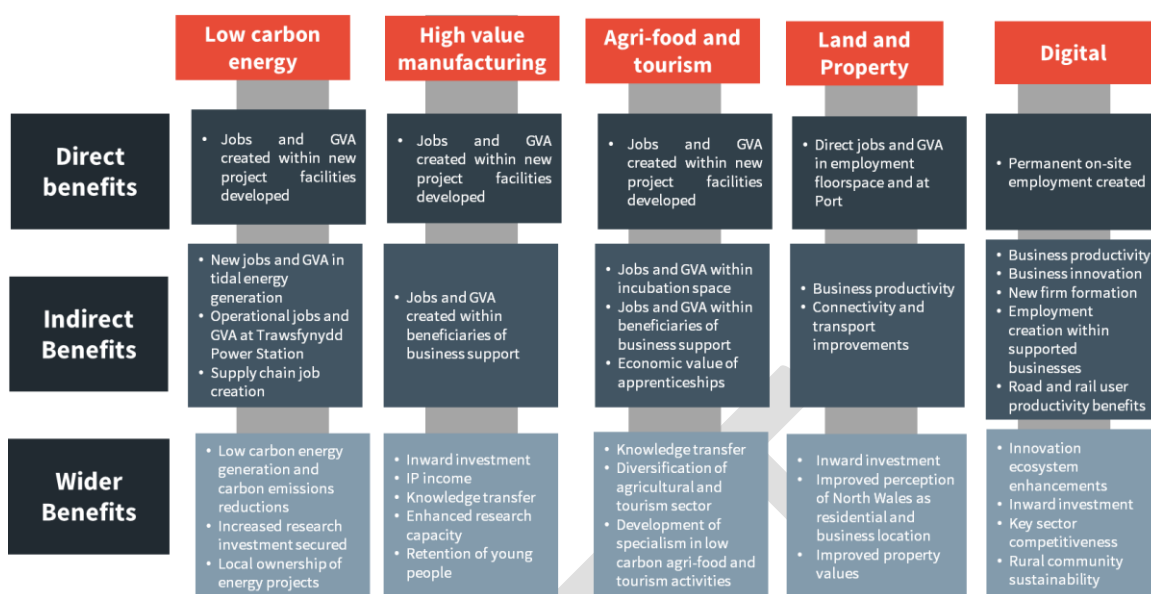
The Impact of the Growth Deal

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.

| | |
|--|---|
| 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. |

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

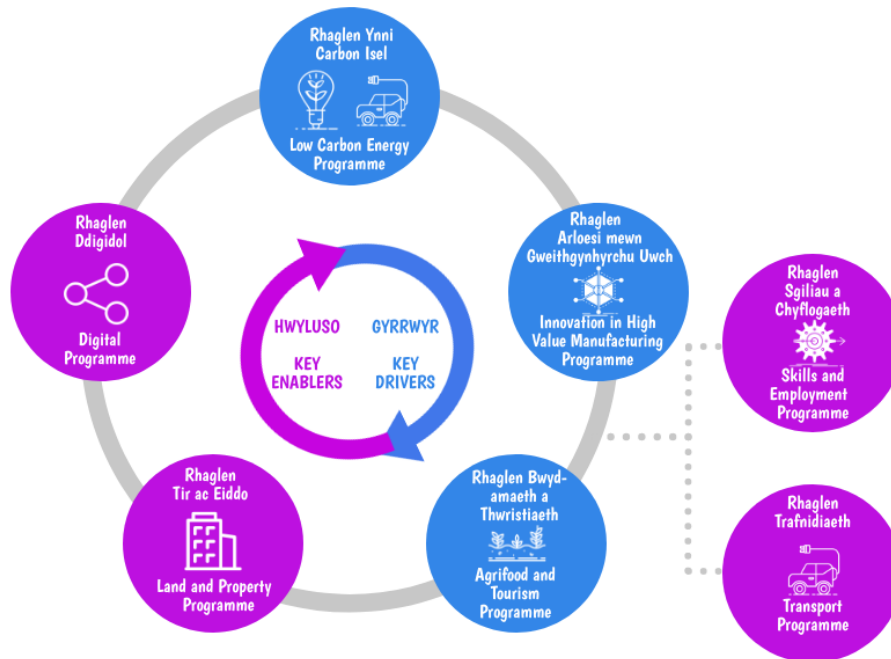
By focusing delivery on these programmes collectively, the Growth Deal will achieve a greater impact in terms of our ambition and use of resources rather than delivering them in isolation.

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

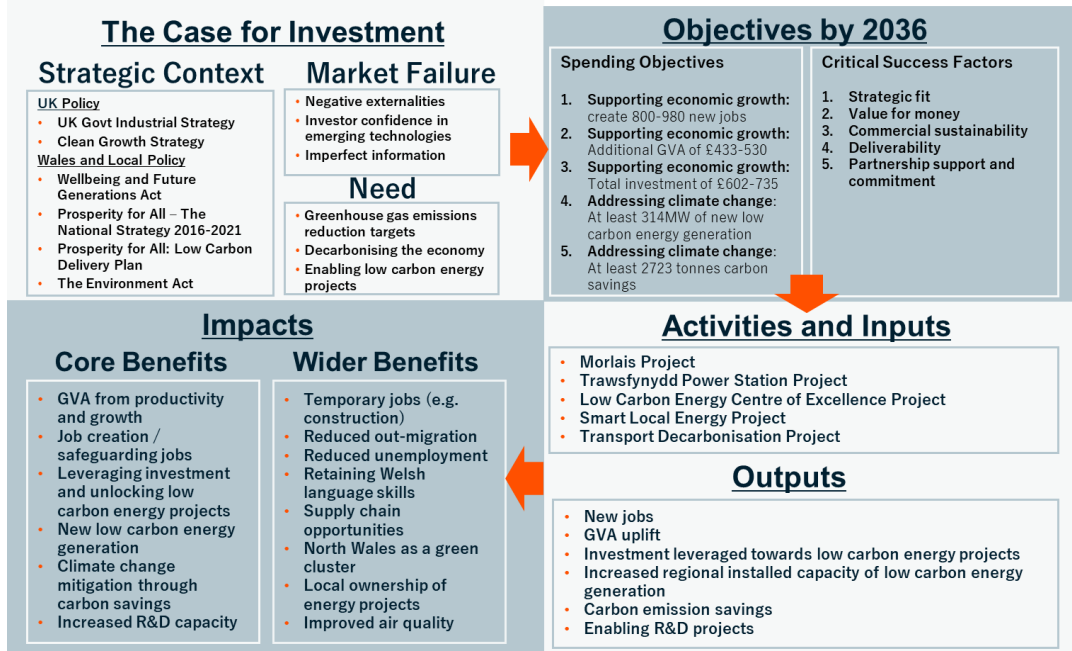
All programmes and projects within the Growth Deal will contribute to the achievement of the Growth Vision and the delivery of benefits for North Wales. The benefits from the Growth Deal will support sustainable and inclusive growth across the region – in accordance with the Growth Vision as well as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

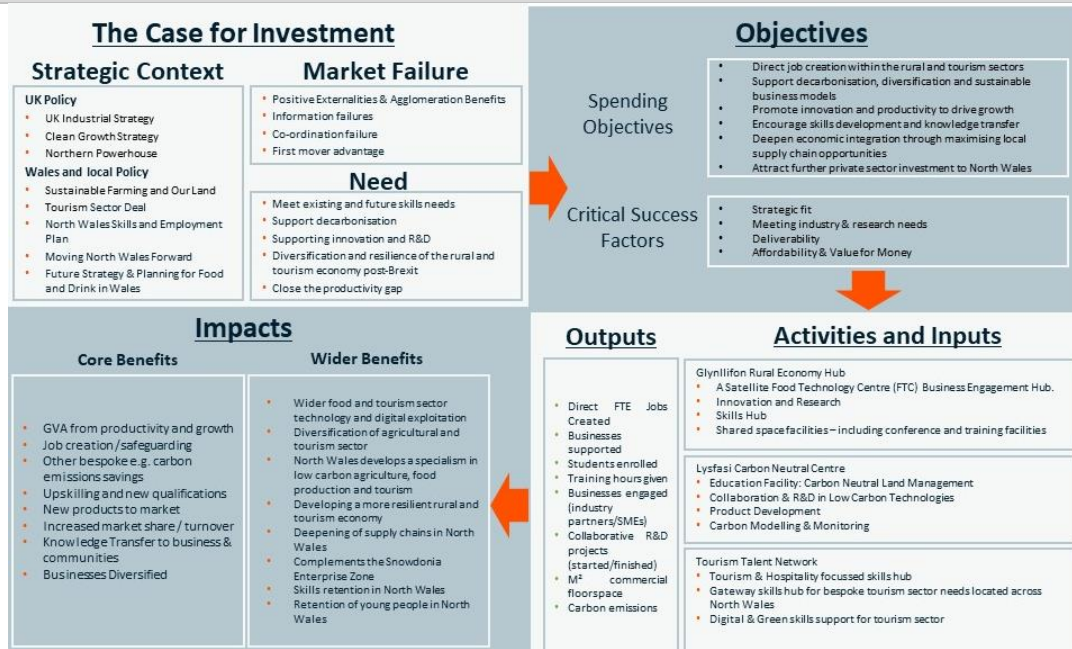
Types of intervention: Industry and research collaborations along with the establishment of centres of excellence to help overcome barriers and market failures in the research commercialisation process.



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.

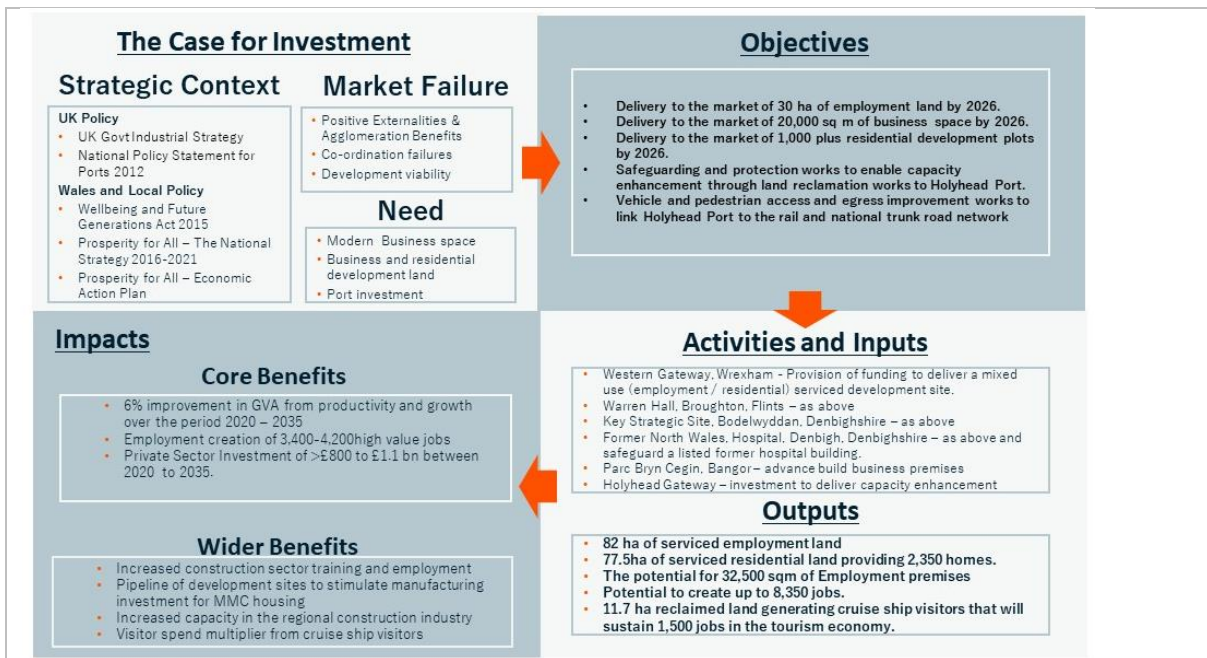
Types of intervention: Introducing new technologies & innovation, skills and practices to these sectors, via business support and upskilling.



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.

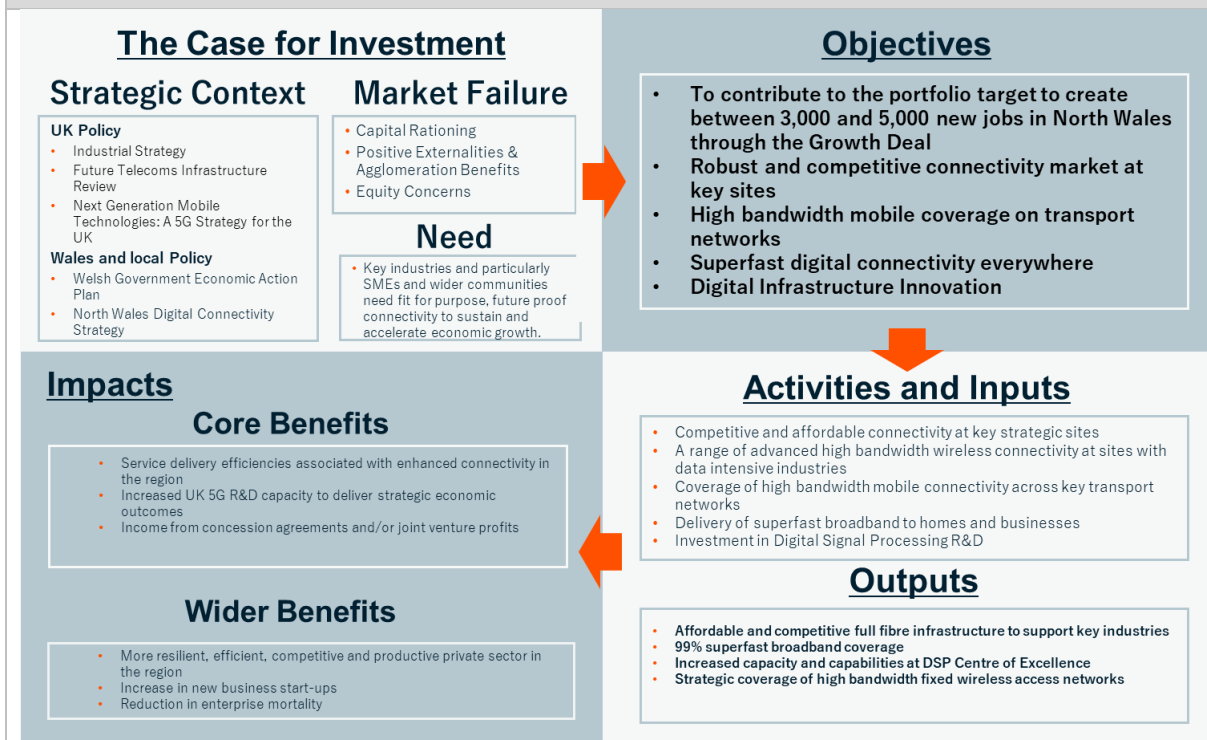
Types of intervention: The provision of primary services and enabling works to bring forward commercial and housing development sites, delivery of employment floor space and future proofing and capacity enhancement works to the port of Holyhead.



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.

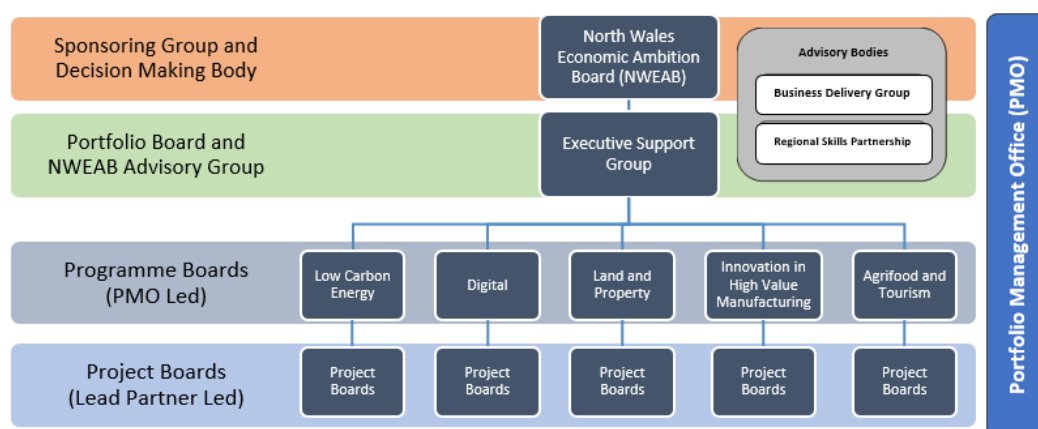
It is a key document providing a clear structure and foundation for taking the implementation of the Growth Deal forward.

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 |
|--|------------------------------|----------------------------|---------------------------|
| GA1 Annual Core Contributions* | £50k per LA | £25k per partner | £400k |
| Annual Supplementary Contribution | £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.

- (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**

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

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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**"),¹ 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

¹ 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.²

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:-

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| "Accounting Period" | 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 |
| "Advisers" | 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 |
| "Adviser Led Project" | means Approved Project lead by a Project Sponsor who is an Adviser (and not a Council) |
| "Advisers' Contribution" | has the meaning given in Clause 15.5.1(a)(iv) (Funding) |
| "Advisers' Individual Contribution" | has the meaning given in Clause 15.5.6(b) (Advisors' Contribution) |

² 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.

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| "Annual Budget" | 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 |
| "Annual Budget Contributions" | has the meaning given in Clause 15.4.2 (Annual Budget) |
| "Approved Projects" | means any project contained within a Project Business Case approved for investment by the Joint Committee in accordance with Clause 14 (Approval Process) |
| "Back-to-Back Agreement" | has the meaning given in Clause 15.5.4(f) (Councils' Contribution and Advisors' Contribution) |
| "Business Day" | means any day other than a Saturday or Sunday or a public or bank holiday in England and/or Wales |
| "CEDR" | means the Centre for Dispute Resolution |
| "Commencement Date" | means the date of this Agreement |
| "Confidential Information" | 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 |
| "Conflicts Policy" | has the meaning given in Clause 3.5.12(a) (Conflicts Policy); |
| "Council Matter" | has the meaning given in Clause 5.2 (Council Matter); |
| "Councils" | means the following:- <ul style="list-style-type: none"> (a) Conwy Council; (b) Denbighshire Council; (c) Flintshire Council; (d) Gwynedd Council; (e) Isle of Anglesey Council; and (f) Wrexham Council |
| "Councils' Contribution" | Has the meaning given in Clause 15.5.1(a)(iii) (Funding); |

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| "Councils' Supplementary Payments" | 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". |
| "Decision Period" | 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 |
| "Delegations Policy" | means the allocation of delegation set out in Schedule 1 |
| "Data Protection Legislation" | means the Data Protection Act 2018 and General Data Protection Regulations |
| "Defaulter Exit Date" | 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; |
| "Executive Support Group" | 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) |
| "GA1 Parties" | means all the Councils and Advisers (a), (b), (c) and (d) only |
| "GA Code of Conduct" | means the code of conduct for the Advisers set out in Schedule 7 |
| "Gateway Review" | means an independent assessment of programs and projects to assess the progress and likelihood of successful delivery anticipated to be on an annual basis |
| "Grant Offer Letter" | 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) |
| "Growth Deal" or "North Wales Growth Deal" | 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" |
| "Growth Deal Contribution" | means the HMT Contribution and the WG Contribution |

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| "Growth Vision" | 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 |
| "Host Authority" | 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 |
| "HMT" | means Her Majesty's Treasury, a ministerial department of the UK Government |
| "HMT Contribution" | means as defined in Clause 15.5.1(a)(i) (Funding) |
| "HMT Funding Conditions" | means as defined in Clause 15.5.2(a)(ii) (HMT Contribution) |
| "Implementation Plan" | 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 |
| "Intellectual Property" | 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 |
| "Internal Costs" | means as defined in paragraph 1.1 of Schedule 5 (Heads of Expenditure) |
| "IP Material" | the Intellectual Property in the Material |
| "Integrated Assurance and Approval Plan" | 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 |
| "JC Unresolved Matter" | means as defined in Clause 9.6.5 (Joint Committee) |
| "Joint Committee" | 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 |

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| "Joint Committee Costs" | 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) |
| "Joint Committee Matter" | shall have the meaning given to it in Clause 5.1.2 |
| "Joint Committee Meeting" | means a meeting of the Joint Committee duly convened in accordance with Clause 9 (Joint Committee) |
| "Liability Report" | 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) |
| "Loan Funds" | has the meaning given in Clause 15.5.4(a)(i) |
| "Local Authority" | 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 |
| "Lock In Period" | means six (6) years from the date of this agreement; |
| "Material" | 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 |
| "Member's Code of Conduct" | means, in respect of any Council, the respective code of conduct for that Council which their members are bound to comply with; |
| "Monitoring Officer" | means as defined in Clause 7.1.6 (Duties of the Host Authority) |
| "NNDR" | means the National Non Domestic Rates |
| "Overarching Business Plan" or "OBP" | 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 |
| "Personal Data" | means the personal data as defined in the Data Protection Legislation |
| "Population Basis" | 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; |

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| "Portfolio Business Case" | 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 |
| "Portfolio Management Office" | 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) |
| "Programme" | means the five key programmes as more particularly set out in the Growth Deal: <ul style="list-style-type: none"> • innovation in high value manufacturing • low carbon energy • agrifood and tourism • digital connectivity • land and property |
| "Programme Business Case" | means a detailed business case for the development and implementation of a Programme which is subject to approval by the UK and Welsh Governments |
| "Programme Director" | means the officer appointed as the programme director of the Growth Deal and Growth Vision |
| "Programme Director Matter" | shall have the meaning given to it in Clause 5.1.1 |
| "Project Business Case" | 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 |
| "Project Sponsor" | 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 |
| "Proportionate Basis" | means the relevant proportion for each Party by reference to their respective fractional contribution as set out as follows: |

| Parties | Proportion of Contribution |
|----------------------|-----------------------------------|
| 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 |

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| "Quarter Period" | 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 |
| "Quarterly Report" | means as defined in Clause 13.5.1 (Progress Monitoring) |
| "Regional Project" | means an Approved Project led by Host Authority on behalf of the Joint Committee for the benefit of the region |
| "Reserved Matter" | shall have the meaning given to it in Clause 5.1.3 |
| "s151 Officer" | means as defined in Clause 7.1.6 (Duties of the Host Authority) |
| "Translation Costs" | means translation costs incurred by the Host Authority in complying with any applicable legislation relating to its obligations under this Agreement |
| "UKG" | UK Government |
| "WG" | Welsh Government |
| "WG Contribution" | means as defined in Clause 15.5.1(a)(ii) (Funding) |
| "WG Funding Conditions" | means as defined in Clause 15.5.3 (WG Contribution) |
| "Withdrawal Notice" | 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 18th 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.³
- 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

³ 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]⁴ for a period of 15 (fifteen) years; and
 - (ii) HMT Contribution is subject to the following funding conditions:-
 - (1) [x]⁵
 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:

⁴ PM: The aspiration is to obtain the first drawdown in March 2021 but this remains subject to further WG/UKG approval.

⁵ 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"⁶).
- (b) The Parties shall be responsible for the repayment of any and all capital (if any)⁷, 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**"

⁷ 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: https://statswales.gov.wales/Catalogue/Population-and-Migration/Population/Estimates/Local-Authority/populationestimates-by-localauthority-year</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).⁸

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.

⁸ 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).⁹
- 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.

⁹ 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 and 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 |
|---|---------------------------------|------------------------------|--------------------|
| KEY THEMES | | | |
| 1. Approval and adoption of OBP | | | Yes |
| 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 | |
| FUNDING AND EXPENDITURE | | | |
| 6. Agreeing any increase in the Councils' Contribution or the Advisers' Contribution or any Adviser's Individual Contribution | | | Yes |
| 7. Approval of any disproportionate Internal Costs pursuant to Clause 15.2.2 (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 15.4 (Annual Budget) | Yes | | |
| 9. Save where provided for in Clause 15.4.3 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 | | | Yes |
| 10. any changes to the Councils' Supplementary Contribution shall be a Council Matter for the Councils only | | | Yes – Council Matter only |
| 11. a decision pursuant to Clause 9.1.3 (Corporate Joint Committee) shall be | | | Yes – Council Matter only |

| DECISION | PROGRAMME DIRECTOR MATTER | JOINT COMMITTEE MATTER | RESERVED MATTER |
|---|---------------------------|------------------------|-------------------------|
| a Council Matter 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 | |
| GENERAL | | | |
| 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 | | | Yes¹⁰ |

¹⁰ 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. | | | Yes |
| 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 | | | Yes |
| 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

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 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 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 |

| Recipient's name | Address | Email |
|--|--|--|
| 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:

| | <u>Amount</u> (all figures in round pounds) |
|--|--|
| 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

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 TYSTIWDYD, 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)

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Future Generations and Cross Cutting Themes Assessment

Name and role of lead contact person:

E-mail address of lead contact person:

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? |
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| <p>A prosperous Wales 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"> + The portfolio will create several thousand new jobs for North Wales + It will also train businesses and individuals and expand space for training, incubation, research and development + 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 - Site development will create carbon emissions; these will be mitigated and managed through relevant national and local authority policies and processes. | <ul style="list-style-type: none"> • Project case approval process will consider likely carbon emissions and savings from each project • The Future Generations Act will be embedded into all procurement activity assessing contribution to relevant national wellbeing indicators for Wales • 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. |

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| <p>A resilient Wales 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"> + 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 + The Agri-Food & Tourism Programme will build skills in carbon neutral land management and renewable energy technologies through education of young people and SMEs + 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 - 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 | <ul style="list-style-type: none"> • Project case approval process will consider biodiversity enhancements and impact of each project • The Future Generations Act will be embedded into all procurement activity assessing contribution to relevant national wellbeing indicators for Wales • 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 • 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. • 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. |
| <p>A healthier Wales 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"> + 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 | <ul style="list-style-type: none"> • The Future Generations Act will be embedded into all procurement activity assessing contribution to relevant national wellbeing indicators for Wales • The NWEAB will work directly with the Public Service Boards (PSBs) to include community resilience and wealth building developing |

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| | <ul style="list-style-type: none"> + These opportunities will support improvements in standards of living across the region reducing poverty, inequality and deprivation + Through its partnership with the Regional Skills Partnership, the NWEAB has engaged with the Public Sector Boards considering ways the programmes/projects can equitably benefit the region’s residents through skills development and employment + The regional transport decarbonisation project will improve air quality across North Wales supporting improvements to cardiovascular and respiratory diseases and overall life expectancy | <p>assets in our communities to include supporting positive mental health in workforces, supply chain and in communities</p> <ul style="list-style-type: none"> • 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 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>A more equal Wales A society that enables people to fulfil their potential no matter what their background or circumstances (including their socio economic background and circumstances).</p> | <ul style="list-style-type: none"> + 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 + 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 + Procurement systems will support local supply chains to engage with larger contracts through supply chain briefings and joint bidding opportunities and pipeline of projects + Leakage of economic benefits through jobs created being filled by residents from outside | <ul style="list-style-type: none"> • 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. • 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 • 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. |

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| | <p>the North Wales boundary has been factored into each programme/project</p> <ul style="list-style-type: none"> + Jobs created across the portfolio will be disaggregated by gender, age, diversity and job satisfaction - North Wales’ residents with poor inter-generational educational experiences may not be able to access quality training and employment opportunities created by the Growth Deal, perpetuating the region’s long-standing poverty gap | <ul style="list-style-type: none"> • Support engagement and connections with schools and engage with the new curriculum 2022 in Wales, with a focus on digital inclusion. |
| <p>A Wales of cohesive communities Attractive, viable, safe and well-connected communities.</p> | <ul style="list-style-type: none"> + 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. + The digital programme will enable better communication across North Wales, connecting communities virtually + Jobs created across the portfolio will be disaggregated (annually?) by gender, age, and diversity + 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. | <ul style="list-style-type: none"> • The Future Generations Act will be embedded into all procurement activity assessing contribution to relevant national wellbeing indicators for Wales • Work with procurement partners and third sector organisations to maximise community wealth building opportunities. • 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 • 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 |

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| <p>A Wales of vibrant culture and thriving Welsh language 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"> • 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 • 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 • 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. • 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 • The NWEAB operates as a bilingual entity in all its operations; all public material is produced bilingually | <ul style="list-style-type: none"> • The Future Generations Act will be embedded into all procurement activity assessing contribution to relevant national wellbeing indicators for Wales • Engage with new partnership such as museums, theatres and arts to support developing our cultural and Welsh language considerations in contract opportunities • 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 |
| <p>A globally responsible Wales A nation which, when doing anything to improve the economic, social, environmental and cultural well-being of Wales, takes account</p> | <ul style="list-style-type: none"> • 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 | <ul style="list-style-type: none"> • The Future Generations Act will be embedded into all procurement activity assessing contribution to relevant national wellbeing indicators for Wales |

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| <p>of whether doing such a thing may make a positive contribution to global well-being.</p> | <p>contribute towards Wales' action on climate change and towards global decarbonisation efforts.</p> | <ul style="list-style-type: none">• Consider global off-setting for any carbon emissions• Look for opportunities to engage refugees and asylum seekers with valuable skills relevant to the programmes / projects• Ensure that supply chains for projects do not support modern slavery, environmental and human rights abuses |
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| 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? |
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| <p>Equal Opportunities</p> | <ul style="list-style-type: none"> + 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 + 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 + Procurement systems will support local supply chains to engage with larger contracts through supply chain briefings and joint bidding opportunities and pipeline of projects + The strategic transport and digital programmes will better connect communities across North Wales physically and virtually + 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 | <ul style="list-style-type: none"> • 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. • 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 • 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. • Support engagement and connections with schools and engage with the new curriculum 2022 in Wales, with a focus on digital inclusion • Jobs created across the portfolio will be disaggregated by gender, age, and diversity • |

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| <p>Sustainable Development</p> | <ul style="list-style-type: none"> + 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 + 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 + Builds skills of business and individuals helping those businesses and individuals adapt to change and prepare for future-focused opportunities + The Agri-Food & Tourism Programme will build skills in carbon neutral land management and renewable energy technologies through education of young people and SMEs + 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 | <ul style="list-style-type: none"> • The Future Generations Act will be embedded into all procurement activity assessing contribution to relevant national wellbeing indicators for Wales • 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 • 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. • 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. |
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| <p>Tackling Poverty</p> | <ul style="list-style-type: none"> + 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. + The portfolio will create several thousand new jobs for North Wales + It will also train businesses and individuals and expand space for training, incubation, research and development + 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. + 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 + 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 | <ul style="list-style-type: none"> • The Future Generations Act will be embedded into all procurement activity assessing contribution to relevant national wellbeing indicators for Wales • 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 • 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. • Work with procurement partners and third sector organisations to maximise community wealth building opportunities. • Support engagement and connections with schools and engage with the new curriculum 2022 in Wales, with a focus on digital inclusion |
| <p>Welsh Language & Culture</p> | <ul style="list-style-type: none"> • 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 | <ul style="list-style-type: none"> • The Future Generations Act will be embedded into all procurement activity assessing contribution to relevant national wellbeing indicators for Wales |

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| | <ul style="list-style-type: none">• 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• 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.• 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• The NWEAB operates as a bilingual entity in all its operations; all public material is produced bilingually | <ul style="list-style-type: none">• Engage with new partnership such as museums, theatres and arts to support developing our cultural and Welsh language considerations in contract opportunities• 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 |
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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 | | | |
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| Characteristic | Evidence and information | Details of the impact | What actions have/will be taken to mitigate any negative impact or to improve positive impact? |
| Race | <ul style="list-style-type: none"> 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. | <ul style="list-style-type: none"> 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. | <ul style="list-style-type: none"> 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. |

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| <p>Gender</p> <p style="text-align: center;">Page 210</p> | <ul style="list-style-type: none"> At the 2011 Census, 49.2% of North Wales's population was male and 50.9% was female, similar to the Wales average. | <ul style="list-style-type: none"> 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. | <ul style="list-style-type: none"> 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. |
| <p>Sexual orientation</p> | <ul style="list-style-type: none"> 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). | <ul style="list-style-type: none"> 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. | <ul style="list-style-type: none"> 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. |

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| | | <ul style="list-style-type: none"> • 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. | |
| <p style="text-align: center;">Page 211</p> <p>Marriage or Civil Partnership</p> | <ul style="list-style-type: none"> • 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. | <ul style="list-style-type: none"> • 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. | <ul style="list-style-type: none"> • 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. |

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| <p>Gender reassignment</p> <p style="text-align: center;">Page 212</p> | <ul style="list-style-type: none"> No data for North Wales available at this point. | <ul style="list-style-type: none"> 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. | <ul style="list-style-type: none"> 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. |
| <p>Pregnancy and Maternity</p> | <ul style="list-style-type: none"> According to Maternity and Birth Statistics, Wales there were 6,740 live births in the Betsi Cadwaladr University Health Board area in 2018. | <ul style="list-style-type: none"> 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. | <ul style="list-style-type: none"> 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. |

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| | | <ul style="list-style-type: none"> • 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. It is important that this group has easy access to services and facilities within the communities and not to feel isolated. | |
| <p style="text-align: center;">Page 213</p> <p>Religion or belief</p> | <ul style="list-style-type: none"> • 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. | <ul style="list-style-type: none"> • 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 | <ul style="list-style-type: none"> • 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. Where appropriate we will protect cultural resources and the services. |

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| | | <p>disadvantaged by gender, disability, ethnicity or age.</p> | |
| | <ul style="list-style-type: none"> 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. | <ul style="list-style-type: none"> 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. 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. The Land & Property projects will facilitate improved access to transport, employment, training and access to goods / services to benefit all protected groups. | <ul style="list-style-type: none"> 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. 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. Promote good accessibility, inclusive design in new developments including internal accessibility suitable for disabled people; external accessibility by transport. |

- 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.

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REPORT TO THE NORTH WALES ECONOMIC AMBITION BOARD
23 OCTOBER, 2020

TITLE: *Final Growth Deal*
AUTHOR: *Alwen Williams, Programme Director*

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 7th 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**.
-

APPENDICES:

| | |
|-------------------|--|
| Appendix 1 | Overarching Business Plan* |
| Appendix 2 | Portfolio Business Case* |
| Appendix 3 | Programme Business Cases: Executive Summaries* (full copies of the programme business cases are available on request) |
| Appendix 4 | Draft Final Deal Agreement* |
| Appendix 5 | Summary of Governance Agreement 2* |
| Appendix 6 | Governance Agreement 2* |
| Appendix 7 | Equality Impact Assessment |
| Appendix 8 | Welsh Language Impact Assessment |
| Appendix 9 | Draft Report to Scrutiny, Cabinet and Council Meetings |

**subject to final edit and proof read*

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.”



CORPORATE RESOURCES OVERVIEW AND SCRUTINY COMMITTEE

| | |
|------------------------|---|
| Date of Meeting | Thursday 12 th November, 2020 |
| Report Subject | Recovery Strategy Update |
| Cabinet Member | Collective Cabinet |
| Report Author | Chief Executive, Chief Officer (Governance), Corporate Finance Manager and Senior Manager, Human Resources & Organisational Development |
| Type of Report | Strategic |

EXECUTIVE SUMMARY

The Council has developed a corporate Recovery Strategy for the pandemic emergency situation which was endorsed at a special Cabinet meeting on 15 September.

Cabinet requested each of the Overview and Scrutiny Committees to support recovery in their respective portfolio areas, and specifically to have oversight of:-

1. The portfolio risk register(s) and the risk mitigation actions, both live and planned;
2. The objectives for recovery for the portfolio(s);
3. The immediate strategic priorities for recovery for the portfolio(s) extracted from the draft Council Plan for 2020/21; and
4. The set of revised performance indicator targets for the portfolio(s) for 2020/21.

The above were considered by the Committee at its meeting on 28 September, 2020.

This report provides the Committee with an update on the portfolio risk register and risk mitigation actions (shown at Appendix 1 and 2). A presentation will be made at the meeting on the main changes and live issues on risk and recovery within the corporate portfolios.

RECOMMENDATIONS

| | |
|---|---|
| 1 | That the Committee review the latest updated risk register and risk mitigation actions within the corporate portfolios. |
|---|---|

REPORT DETAILS

| 1.00 | EMERGENCY RECOVERY |
|------|---|
| 1.01 | <p>The Council has developed a corporate Recovery Strategy for the pandemic emergency situation. The Strategy covers:-</p> <ol style="list-style-type: none"> 1. The chronology of the emergency response phase and transition to recovery 2. The handover arrangements or recovery 3. Organisational recovery of the corporate organisation 4. Community recovery of the communities we serve 5. Strategic priorities and performance for the remainder of 2020/21 6. The roles the Council will play in regional recovery 7. The democratic governance of recovery |
| 1.02 | <p>The development of the Recovery Strategy been led by the Chief Executive and Leader and overseen by a cross-party Member Recovery Board. The Board, which was an advisory sub-committee of Cabinet, has completed its work and has stood down. Cabinet endorsed the Recovery Strategy at a special meeting on 15 September.</p> |
| 1.03 | <p>Cabinet invited each of the Overview and Scrutiny Committees to support recovery in their respective portfolio areas, and specifically to have oversight of:-</p> <ol style="list-style-type: none"> 1. The portfolio risk register(s) and the risk mitigation actions both live and planned; 2. The objectives for recovery for the portfolio(s); 3. The immediate strategic priorities for recovery for the portfolio(s) extracted from the draft Council Plan for 2020/21; and 4. The set of revised performance indicator targets for the portfolio(s) for 2020/21. |
| 1.04 | <p>The latest version of the risk register (Appendix 1) and table of risk mitigations (Appendix 2) for the Corporate Services portfolio are attached.</p> |
| 1.05 | <p>High level recovery aims for the organisation:-</p> <ul style="list-style-type: none"> • the stabilisation of the finances of the organisation • assuring the financial resilience of the organisation through medium-term financial planning • a managed transition to new ways of working as an organisation e.g. greater digitisation, and expansive home/remote working • the protection of the health and well-being of the workforce in the resumption of services <p>An update on the recovery objectives for the service portfolio(s) for this Committee is shown below:</p> |

Governance

- **To restore collection rates of Council Tax, NNDR and housing rents to improve income levels**

We are continuing to engage with residents and businesses to provide advice and to set-up realistic and affordable re-payment agreements. To protect vital income streams, we have also re-commenced our debt recovery processes for those residents and businesses who fail to engage or pay. Collections have slowly started to stabilise and show signs of improvement. We are continuing to monitor income levels on a weekly basis.

- **Registrars Service**

Services have resumed including marriage and civil partnership ceremonies. The number of ceremonies scheduled for the remainder of 2020-21 is low due to the current restrictions on the number of people who can attend a ceremony, and further restrictions on wedding receptions. There are very few ceremonies scheduled to take place at approved premises (hotels) this year where the Council is able to charge more.

- **To restore full democratic oversight**

We are now holding Council meetings and all of our committees remote attendance' via Webex technology. The recordings of these meetings are available on our website. By December, we intend to have all of our remote or virtual meetings available to be watched live by the public and other interested parties.

We are currently exploring the use of additional software to enable the increased public participation in meetings such as Planning Committee, which we hope to be able to introduce before the end of December.

- **To continue to support and expand digital means of service delivery**

The Council enabled applications to be made on line for a range of services over the summer such as childcare, waste collections and key worker accommodation. It continues to add new services to My Account and will shortly be upgrading methods for online payment.

- **To restore the internal control environment and audit inspections**

A revised Internal Audit plan, with sufficient scrutiny to enable a full assurance statement to be prepared, has been approved by the Audit Committee.

Workforce

- **To ensure that the legal and ethical duties of the employer are met in recovery**

We continue to navigate new legislation and provide guidance for complex situational questions, to tackle the short and long term obstacles associated with the impact of COVID-19 (for example, Furlough, job support scheme, annual leave, working from home, quarantine and self-isolation).

- **To return the workforce to safe and productive working environments**

We have no plans to return everyone to the workplace just yet, but we are getting our buildings ready for an eventual return. This includes the development of a variety of materials including an animation, video and guidance documents to support managers and employees in their return. All are accessible via a newly created Living and Working with COVID-19 hub on the Infonet.

- **To restore and protect the well-being of the workforce over time**

Coronavirus has had an impact on all of us, how we live, work and interact. Physical Distancing has changed our daily lives, the way we work, rest and play. In work it has impacted on how we interact and communicate with each other, as teams, with managers, colleagues and friends. We provide a range of support at an individual, manager, and team level both practical and emotional and will continue to look for alternative methods of providing help and support.

- **To recommend and implement working practices for the immediate future e.g. use of technology and digital practices, remote working, distance learning**

We have implemented a number of technology solutions to support the workforce working remotely and maintain contact with service users. Moving forward we continue to explore technologies to allow a hybrid approach to methods of working.

- **To review opportunities for organisational re-design based on learning from the emergency response phase**

Changes in working the practices and patterns of our front line services and the effectiveness of technological solutions in supporting home working during the height of the pandemic has demonstrated that services can operate successfully without the need to be physically co-located. It is important that where feasible to do so, we capitalise on these changes and build on them where it is appropriate to do so.

Finance

- **To ensure the liquidity of the organisation**

We are continuing to monitor our cash flow on a daily basis to ensure that we have sufficient available resources to undertake our business. Ensuring the overall financial sustainability of the Council will be a key consideration in the current work on the Medium Term Financial Strategy.

- **To maximise national assistance from emergency and other government funds**

We have produced a financial tracker that details all additional costs and income losses arising from the pandemic and continue to make monthly claims for additional costs and quarterly claims for income losses from the Welsh Government Hardship Fund.

| | |
|--|---|
| | <ul style="list-style-type: none"> <p>• To recover and restore income over time The Income loss Hardship Fund will assist with the immediate shortfall in budgeted income. However, Portfolio Business Recovery Plans will determine the plans to assist income recovery in the relevant service areas. This is in conjunction with the specific work on debt recovery which will assist with income due to the Council being paid.</p> <p>• To recover debt over time We are continuing to engage with residents and businesses to provide advice and to set-up realistic and affordable re-payment agreements for corporate debts. Invoices payable to the Council are due within 30 days of invoicing but we are adopting a pragmatic approach by setting up longer term payment plans on a case-by-case basis. We have recommended debt recovery processes and initially targeted high-debt values as a first priority.</p> <p>• To restore reserves and balances over time The Council will need to utilise its reserves to meet the additional costs of any elements not claimable from the Hardship Fund and also to deal with any overall in-year overspend. The level of reserves held will be a key consideration of the current work on the Medium Term Financial Strategy and Budget 2021/22.</p> |
|--|---|

| | |
|-------------|---|
| 2.00 | RESOURCE IMPLICATIONS |
| 2.01 | There are no specific resource implications from this report. |

| | |
|-------------|---|
| 3.00 | CONSULTATIONS REQUIRED / CARRIED OUT |
| 3.01 | None specific as this report is based on documented response and recovery work. |

| | |
|-------------|--|
| 4.00 | RISK MANAGEMENT |
| 4.01 | This report specifically covers emergency situation risk management. |

| | |
|-------------|---|
| 5.00 | APPENDICES |
| 5.01 | Appendix 1 – Updated Corporate Recovery Risk Register Appendix 2 – Updated Corporate Risk Mitigation Actions |

| | |
|-------------|--|
| 6.00 | LIST OF ACCESSIBLE BACKGROUND DOCUMENTS |
| 6.01 | None. |

| | |
|-------------|--|
| 7.00 | CONTACT OFFICER DETAILS |
| 7.01 | Contact Officer: Colin Everett Telephone: 01352 702101 E-mail: chief.executive@flintshire.gov.uk |

Corporate Recovery Risk Register

Version 08

Reviewed: 03.11.20

| Key | | |
|------------------------|---|------------------------------|
| Underlying Risk Rating | The risk rating before any mitigating actions | |
| Current Risk Rating | This risk rating following the planned mitigation actions | |
| Target Risk Rating | The risk rating which is realistically achievable and by when | |
| Risk Trend | The trend of the risk since the last review date | |
| NC ↔ | No change in risk trend since last review | |
| Risk Status | Open denotes a live risk | Closed denotes a closed risk |

Finance – Income

| Risk Ref. | Risk Title | Risk Type | Lead Officer | Supporting Officers | Underlying Risk Rating | Current Risk Rating | Target Risk Rating | Risk Trend | Risk Status |
|-------------------------|--|-----------|---------------|---------------------|------------------------|---------------------|--------------------|------------|-------------|
| CF01 | No Government funding to replace income lost during the response phase | Strategic | Gary Ferguson | Sara Dulson | R | G | G Q3 2020/21 | NC ↔ | Open |
| CF02 | A continued loss of income in the recovery phase and beyond should public behaviour change | Strategic | Gary Ferguson | Sara Dulson | R | A | A Open | NC ↔ | Open |
| CF03 | A continued loss of income in trading services in a phased lock-down | Strategic | Gary Ferguson | Sara Dulson | R | A | A Q2 2021/22 | NC ↔ | Open |
| CF04 | A continued loss of income for Aura as Deeside Leisure Centre is retained as an emergency hospital for a prolonged period | Strategic | Colin Everett | Rachael Corbelli | R | A | G Q3 2021/22 | NC ↔ | Open |
| CF05 | An increase in the overall level of debt owed to the Council | Strategic | Gary Ferguson | David Barnes | R | R | A Q2 2021/22 | NC ↔ | Open |
| CF19 | A reduction in Business Rates collection impacts on (1) cash-flow and (2) the stability of the National Collection Pool | Strategic | Gary Ferguson | David Barnes | R | R | A Q4 2020/21 | NC ↔ | Open |
| CF20 New Nov 2020 | Insufficient capacity to deliver grants and rate relief whilst also recovering lost income/debts may impact debt recovery capacity | Strategic | Gary Ferguson | David Barnes | R | R | A Q4 2020/21 | R ↑ | Open |

Finance - Reserves

| Risk Ref. | Risk Title | Risk Type | Lead Officer | Supporting Officers | Underlying Risk Rating | Current Risk Rating | Target Risk Rating | Risk Trend | Risk Status |
|-----------|---|-----------|---------------|---------------------|------------------------|---------------------|--------------------|------------|-------------|
| CF06 | Insufficient reserves remain following the response phase | Strategic | Gary Ferguson | Sara Dulson | R | A | G Q1 2021/22 | NC ↔ | Open |
| CF07 | Insufficient reserves impact on the financial resilience of the Council to sustain a lengthy recovery phase | Strategic | Gary Ferguson | Sara Dulson | R | A | G Q1 2021/22 | NC ↔ | Open |

Finance - Council Tax

| Risk Ref. | Risk Title | Risk Type | Lead Officer | Supporting Officers | Underlying Risk Rating | Current Risk Rating | Target Risk Rating | Risk Trend | Risk Status |
|-----------------------------|--|-----------|--------------|---------------------|------------------------|---------------------|--------------------|------------|-------------|
| CF08 Updated Nov 2020 | A reduction in Council Tax collection impacts on (1) cash-flow and (2) the annual budget Note: target risk rating is changed to an amber due to the scale of the challenges and the uncertainty of the future | Strategic | David Barnes | Sara Dulson | A | R | A Q2 2021/22 | NC ↔ | Open |
| CF09 Updated Nov 2020 | Budget impacts of additional immediate demand under the Council Tax Reduction Scheme (CTRS) due to a shortfall in Government subsidy | Strategic | David Barnes | Sara Dulson | A | A | A Q4 2020/21 | NC ↔ | Open |

| Risk Ref. | Risk Title | Risk Type | Lead Officer | Supporting Officers | Underlying Risk Rating | Current Risk Rating | Target Risk Rating | Risk Trend | Risk Status |
|--------------|---|------------------|---------------------|----------------------|------------------------|---------------------|-------------------------|-----------------|-------------|
| | Note: target risk rating is changed to an amber due to the scale of the challenges and the uncertainty of the future | | | | | | | | |
| CF09a | Rise in demand for CTRS has financial impacts on the Council budget because the base subsidy from Welsh Government is not increased to meet the additional cost | Strategic | David Barnes | Gary Ferguson | R | A | A Q1 2021/22 | NC ↔ | Open |

Finance - Inflation and Markets

| Risk Ref. | Risk Title | Risk Type | Lead Officer | Supporting Officers | Underlying Risk Rating | Current Risk Rating | Target Risk Rating | Risk Trend | Risk Status |
|-------------|---|--------------------|----------------------|---------------------|------------------------|---------------------|--------------------|-----------------|-------------|
| CF10 | Increase in costs from suppliers for goods and services due to supply/demand and business recovery strategies | Operational | Gary Ferguson | Sara Dulson | A | G | G Open | NC ↔ | Open |

Finance - Treasury Management

| Risk Ref. | Risk Title | Risk Type | Lead Officer | Supporting Officers | Underlying Risk Rating | Current Risk Rating | Target Risk Rating | Risk Trend | Risk Status |
|------------------------------------|---|------------------|----------------------|---------------------|------------------------|---------------------|-------------------------|-----------------|-------------|
| CF11 Updated Nov 2020 | Principal investments are (1) lower rates of return due to current market instability and (2) at higher default risk Note: target risk rating is changed to an amber due to the scale of the challenges and the uncertainty of the future | Strategic | Gary Ferguson | Liz Thomas | A | A | A Open | NC ↔ | Open |
| CF12 | Affordability of having to borrow at an earlier stage to fund the capital programme due to lower level of reserves being held | Strategic | Gary Ferguson | Liz Thomas | A | G | G Q4 2020/21 | NC ↔ | Open |
| CF13 Updated Nov 2020 | Clwyd Pension Fund principal investments are (1) lower rates of return due to current market instability and (2) at higher default risk Note: target risk rating is changed to an amber due to the scale of the challenges and the uncertainty of the future | Strategic | Gary Ferguson | Phil Latham | R | A | A Open | NC ↔ | Open |

Finance - Housing Revenue Account

| Risk Ref. | Risk Title | Risk Type | Lead Officer | Supporting Officers | Underlying Risk Rating | Current Risk Rating | Target Risk Rating | Risk Trend | Risk Status |
|-------------|--|------------------|-----------------------|--|------------------------|---------------------|--------------------|-----------------|-------------|
| CF14 | Increase in rent arrears impacts on the stability of the Housing Revenue Account (HRA) Business Plan | Strategic | Neal Cockerton | Rachael Corbelli David Barnes | R | R | A Open | NC ↔ | Open |

Finance - Capital Programme

| Risk Ref. | Risk Title | Risk Type | Lead Officer | Supporting Officers | Underlying Risk Rating | Current Risk Rating | Target Risk Rating | Risk Trend | Risk Status |
|-------------|---|------------------|-----------------------|---------------------|------------------------|---------------------|-------------------------|-----------------|-------------|
| CF15 | Impact on the Capital Programme of loss of/reduction in planned Government specific grants | Strategic | Neal Cockerton | Liz Thomas | A | G | G Q4 2021/22 | NC ↔ | Open |
| CF16 | Impact on the Capital Programme of any change in the appetite of the Council to borrow due to the changed economic and fiscal circumstances | Strategic | Neal Cockerton | Liz Thomas | A | A | G Q3 2021/22 | NC ↔ | Open |

Finance - Unplanned Expenditure

| Risk Ref. | Risk Title | Risk Type | Lead Officer | Supporting Officers | Underlying Risk Rating | Current Risk Rating | Target Risk Rating | Risk Trend | Risk Status |
|-------------|---|------------------|----------------------|---------------------|------------------------|---------------------|-------------------------|-----------------|-------------|
| CF17 | Budget instability due to the continuation of unplanned expenditure e.g. the operation of additional residential care homes and without additional Government grant | Strategic | Gary Ferguson | Sara Dulson | A | A | G Q1 2021/22 | NC ↔ | Open |

Finance - Financial Settlements

| Risk Ref. | Risk Title | Risk Type | Lead Officer | Supporting Officers | Underlying Risk Rating | Current Risk Rating | Target Risk Rating | Risk Trend | Risk Status |
|-----------|---|-----------|---------------|---------------------|------------------------|---------------------|--------------------|------------|-------------|
| CF18 | Impact on the stability of the Medium-Term Financial Plan of negative Welsh Government Local Government Settlements from 2021/22 due to a change to fiscal policy as part of national recovery planning | Strategic | Colin Everett | Gary Ferguson | R | R | A Open | NC ↔ | Open |

Workforce - Financial

| Risk Ref. | Risk Title | Risk Type | Lead Officer | Supporting Officers | Underlying Risk Rating | Current Risk Rating | Target Risk Rating | Risk Trend | Risk Status |
|------------------------------|---|-------------|---------------|---------------------|------------------------|---------------------|--------------------|------------|-------------|
| CW01a Updated Nov 2020 | Impact on the ADMs of the introduction of tapered Government financial contributions to the ADMs under the adjusted Furlough Scheme Note: risk trend reducing due to the extension of the national Furlough scheme | Strategic | Sharon Carney | Rachael Corbelli | R | G | G Q3 2020/21 | G ↓ | Open |
| CW03 Updated Nov 2020 | Cost associated with carry forward of accrued leave across multiple leave years Note: risk trend reducing due to effective management of leave | Operational | Sharon Carney | Sara Dulson | A | G | G Q4 2020/21 | G ↓ | Open |

Workforce - Capacity

| Risk Ref. | Risk Title | Risk Type | Lead Officer | Supporting Officers | Underlying Risk Rating | Current Risk Rating | Target Risk Rating | Risk Trend | Risk Status |
|------------------------------|--|-------------|---------------|---------------------|------------------------|---------------------|--------------------|------------|-------------|
| CW07 Updated Nov 2020 | The operational impacts of managing high levels of accrued annual leave across multiple leave years (see CW03 above) Note: current risk rating has decreased and risk trend reducing due to effective management of leave | Operational | Sharon Carney | Business Partners | A | G | G Q3 2020/21 | G ↓ | Open |
| CW08a Updated Nov 2020 | The availability and responsiveness of the regional antigen testing service to support the health and resilience of the workforce Note: risk target date amended due to the forecast increase of positive cases | Operational | Sharon Carney | Julie Luff | A | G | G Q4 2020/21 | NC ↔ | Open |
| CW09 | Excessive and unsustainable demands for deployment to the regional Test, Trace and Protect (TTP) Programme depletes the workforce and compromises the resumption of full council services | Strategic | Colin Everett | Sharon Carney | A | A | G Q3 2020/21 | NC ↔ | Open |
| CW09c Updated Nov 2020 | The impacts on workforce planning of the unavailability of antibody testing Note: risk to close as antibody testing no longer a solution due to national Welsh antibody programme having been suspended | Strategic | Colin Everett | Sharon Carney | A | G | G Q3 2020/21 | NC ↔a | Closed |
| CW10 | Impacts of a second wave in the pandemic on the continuous availability of key workers to operate services in a second response phase | Strategic | Sharon Carney | Chief Officers | A | A | G Open | NC ↔ | Open |
| CW11 | Increase in demand for Occupational Health and supplementary services | Operational | Sharon Carney | Julie Luff | A | A | G Open | NC ↔ | Open |
| CW12 | Impact of changes to service performance/continuity from any changes to service models in the recovery phase. | Strategic | Sharon Carney | Chief Officers | A | G | G Q4 2020/21 | NC ↔ | Open |

| Risk Ref. | Risk Title | Risk Type | Lead Officer | Supporting Officers | Underlying Risk Rating | Current Risk Rating | Target Risk Rating | Risk Trend | Risk Status |
|------------------------------------|--|--------------------|----------------------|--------------------------|------------------------|---------------------|---------------------|----------------|-------------|
| CW13 | Increase in workforce turnover due to new competition for public sector occupational groups in the employment market and/or employees making personal life choices | Operational | Sharon Carney | Chief Officers | A | G | G Open | NC ↔ | Open |
| CW14 | Volatility and change in the employment market which impacts on successful recruitment to vacancies | Operational | Sharon Carney | Business Partners | A | G | G Open | NC ↔ | Open |
| CW21 | Impact on the most vulnerable members of our workforce due to ongoing (1) isolation and (2) remote working | Operational | Sharon Carney | Business Partners | A | A | G Q4 2020/21 | NC ↔ | Open |
| CW22 | Impact on our workforce due to the requirement to self-isolate for up to 14 days prior to themselves or a member of their family being admitted to hospital for a medical procedure | Operational | Sharon Carney | Business Partners | A | A | G Q4 2020/21 | NC ↔ | Open |
| CW23 Updated Nov 2020 | Impact on our workforce as a result of having to quarantine for 14 days on return to the UK from non-exempt countries or territories Note: risk rating and trend reduced as anticipated level of interruption has not materialised. | Operational | Sharon Carney | Business Partners | A | G | G Q4 2020/21 | G ↓ | Open |
| CW24 | Impact on workforce availability/productivity as a result of caring responsibilities, specifically to care for children who have been sent home from school to self-isolate. | Operational | Sharon Carney | Business Partners | R | A | G Q4 2020/21 | NC ↔ | Open |

Workforce – Health & Wellbeing

| Risk Ref. | Risk Title | Risk Type | Lead Officer | Supporting Officers | Underlying Risk Rating | Current Risk Rating | Target Risk Rating | Risk Trend | Risk Status |
|-------------|--|--------------------|----------------------|--------------------------|------------------------|---------------------|---------------------|----------------|-------------|
| CW16 | Increased sickness absence both COVID and non COVID related | Operational | Sharon Carney | Business Partners | A | G | G Open | NC ↔ | Open |
| CW17 | Increased numbers of mental health related absences | Operational | Sharon Carney | Julie Luff | A | G | G Open | NC ↔ | Open |
| CW18 | Impact of deferred medical events – ability of employees to return to work within previously agreed timescales | Operational | Sharon Carney | Business Partners | A | G | G Q1 2021/22 | NC ↔ | Open |

Workforce - PPE

| Risk Ref. | Risk Title | Risk Type | Lead Officer | Supporting Officers | Underlying Risk Rating | Current Risk Rating | Target Risk Rating | Risk Trend | Risk Status |
|-------------|--|--------------------|----------------------|------------------------|------------------------|---------------------|---------------------|----------------|-------------|
| CW25 | Impact on International/European PPE supply chain following Brexit | Operational | Andrew Farrow | Vanessa Johnson | A | A | G Q1 2021/22 | NC ↔ | Open |

Governance - Information and systems

| Risk Ref. | Risk Title | Risk Type | Lead Officer | Supporting Officers | Underlying Risk Rating | Current Risk Rating | Target Risk Rating | Risk Trend | Risk Status |
|------------------------------------|---|------------------|---------------------|----------------------|------------------------|---------------------|--------------------|----------------|-------------|
| CG01 Updated Nov 2020 | Cyber-attack through bogus Covid-19 email Note: target risk rating reviewed and amended to amber due to continued high number of incidents | Strategic | Gareth Owens | Aled Griffith | R | A | A Open | NC ↔ | Open |
| CG02 Updated Nov 2020 | Loss of data or system hack due to malware or the use of unauthorised apps Note: target risk rating reviewed and amended to amber due to sustained attempts to compromise security | Strategic | Gareth Owens | Aled Griffith | R | A | A Open | NC ↔ | Open |

| Risk Ref. | Risk Title | Risk Type | Lead Officer | Supporting Officers | Underlying Risk Rating | Current Risk Rating | Target Risk Rating | Risk Trend | Risk Status |
|------------------------------------|--|--------------------|---------------------|------------------------|------------------------|---------------------|------------------------|----------------|-------------|
| CG03 Updated Nov 2020 | Data loss or inaccuracy due to disrupted ways of working Note: target risk rating reviewed and amended to green due to a reduction in the number of incidents | Operational | Gareth Owens | Alun Kime | R | G | G Q4 2020/21 | G ↓ | Open |
| CG04 Updated Nov 2020 | Diversion of resource to emergency management response and recovery work delays implementation of key digital and infrastructure projects Note: current risk rating and risk trend increased due to sustained demand on IT Services and approaching deadlines | Strategic | Gareth Owens | Mandy Humphreys | A | R | G Q3 2021/22 | R ↑ | Open |
| CG05 | Loss of functional capacity due to the inability to use mass 'roll-out' of tools on devices being used at home | Strategic | Gareth Owens | Aled Griffith | A | A | G Q3 2020/21 | NC ↔ | Open |
| CG14 New Nov 2020 | High demand for digital devices delaying key corporate projects or increasing cost | Strategic | Gareth Owens | Aled Griffiths | A | A | G Q3 2021/22 | R ↑ | Open |

Governance - Governance and Control Recovery

| Risk Ref. | Risk Title | Risk Type | Lead Officer | Supporting Officers | Underlying Risk Rating | Current Risk Rating | Target Risk Rating | Risk Trend | Risk Status |
|------------------------------------|---|--------------------|---------------------|-----------------------|------------------------|---------------------|------------------------|----------------|---------------|
| CG07 | Legal challenge to a decision made under temporary remote working legislation on the grounds of insufficient process/a lack of transparency | Strategic | Gareth Owens | Matt Georgiou | R | G | G Q3 2020/21 | NC ↔ | Open |
| CG08 | Emergency legislation is repealed prematurely and before we are ready to resume normal services | Strategic | Gareth Owens | Matt Georgiou | R | A | G Q3 2020/21 | NC ↔ | Open |
| CG09 | Technology and/or the functioning of remote meetings impedes inclusive and effective decision-making Note: target risk rating date has been amended to reflect target for restoring full public access | Operational | Gareth Owens | Robert Robins | A | A | G Q4 2020/21 | NC ↔ | Open |
| CG10 | Technology failure during member meeting prevents or undermines inclusive and effective decision-making Note: target risk rating date has been changed to open as risk will always exist | Operational | Gareth Owens | Aled Griffith | A | A | G Open | NC ↔ | Open |
| CG13 Updated Nov 2020 | Changes to established managerial and democratic systems result in failure to properly authorise a decision Note: risk is to be closed | Strategic | Gareth Owens | Lisa Brownbill | R | G | G Q2 2020/21 | NC ↔ | Closed |

Previously Closed Risks

| Risk Ref. | Risk Title | Risk Type | Lead Officer | Supporting Officers | Underlying Risk Rating | Current Risk Rating | Target Risk Rating | Risk Trend | Risk Status |
|-------------|--|--------------------|----------------------|--------------------------|------------------------|---------------------|------------------------|---------------|---------------|
| CW01 | Impact on Council Alternative Delivery Models (ADM's) subsidies of our applications for Furlough being declined by HMRC under Government guidelines and interpretation resulting in additional costs to the Council | Strategic | Sharon Carney | Rachael Corbelli | A | G | G Q3 2020/21 | G ↓ | Closed |
| CW02 | Impacts if pressure brought to apply temporary pay uplift (10%) to staff working in critical frontline teams by other Welsh Local Authorities or other body (WLGA, JCW): (1) workforce division (2) potential grievances and Equal Pay claims from other occupational groups and (3) affordability | Strategic | Sharon Carney | Business Partners | A | G | G Q3 2020/21 | G ↓ | Closed |
| CW04 | Cost impacts of the retrospective approval of claims for overtime and other payments (i.e. ex-gratia) | Operational | Sharon Carney | Sara Dulson | A | G | G Q4 2020/21 | A ↔ | Closed |

| Risk Ref. | Risk Title | Risk Type | Lead Officer | Supporting Officers | Underlying Risk Rating | Current Risk Rating | Target Risk Rating | Risk Trend | Risk Status |
|--------------|---|---|------------------------|--------------------------|------------------------|---------------------|---------------------|------------|---------------|
| CW08b | Insufficient resilience in regional capacity operational systems to support CW08a | Risk removed due to duplication with CW08a and CW09 | | | | | | | |
| CW20 | Impact of school closures (response phase) on working parents whose role does not allow them to work from home, or who have caring responsibilities for children or other dependents | Operational | Sharon Carney | Business Partners | A | G | G Open | G ↓ | Closed |
| CG11 | Insufficient information availability to provide an adequate annual statement of assurance | Strategic | Chief Executive | Lisa Brownbill | R | G | G Q2 2020/21 | G ↓ | Closed |
| CG14 | Inability to confirm insurance cover for claims/liability arising from the Council's role in TTP | Strategic | Gareth Owens | Matt Georgiou | R | G | G Q2 2020/21 | G ↓ | Closed |
| CW02a | Administration of the Welsh Government decision to make a one-off payment to care workers causes a local administrative burden and has unfunded residual costs for the Council as an employer e.g. superannuation | Strategic | Sharon Carney | Gary Ferguson | R | G | G Q3 2020/21 | G ↓ | Closed |
| CW05 | Increase in cost from changes to sick pay policy for those whose recovery has been affected by cessation of or interruption to medical treatment | Operational | Sharon Carney | Sara Dulson | A | G | G Q4 2020/21 | G ↓ | Closed |
| CW06 | Insufficient availability of occupational work groups to restore services | Strategic | Sharon Carney | Business Partners | A | G | G Q3 2020/21 | G ↓ | Closed |
| CW09a | Inadequate funding availability from Welsh Government to support a regional TTP Programme | Strategic | Colin Everett | Sharon Carney | R | G | G Q2 2020/21 | G ↓ | Closed |
| CW09b | Failure to secure partner agreement across the six local authorities and the Health Board to enter into a single regional TTP programme | Strategic | Colin Everett | Sharon Carney | R | G | G Q2 2020/21 | G ↓ | Closed |
| CW20a | Impact on our workforce due to schools operating in a different way from September onwards | Operational | Sharon Carney | Business Partners | A | A | G Q3 2020/21 | G ↓ | Closed |
| CW15 | The resilience of senior and supporting management following a long and demanding response phase | Strategic | Sharon Carney | Julie Luff | A | G | G Q3 2020/21 | G ↓ | Closed |
| CW19 | Impact of delayed bereavement leave – on attendance and mental health | Operational | Sharon Carney | Business Partners | A | G | G Q1 2021/22 | G ↓ | Closed |
| CG06 | Resumption of democratic processes reduces our capacity to support recovery work | Strategic | Chief Executive | Gareth Owens | R | G | G Q3 2020/21 | G ↓ | Closed |
| CG12 | Changes to established managerial and democratic systems results in challengeable decision-making | Strategic | Gareth Owens | Lisa Brownbill | R | G | G Q3 2020/21 | G ↓ | Closed |

Risk Matrix

| | | | | | | | |
|-------------------------------------|---------------------|----------|----------|-----|------|-----------|----------------|
| Impact Severity | Catastrophic | Y | A | R | R | B | B |
| | Critical | Y | A | A | R | R | R |
| | Significant | G | G | Y | A | A | R |
| | Marginal | G | G | G | Y | Y | A |
| | | Unlikely | Very Low | Low | High | Very High | Extremely High |
| Likelihood of risk happening | | | | | | | |

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Corporate Recovery Risk Register

Version 08

Reviewed: 03.11.20

Finance

Finance – Income

| Mitigation Urgency Key | |
|------------------------|-------------------|
| IM – Immediate | Now |
| ST – Short Term | Within 1 month |
| MT – Medium Term | 1 month plus |
| Upward arrow | Risk increasing |
| Downward arrow | Risk decreasing |
| Sideways arrow | No change in risk |

| Risk Ref. | Risk Title | Risk Trend | Mitigation Urgency | Mitigating Actions |
|----------------------------|---|------------|--------------------|---|
| CF01 Updated by 2020 | No Government funding to replace income lost during the response phase | ↔ | IM | Welsh Government has made available £78m to compensate Councils for income losses in Q1 of the financial year. Our claims for quarter one have been submitted in two tranches: tranche one - £1.4m and tranche two - £0.616m. The first tranche has been settled (with the exception of net income loss for Theatre Clwyd which is now being considered separately from the new Cultural Fund with an application submitted). The second tranche has been settled in part with some elements provisionally settled at 50% pending a review later in the financial year. Welsh Government have also announced that a further £264m has been made available to continue to support additional costs incurred and income losses. The risk is reduced as it has been confirmed that quarterly claims for income losses can continue to be submitted for the remainder of the financial year - eligibility details have been received which is consistent with claims made to date (with the exception of car park income). Second quarter claim is due to be submitted by 11 November |
| CF02 | A continued loss of income in the recovery phase and beyond should public behaviour change | ↔ | MT | This risk will be taken into account in the current review of the Medium-Term Financial Strategy (MTFS) and reported throughout the year under monthly budget monitoring reports. Income recovery will also be included in the Portfolio Business Recovery Plans that have recently been developed. The risk is reduced now that funding is confirmed to the end of the financial year. |
| CF03 | A continued loss of income in trading services in a phased lock-down | ↔ | IM | As CF01 above. |
| CF04 | A continued loss of income for Aura as Deeside Leisure Centre is retained as an emergency hospital for a prolonged period | ↔ | MT | All income lost to Aura at Deeside Leisure Centre (DLC) for the period from which leisure centres are allowed to re-open (from 10.08.20) but DLC is out of commission as it remains a temporary hospital, can be recovered from the Health Board under the terms of the license/commercial agreement agreed for their occupation of the facility. This protection should also apply to commercial tenants and operators. The income losses recoverable are subject to negotiation and based on physical distancing restrictions and reduced access. The negotiations are advanced. |

| Risk Ref. | Risk Title | Risk Trend | Mitigation Urgency | Mitigating Actions |
|---|---|------------|--------------------|--|
| CF05 | An increase in the overall level of debt owed to the Council | ↔ | IM | Income collection continues and we actively engaging with tax-payers, tenants, customers and businesses to offer flexible arrangements. We have run two phases of 'soft enforcement' and have now resumed formal recovery procedures for Council Tax, Business Rates and Corporate Debt initially for those customers that have not paid nor engaged with the Council over several months. This risk will is being taken into account in the review of the Medium-Term Financial Strategy (MTFS). |
| Page 240 CF19 Updated Nov 2020 | A reduction in Business Rates collection impacts on (1) cash-flow and (2) the stability of the National Collection Pool | ↔ | IM | <p>The risk is tracked weekly and interventions made wherever possible through advice and support to businesses by extending payments and ensuring entitlement to grants and rate reliefs. The first and second stages of 'soft' enforcement for businesses who are falling into debt and who have not made any contact with us have been completed. As income was significantly lower than the target, formal debt processes re-commenced in August, starting with those businesses who have not paid nor engaged with the Council and who owe several months of unpaid Non-Domestic Rates (NDR).</p> <p>Income collection continues following the issuing of statutory 1st reminder notices and by follow-up 'final' reminder notices in early September. We continue to engage with businesses to provide flexible payment agreements. However, businesses who fail to engage or pay, will now continue to be tracked and progressed through the debt recovery systems. Legal action through the Magistrates Courts was held in October in cases where businesses ignore repeated request for payment.</p> <p>NDR Income levels are £4.86m off target in October as a result of non-payment in general together with a small number of deferrals of payment where full payment is now expected in Q4 of 2020/21.</p> <p>This risk of losses in collection is also being tracked on a monthly basis by Welsh Government to 'stress-test' the resilience of the National Collection Pool as this forms a critical part of Aggregate External Finance (AEF) and the money distributed by WG through the settlement. This also includes redistributed non-domestic rates.</p> |
| CF20 New Nov 2020 | Insufficient capacity to deliver grants and rate relief whilst also recovering lost income/debts may affect the support to local businesses | ↑ | IM | The Revenues Service is delivering grants and rate relief to support businesses in addition to trying to recoup income lost during the response phase placing strains upon capacity. Additional resource has been allocated to the service to compensate for the extra workload and cover staff absences. Levels of grant delivery will be monitored weekly to ensure that local businesses maximize their entitlement to WG support and financial aid. |

Finance - Reserves

| Risk Ref. | Risk Title | Risk Trend | Mitigation Urgency | Mitigating Actions |
|-----------|---|------------|--------------------|---|
| CF06 | Insufficient reserves remain following the response phase | ↔ | IM | Our strategy is to protect an over-exposure of our reserves by maximising our claim grants to Welsh Government for refunds of additional emergency expenditure and the recovery of lost income. The latest budget monitoring position to be reported to Cabinet in October shows that there will be sufficient reserves available based on current demand and taking into account anticipated Welsh Government Funding. |
| CF07 | Insufficient reserves impact on the financial resilience of the Council to sustain a lengthy recovery phase | ↔ | MT | This risk is being taken into account in the review of the Medium-Term Financial Strategy (MTFS) and is impacted by CF06 above. |

Finance - Council Tax

| Risk Ref. | Risk Title | Risk Trend | Mitigation Urgency | Mitigating Actions |
|--|--|------------|--------------------|--|
| <p>Page 241</p> <p>CF08 Updated Nov 2020</p> | A reduction in Council Tax collection impacts on (1) cash-flow and (2) annual budget | ↔ | IM | <p>The risk is tracked weekly and interventions made wherever possible through advice and support by extending payments or signposting to Council Tax Reduction Scheme (CTRS). The first and second stages of 'soft' enforcement for tax-payers who are falling into debt and who have not made any contact with us have been completed. As income in August was £1.415mm less than target to achieve the same results in 2019/20 formal debt processes recommenced in August starting with those taxpayers who have not paid nor engaged with the Council and owe several months of unpaid council tax.</p> <p>Income collection continues following the issuing of statutory 1st reminder notices and by follow-up 'final' reminder notices in early September. We continue to engage with taxpayers to provide flexible payment agreements. However, taxpayers who fail to engage or pay, will now continue to be tracked and progressed through the debt recovery systems. Legal action through the Magistrates Courts took place in October in cases where taxpayers ignore repeated request for payment. The re-commencement of recovery is now helping to increase income levels and at the end of September resulted in being £1.34m off-target –a small improvement of the previous month. Collections in October were still £1.34m off target and so the position remains as challenging but stabilising.</p> <p>This ongoing risk is being taken into account in the review of the Medium-Term Financial Strategy (MTFS).</p> |

| Risk Ref. | Risk Title | Risk Trend | Mitigation Urgency | Mitigating Actions |
|------------------------------|---|------------|--------------------|--|
| CF09 Updated Nov 2020 | Budget impacts of additional demand under the CTRS due to a shortfall in Government subsidy | ↔ | IM | The impact of the additional demand is tracked weekly through Finance Tactical Group with additional demand and budget impact escalated to Welsh Government (WG). All additional costs for the first quarter have been met by Welsh Government (£58.5k). Negotiations continue for enhanced support from quarter two onwards with a positive response expected from Welsh Government. |
| CF09a Updated Nov 2020 | Rise in demand for CTRS has financial impacts on the Council budget because the base subsidy from Welsh Government is not increased to meet the additional cost | ↔ | MT | The impact of the additional demand is tracked through Finance Tactical Group with additional demand and budget impact escalated to Welsh Government (WG). All additional costs for the first quarter have been met by Welsh Government (£58.5k). Negotiations continue for enhanced support from quarter two onwards with a positive response expected from Welsh Government. An increase in the base subsidy is sought from 2021/22. |

Finance - Inflation and Markets

| Risk Ref. | Risk Title | Risk Trend | Mitigation Urgency | Mitigating Actions |
|-----------|---|------------|--------------------|---|
| CF10 | Increase in costs from suppliers for goods and services due to supply/demand and business recovery strategies | ↔ | MT | There is still no evidence of inflationary pressures of this type at this stage. Our normal procurement and value for money tendering exercises continue. |

Finance - Treasury Management

| Risk Ref. | Risk Title | Risk Trend | Mitigation Urgency | Mitigating Actions |
|-----------|---|------------|--------------------|---|
| CF11 | Principal investments are (1) lower rates of return due to current market instability and (2) at higher default risk | ↔ | IM | Investments have been made in line with our Treasury Management Strategy and primarily with the Government Debt Management Office to protect security and liquidity. The position has been reviewed and investments will now be extended to Money Market Funds, where appropriate, which will generate a higher rate of return. Current interest rates/investment returns continue to be low. |
| CF12 | Affordability of having to borrow at an earlier stage to fund the capital programme due to lower level of reserves being held | ↔ | IM | Cash flow is monitored daily with accurate intelligence from across the organisation, and is a standing agenda item at the Finance Tactical Group. Affordability of borrowing will need to be a consideration when reviewing the profile of capital projects at later date. |
| CF13 | Clwyd Pension Fund principal investments are (1) lower rates of return due to current | ↔ | IM | The Fund Investment Strategy has a diversified portfolio to manage risk and seeks return from a range of sources and asset classes. In February and March the Fund suffered as with all investors with the COVID 19 driven market volatility and falls. Since late March markets have recovered and are now considerably more stable. The funding level (value of |

| Risk Ref. | Risk Title | Risk Trend | Mitigation Urgency | Mitigating Actions |
|-----------|---|------------|--------------------|---|
| | market instability and (2) at higher default risk | | | assets as a proportion of liabilities) has recovered but remains around 2% below the target level. The Fund has a range of risk management tools in place and when combined with the range of internal controls in place with officers and advisers ensure that the Fund's exposure to market volatility is mitigated wherever possible. This is under regular review by the Pensions Team and the external advisor team. |

Finance - Housing Revenue Account

| Risk Ref. | Risk Title | Risk Trend | Mitigation Urgency | Mitigating Actions |
|-----------|--|------------|--------------------|--|
| CF14 | Increase in rent arrears impacts on the stability of the Housing Revenue Account (HRA) Business Plan | ↔ | IM | We have not been able to move to evict tenants, who might then be risk of becoming homeless during the emergency response phase under Government guidance, this guidance has now been lifted. We are encouraging tenants to continue to make payments and offering a range of support to those who are struggling to pay so that we can maintain tenancies. The HRA Business Plan has been 'stress tested' for the impacts of increased arrears with optional mitigations on cost reductions. A full report is being made to Cabinet and the Community and Enterprise Overview and Scrutiny Committee. More recently Welsh Government has increased the notification period to end a tenancy from three months to six months under the Coronavirus Act 2020. This is limiting our enforcement activity and in turn puts further pressure on the rent arrears position. |

Finance - Capital Programme

| Risk Ref. | Risk Title | Risk Trend | Mitigation Urgency | Mitigating Actions |
|-----------|---|------------|--------------------|---|
| CF15 | Impact on the Capital Programme of loss of/reduction in planned Government specific grants | ↔ | IM | The Capital Programme and the draw-down/protection of specific grants is reported regularly to the Finance Tactical Group. There is regular liaison with Welsh Government lead contacts to protect grants for delayed/deferred schemes. Contractors for projects from Marleyfield Residential Care Home to highways construction projects are progressing with works in line with grant deadlines, and all other capital programmes have resumed e.g. Disability Facilities Grants. Works are being completed whilst strictly adhering to social distancing regulations. All grant claims have been submitted on time and there is no evidence to date of changes to existing grants. Welsh Government is making additional capital grant awards in policy areas such as economic stimulus and homelessness and we expect our capital programme to be enhanced. |
| CF16 | Impact on the Capital Programme of any change in the appetite of the Council to borrow due to the changed | ↔ | MT | Affordability and risk appetite are to be reviewed as part of the Medium-Term Financial Strategy. Views can then be taken on setting future year Capital Programmes together with assessments of interest rates to enable/track potential borrowing. |

| | | | | |
|--|-----------------------------------|--|--|--|
| | economic and fiscal circumstances | | | |
|--|-----------------------------------|--|--|--|

Finance - Unplanned Expenditure

| Risk Ref. | Risk Title | Risk Trend | Mitigation Urgency | Mitigating Actions |
|-----------|---|------------|--------------------|--|
| CF17 | Budget instability due to the continuation of unplanned expenditure e.g. the operation of additional residential care homes and without additional Government grant | ↔ | MT | The first in-year budget update was reported to Cabinet in July. A full budget monitor report was submitted to Cabinet and Corporate Resources Overview and Scrutiny Committee in September. Alternative funding options will need to be explored for these areas of expenditure if they are to be continued beyond the emergency response phase. Otherwise, they will become in-year budget pressures. No new commitments to unscheduled spend have been made in quarter two unless reported to/consented by Cabinet. |

Finance - Financial Settlements

| Risk Ref. | Risk Title | Risk Trend | Mitigation Urgency | Mitigating Actions |
|-----------|---|------------|--------------------|--|
| CF18 | Impact on the stability of the Medium-Term Financial Plan of negative Welsh Government Local Government Settlements from 2021/22 due to a change to fiscal policy as part of national recovery planning | ↔ | MT | Our strategy is to continue our regular engagement with Welsh Local Government Association (WLGA) and Welsh Government to gain support for sustainable settlements for the future. This is now a topical issue as we enter the period for national budget-setting. |

Workforce

Workforce - Financial

| Risk Ref. | Risk Title | Risk Trend | Mitigation Urgency | Mitigating Actions |
|------------------------------|---|------------|--------------------|---|
| CW01a Updated Nov 2020 | Impact on the ADMs of the introduction of tapered Government financial contributions to the ADMs under the adjusted Furlough Scheme | ↓ | IM | Mitigation has been successful and no new actions are needed. The Scheme has been maximised to support the businesses and their employees and claims for reimbursement are being submitted regularly. Alternative Delivery Models are factoring-in the tapering into their business plans. The recently announced extension of the Furlough Scheme is being factored into revised business plans. |

| Risk Ref. | Risk Title | Risk Trend | Mitigation Urgency | Mitigating Actions |
|------------------------------------|---|------------|--------------------|---|
| CW03 Updated Nov 2020 | Cost associated with carry forward of accrued leave across multiple leave years | ↓ | MT | The Working Time (Coronavirus) (Amendment) Regulations 2020 amends the Working Time Regulations 1998 to provide, where it is not reasonably practicable for a worker to take some or all of the holiday to which they are entitled, the right to carry the four weeks leave forward into the next two leave years. Many employees are continuing to take annual leave as planned/needed but it is too early to assess the extent of the potential backlog and the impacts of managing it. Following an assessment by each portfolio the anticipated level of carry-forward anticipated has not materialised. Services have been managing leave effectively and only a handful of services have needed to ask employees to cancel or postpone leave as a direct result of COVID. |

Workforce - Capacity

| Risk Ref. | Risk Title | Risk Trend | Mitigation Urgency | Mitigating Actions |
|--|---|------------|--------------------|--|
| CW07 Updated Nov 2020 Page 245 | The operational impacts of managing high levels of accrued annual leave across multiple leave years | ↓ | MT | The Working Time (Coronavirus) (Amendment) Regulations 2020 amends the Working Time Regulations 1998 to provide, where it is not reasonably practicable for a worker to take some or all of the holiday to which they are entitled, the right to carry the four weeks leave forward into the next two leave years. Following an assessment by each portfolio the anticipated level of carry-forward anticipated has not materialised. Services have been managing leave effectively and only a handful of services have needed to ask employees to cancel or postpone leave as a direct result of COVID. |
| CW08a Updated Nov 2020 | The availability and responsiveness of the regional antigen testing service to support the health and resilience of the workforce | ↔ | IM | The regional plans make provision for sufficient antigen testing and the testing systems are sufficiently reliable for us as an employer. The risk target date has been amended due to the forecast increase of positive cases. |
| CW09 | Excessive and unsustainable demands for deployment to the regional Test, Trace and Protect (TTP) Programme depletes the workforce and compromises the resumption of full council services | ↔ | IM | The new workforce has been appointed to mitigate this risk of an over-reliance on our core workforce to provide a Trace Test Protect (TTP) service (refer to the July Cabinet report). However, an increase in demand has necessitated some draw-down of our deployment 'bank' employees. This may increase as a risk as a second wave in the pandemic emerges. |
| CW09c Updated Nov 2020 | The impacts on workforce planning of the unavailability of antibody testing | ↔ | IM | Antibody Testing for key workers will be available in the future. Antibody testing is not critical for workforce planning and has limited benefits for workforce planning as it is not a reliable/proven determinant of immunity to COVID-19. |

| Risk Ref. | Risk Title | Risk Trend | Mitigation Urgency | Mitigating Actions |
|------------------------------------|--|------------|--------------------|---|
| | | | | Risk to close as antibody testing no longer a solution due to national Welsh antibody programme having been suspended |
| CW10 | Impacts of a second wave in the pandemic on the continuous availability of key workers to operate services in a second response phase | ↔ | MT | This remains an open risk and subject to change as we approach the winter. Subject to order fulfillment, the flu vaccine will be offered to all key workers. The procurement of sufficient supplies will result in a budget pressure of £25-30k. As a management action this a good investment to protect our workforce. |
| CW11 | Increase in demand for Occupational Health and supplementary services | ↔ | MT | This risk is being taken in account in our planning for the return of the workforce. Additional capacity may need to be acquired and this will need to be taken into account in a mid-year review of the 2020/21 Council Fund Revenue Budget. A Psychological support and Trauma group is established and additional counselling resource is on offer for self-referrals. The cost estimate is £8k for 12 weeks. This will be a budget pressure. |
| CW12 | Impact of changes to service performance/continuity from any changes to service models in the recovery phase | ↔ | MT | This risk is being taken in account in our planning for and following the return of the workforce particularly in trading services where future income levels are uncertain e.g. Newydd. No major changes to service models have been necessary at this stage. |
| CW13 Updated Nov 2020 | Increase in workforce turnover due to new competition for public sector occupational groups in the employment market and/or employees making personal life choices | ↔ | MT | This risk has not materialised to date, but is will continue to be monitored. |
| CW14 Updated Nov 2020 | Volatility and change in the employment market which impacts on successful recruitment to vacancies | ↔ | MT | This risk has not materialised to date. In addition, as part of controlling expenditure at a time of uncertainty over our financial resources, caused by the impact and disruption of the emergency situation, Service managers wishing to recruit to a vacancy now need to complete a business case which will then be considered by a corporate panel. Where the case is well made, and there is an imperative for the position for business continuity and service resilience, the panel will support a recruitment going ahead. This is a management action to control in-year expenditure due to the financial risks of the recovery period. |
| CW21 | Impact on the most vulnerable members of our workforce due to ongoing (1) isolation and (2) remote working | ↔ | MT | As per CW11 and CW17 and our strategy for a safe return to work for the workforce. This strategy is progressing well with employee being able to access some Council premises on managed rotas. Effective workforce management is supporting teams and individuals. Home working remains an open offer for vulnerable employees. |

| Risk Ref. | Risk Title | Risk Trend | Mitigation Urgency | Mitigating Actions |
|-----------------------------|---|------------|--------------------|--|
| CW22 | Impact on our workforce due to the requirement to self-isolate for up to 14 days prior to themselves or a member of their family being admitted to hospital for a medical procedure | ↔ | IM | Employees whose role allows it, and who are fit to work, are expected to work from home. For those whose role does not allow them to work from home, they will be on 'approved paid absence'. A limited number of requests have been received to date but as the NHS starts to reschedule its non COVID related activity, this could increase. We will continue to monitor requests. |
| CW23 Updated Nov 2020 | Impact on our workforce as a result of having to quarantine for 14 days on return to the UK from non exempt countries or territories | ↓ | IM | The introduction of the HPZ and the subsequent 'firebreak' does not permit international travel other than for exceptional circumstances. Therefore the anticipated level of interruption has not materialised. |
| CW24 | Impact on workforce availability/productivity as a result of caring responsibilities, specifically to care for children who have been sent home from school to self-isolate. | ↔ | IM | Employees whose role allows it, and who are fit to work, are expected to work from home. For those whose role does not allow them to work from home, they will be on 'approved paid absence'. |

Workforce – Health & Wellbeing

| Risk Ref. | Risk Title | Risk Trend | Mitigation Urgency | Mitigating Actions |
|-----------|--|------------|--------------------|---|
| CW16 | Increased sickness absence both COVID and non COVID related | ↔ | ST | Sickness absence is being managed through the Council's Attendance Management policy and procedure. Current levels of sickness absence are running at below seasonal averages for past years. Also see CW17. |
| CW17 | Increased numbers of mental health related absences | ↔ | IM | A Wellbeing and Trauma Support Task Group is established to support the workforce in Social Services (as the highest risk service area) to manage their mental health during the pandemic. We continue to provide online training / advice and support to managers and their teams and to signpost to support from outside agencies. An Operational Task Group is now established with the role to ensure that all workplaces are safe to return to, and to communicate the measures in place to manage employee anxiety over a return to work. Links to a number of helpful websites / webinars on health and well-being to be provided via Human Resources and the Infonet. |
| CW18 | Impact of deferred medical events – ability of employees to return to work within previously agreed timescales | ↔ | IM | Deferred medical events are being re-scheduled. Where delays have resulted in extended absence which has impacted on sick pay entitlement, measures are in place to extend pay for up to three months. Only two requests for extension to sick pay have been made to date. |

Workforce – PPE

| Risk Ref. | Risk Title | Risk Trend | Mitigation Urgency | Mitigating Actions |
|-----------|--|------------|--------------------|---|
| CW25 | Impact on International/European PPE supply chain following Brexit | ↔ | MT | WG's Winter Protection Plan for the supply of all care setting PPE provides for a 24-week stockholding, to mitigate supply risks. On a corporate level PPE suppliers have reported that masks, aprons, hand sanitisers and eye protection in the short term will not change, with some suppliers holding high stock levels. However gloves present a real concern, not only being extremely expensive but uncertainty about long-term supply – we will continue to monitor closely. |

Governance

Governance - Information and systems

| Risk Ref. | Risk Title | Risk Trend | Mitigation Urgency | Mitigating Actions |
|-----------------------------|---|------------|--------------------|---|
| CG01 Updated Nov 2020 | Cyber-attack through bogus Covid-19 email | ↔ | IM | Risk is being mitigated through the use of mail scanning tools and staff education. The likelihood of the risk can be mitigated. The impact will remain as significant due to the potential disruption to services and the continued attempts to compromise security. |
| CG02 Page 24 | Loss of data or system hack due to malware or the use of unauthorised apps | ↔ | IM | The security measures that we have in place in order to achieve PSN compliance continue to mitigate the risks. |
| CG03 Updated Nov 2020 | Data loss or inaccuracy due to disrupted ways of working | ↓ | IM | Current policy, practice and controls continue. Risk trend has improved due to a reduction in the number of incidents. |
| CG04 Updated Nov 2020 | Diversion of resource to emergency management response and recovery work delays implementation of key digital and infrastructure projects | ↑ | MT | The response to the emergency situation has placed peaks in demand on the ICT Service as new ways of working and supporting technologies have been introduced. Large scale technology projects such as the transition to Office 365 are being prioritised to avoid IT license issues/costs and other projects being advised to set realistic timescales to ensure delivery. |
| CG05 | Loss of functional capacity due to the inability to use mass 'roll-out' of tools on devices being used at home | ↔ | MT | A potential technical has been identified in principle to enable the deployment of software and upgrades without compromising security to Flintshire devices whilst being used at home. The solution is being thoroughly tested to ensure its suitability. |
| CG14 New Nov 2020 | High demand for digital devices delaying key corporate projects or increasing cost | ↑ | MT | Scarcity of digital devices in the market place is leading to increased delivery times and/or increased costs. Projects being advised to set realistic timescales. |

Governance - Governance and Control Recovery

| Risk Ref. | Risk Title | Risk Trend | Mitigation Urgency | Mitigating Actions |
|-----------------------------|---|------------|--------------------|--|
| CG07 | Legal challenge to a decision made under temporary remote working legislation on the grounds of insufficient process/a lack of transparency | ↔ | IM | This risk continues to be managed by ensuring that we comply fully with Welsh Government regulations for the emergency period, and by following recognised good/required practice in meeting management e.g. publication of agendas, reports and minutes, due notice being given of meetings, only urgent items being taken forward for decision etc |
| CG08 Updated Nov 2020 | Emergency legislation is repealed prematurely and before we are ready to resume normal services | ↔ | IM | Welsh Government (WG) has agreed to permanently enact some of the current emergency changes to legislation. WG has agreed to monitor the infection rates and impact on local government when current emergency legislation is due to expire with a view to lobbying for an extension in its period of effect. WG is consulting on possible extension of social care emergency legislation. |
| CG09 | Technology and/or the functioning of remote meetings impedes inclusive and effective decision-making | ↔ | IM | Meetings are able to proceed using video conferencing or telephone connections |
| CG10 | Technology failure during member meeting prevents or undermines inclusive and effective decision-making | ↔ | IM | This will always remain a risk dependent upon the IT connection of every participant. However, if necessary, meetings can be adjourned and alternative telephone facilities are always available as a back-up |
| CG13 Updated Nov 2020 | Changes to established managerial and democratic systems result in failure to properly authorise a decision | ↔ | IM | Risk to be closed. Internal Audit have tested the decision making systems adopted during the first response phase and they were found to be sound. |

Previously Closed Risks

| Risk Ref. | Risk Title | Risk Trend | Mitigation Urgency | Mitigating Actions |
|-----------|---|------------|--------------------|--------------------|
| CW01 | Impact on Council ADM subsidies of our applications for Furlough being declined by HMRC under Government guidelines and interpretation resulting in additional costs to the Council | ↓ | IM | - |

| Risk Ref. | Risk Title | Risk Trend | Mitigation Urgency | Mitigating Actions |
|-----------|--|---|--------------------|--------------------|
| CW02 | Impacts if pressure brought to apply temporary pay uplift (10%) to staff working in critical frontline teams by other Welsh LAs or other body (WLGA, JCW): (1) workforce division (2) potential grievances and Equal Pay claims from other occupational groups and (3) Affordability | ↓ | MT | - |
| CW04 | Cost associated with retrospective approval of claims for overtime and other payments (i.e. ex-gratia) | ↔ | MT | - |
| CW08b | Insufficient resilience in regional capacity operational systems to support CW08a | Risk removed due to duplication with CW08a and CW09 | | |
| CW20 | Impact of school closures on working parents whose role does not allow them to work from home, or who have caring responsibilities for children or other dependents | ↓ | IM | - |
| CG11 | Insufficient information availability to provide an adequate annual statement of assurance | ↓ | IM | - |
| CG14 | Inability to confirm insurance cover for claims/liability arising from the Council's role in TTP | ↓ | IM | - |

| Risk Ref. | Risk Title | Risk Trend | Mitigation Urgency | Mitigating Actions |
|-----------|---|------------|--------------------|--------------------|
| CW02a | Administration of the Welsh Government decision to make a one-off payment to care workers causes a local administrative burden and has unfunded residual costs for the Council as an employer e.g. superannuation | ↓ | IM | - |
| CW05 | Increase in cost from changes to sick pay policy for those whose recovery has been affected by cessation of or interruption to medical treatment | ↓ | MT | - |
| CW06 | Insufficient availability of occupational work groups to restore services | ↓ | IM | - |
| CW09a | Inadequate funding availability from Welsh Government to support a regional TTP Programme | ↓ | IM | - |
| CW09b | Failure to secure partner agreement across the six local authorities and the Health Board to enter into a single regional TTP programme | ↓ | IM | - |
| CW20a | Impact on our workforce due to schools operating in a different way from September onwards. | ↓ | MT | - |
| CW15 | The resilience of senior and supporting management following a long and demanding response phase | ↓ | IM | - |

| Risk Ref. | Risk Title | Risk Trend | Mitigation Urgency | Mitigating Actions |
|----------------|---|------------|--------------------|--------------------|
| CW19 | Impact of delayed bereavement leave – on attendance and mental health | ↓ | MT | - |
| CG06 Closed | Resumption of democratic processes reduces our capacity to support recovery work | ↓ | IM | - |
| CG12 Closed | Changes to established managerial and democratic systems results in challengeable decision-making | ↓ | IM | - |



CORPORATE RESOURCES OVERVIEW & SCRUTINY COMMITTEE

| | |
|------------------------|--|
| Date of Meeting | Thursday, 12 th November 2020 |
| Report Subject | Mid-year Performance Indicators for Recovery, Portfolio and Public Accountability Measures |
| Cabinet Member | Cabinet Member for Corporate Management and Assets |
| Report Author | Chief Executive |
| Type of Report | Strategic |

EXECUTIVE SUMMARY

Flintshire County Council Reporting Measures 2020/21 were identified by portfolios and approved by Cabinet in September 2020. This report presents a summary of performance at the mid-year point for the priorities relevant to the Corporate Resources Overview & Scrutiny Committee.

This mid-year performance monitoring report for the 2020/21 Reporting Measures shows that 69% of the performance indicators have met or exceeded their targets. Where performance can be measured against last year there has been a 64% downturn in trend, with 31% of measures improving on last year's performance and 5% maintaining stable performance.

This report is an exception-based report and concentrates on under-performance against target.

RECOMMENDATIONS

| | |
|----|--|
| 1. | That the Committee consider the Mid-Year Performance Indicators for Recovery, Portfolio and Public Accountability Measures to monitor areas of under performance and request further information as appropriate. |
| 2. | To be assured by explanations given for underperformance, which in the main are explained by the interruption of the pandemic. |

REPORT DETAILS

| | |
|-------------|--|
| 1.00 | EXPLAINING THE PERFORMANCE AT MID YEAR 2020/2021 |
| 1.01 | <p>The mid-year performance monitoring reports provide explanation of the progress being made toward the agreed measures set out in the Flintshire County Council Reporting Measures 2020/21.</p> <p>These measures were approved by Cabinet after targets for 2020/21 were re-assessed for forecasted performance due to the disruptions caused during the response phase of the pandemic.</p> |
| 1.02 | This report is an exception-based report and concentrates on under-performance against in-year targets. |
| 1.03 | <p>Monitoring our Performance</p> <p>Analysis of performance against the performance indicators is undertaken using the RAG status. This is defined as:</p> <ul style="list-style-type: none"> • RED - under-performance against target. • AMBER - where improvement may have been made but performance has missed the target. • GREEN - positive performance against target. |
| 1.04 | <p>Analysis of current levels of performance against target shows the following:</p> <ul style="list-style-type: none"> • 33 (69%) have achieved a green RAG status • 1 (2%) have an amber RAG status • 14 (29%) have a red RAG status |
| 1.05 | <p>The performance indicators (PIs) which show a red RAG status for current performance against target relevant to the Corporate Resources Overview & Scrutiny Committee are:-</p> <p><u>Governance</u></p> <p>Non-Domestic Rates in-year' collection levels</p> <p>The performance is tracked weekly and interventions made wherever possible through advice and support to businesses by extending payments and ensuring entitlement to grants and rate reliefs. The first and second stages of 'soft' enforcement for businesses who are falling into debt and who have not made any contact with us has been completed.</p> <p>As income is £4.46m less than target at September, formal debt processes re-commenced in August, starting with those businesses who have not paid nor engaged with the Council and who owe several months of unpaid Non-Domestic Rates.</p> <p>We continue to engage with businesses to provide flexible payment agreements. However, businesses who fail to engage or pay, will now continue to be tracked and progressed through the debt recovery systems. Legal action through the Magistrates Courts is scheduled for October in cases</p> |

where businesses ignore repeated request for payment. This risk of losses in collection is also being tracked on a monthly basis by Welsh Government to ‘stress-test’ the resilience of the National Collection Pool as this forms a critical part of Aggregate External Finance and the money distributed by Welsh Government through the settlement. This also includes redistributed non-domestic rates.

Council Tax in-year collection levels

Performance is tracked weekly and interventions made wherever possible through advice and support by extending payments or signposting to the Council Tax Reduction Scheme. The first and second stages of ‘soft’ enforcement for tax-payers who are falling into debt and who have not made any contact have been completed. As income is less than target to achieve the same results in 2019/20 formal debt processes recommenced in August starting with those taxpayers who have not paid nor engaged with the Council and owe several months of unpaid council tax.

Income collection continued following the issuing of statutory 1st reminder notices and by follow-up ‘final’ reminder notices in early September. We continue to engage with taxpayers to provide flexible payment agreements. However, taxpayers who fail to engage or pay, will now continue to be tracked and progressed through the debt recovery systems. Legal action through the Magistrates Courts is scheduled for October in cases where taxpayers ignore repeated request for payment. The re-commencement of recovery is now helping to increase income levels and at the end of September resulted in being £1.34m off-target – but an improvement on the previous month. This ongoing risk is being taken into account in the review of the Medium-Term Financial Strategy.

| | |
|-------------|--|
| 2.00 | RESOURCE IMPLICATIONS |
| 2.01 | There are no specific resource implications for this report. |

| | | | | | | | |
|------------------|--|------------------|--|-----------------|-----------------|---------------|-------------|
| 3.00 | IMPACT ASSESSMENT AND RISK MANAGEMENT | | | | | | |
| 3.01 | Ways of Working (Sustainable Development) Principles Impact | | | | | | |
| | <table border="1"> <tr> <td>Long-term</td> <td rowspan="5">Throughout all of the Mid-Year Monitoring Report there are demonstrable actions and activities which relate to all of the Sustainable Development Principles. Specific case studies will be included in the Annual Performance Report for 2020/21.</td> </tr> <tr> <td>Prevention</td> </tr> <tr> <td>Integration</td> </tr> <tr> <td>Collaboration</td> </tr> <tr> <td>Involvement</td> </tr> </table> | Long-term | Throughout all of the Mid-Year Monitoring Report there are demonstrable actions and activities which relate to all of the Sustainable Development Principles. Specific case studies will be included in the Annual Performance Report for 2020/21. | Prevention | Integration | Collaboration | Involvement |
| Long-term | Throughout all of the Mid-Year Monitoring Report there are demonstrable actions and activities which relate to all of the Sustainable Development Principles. Specific case studies will be included in the Annual Performance Report for 2020/21. | | | | | | |
| Prevention | | | | | | | |
| Integration | | | | | | | |
| Collaboration | | | | | | | |
| Involvement | | | | | | | |
| | Well-being Goals Impact | | | | | | |
| | <table border="1"> <tr> <td>Prosperous Wales</td> <td rowspan="3">Throughout the Mid-Year Monitoring Report there is evidence of alignment with the Well-being Goals. Specific strategic</td> </tr> <tr> <td>Resilient Wales</td> </tr> <tr> <td>Healthier Wales</td> </tr> </table> | Prosperous Wales | Throughout the Mid-Year Monitoring Report there is evidence of alignment with the Well-being Goals. Specific strategic | Resilient Wales | Healthier Wales | | |
| Prosperous Wales | Throughout the Mid-Year Monitoring Report there is evidence of alignment with the Well-being Goals. Specific strategic | | | | | | |
| Resilient Wales | | | | | | | |
| Healthier Wales | | | | | | | |

| | | |
|--|---|---|
| | More equal Wales | and policy reports include impact and risk assessments. |
| | Cohesive Wales | |
| | Vibrant Wales | |
| | Globally responsible Wales | |
| | <p>Council's Well-being Objectives The Council's Well-being objectives will be included in the Annual Performance Report for 2020/21. We are currently in the process of reviewing our Well-being objectives alongside the development of the Council Plan 2021/22.</p> | |

| | |
|-------------|---|
| 4.00 | CONSULTATIONS REQUIRED / CARRIED OUT |
| 4.01 | The Reporting Measures are monitored by the respective Overview and Scrutiny Committees according to the priority area of interest. |
| 4.02 | Chief Officers have contributed towards reporting of relevant information. |

| | |
|-------------|--|
| 5.00 | APPENDICES |
| 5.01 | Appendix 1: Mid-year progress report against 2020/21 Reporting Measures. |

| | |
|-------------|---|
| 6.00 | LIST OF ACCESSIBLE BACKGROUND DOCUMENTS |
| 6.01 | Flintshire County Council Reporting Measures 2020/21. |

| | |
|-------------|--|
| 7.00 | CONTACT OFFICER DETAILS |
| 7.01 | <p>Contact Officer: Colin Everett, Chief Executive Telephone: 01352 702101 E-mail: chief.executive@flintshire.gov.uk</p> |

| | |
|-------------|--|
| 8.00 | GLOSSARY OF TERMS |
| 8.01 | <p>Reporting Measures: The document which sets out the performance indicators of the Council. This document provides a set of measures to support recovery and selected portfolio measures.</p> <p>CAMMS – An explanation of the report headings.</p> <p>Measures (Key Performance Indicators - KPIs)</p> <p><u>New indicator</u> – A new measure that has been identified for reporting against.</p> |

Pre. Year Period Actual – The period actual at the same point in the previous year. If the KPI is a new KPI for the year then this will show as ‘no data’.

Period Actual – The data for this mid-year point.

Baseline Year – As a new indicator, a target has not been established. This will be monitored and targets established for the following year.

Period Target – The target for this mid-year point as set at the beginning of the year.

Perf. RAG – This measures performance for the period against the target. It is automatically generated according to the data. Red = a position of under performance against target; Amber = a mid-position where improvement may have been made but performance has missed the target; and Green = a position of positive performance against the target.

Perf. Indicator Trend – Trend arrows give an impression of the direction the performance is heading compared to the same period of the previous year:

- A ‘downward arrow’ always indicates poorer performance regardless of whether a KPI figure means that less is better (e.g. the amount of days to deliver a grant or undertake a review) or if a KPI figure means that more is better (e.g. number of new jobs in Flintshire).
- Similarly an ‘upward arrow’ always indicates improved performance.

Outcome RAG – The level of confidence of meeting the target by the end of the year. Low – lower level of confidence in the achievement of the target (Red), Medium – uncertain level of confidence in the achievement of the target (Amber) and High - full confidence in the achievement of the target (Green).

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Performance Progress Report

Flintshire County Council

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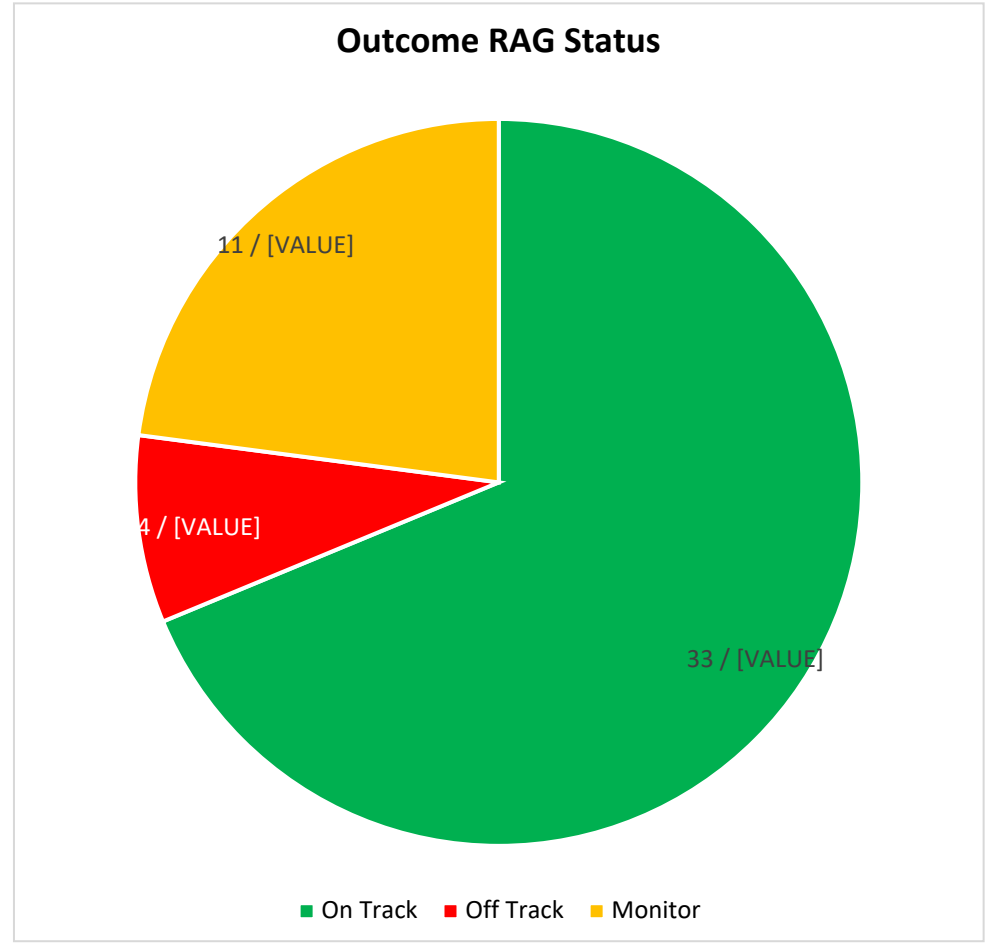
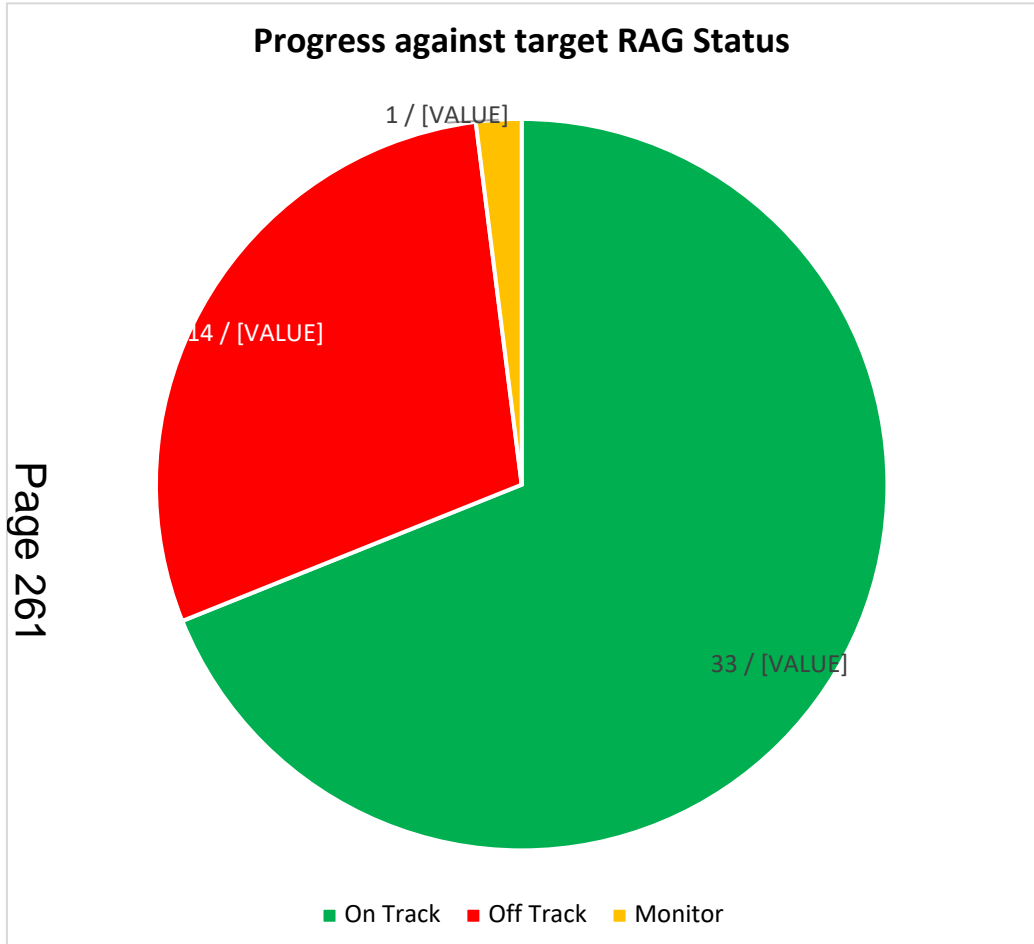
Mid-Year Reporting Measures 2020/21 Progress Report

Contents

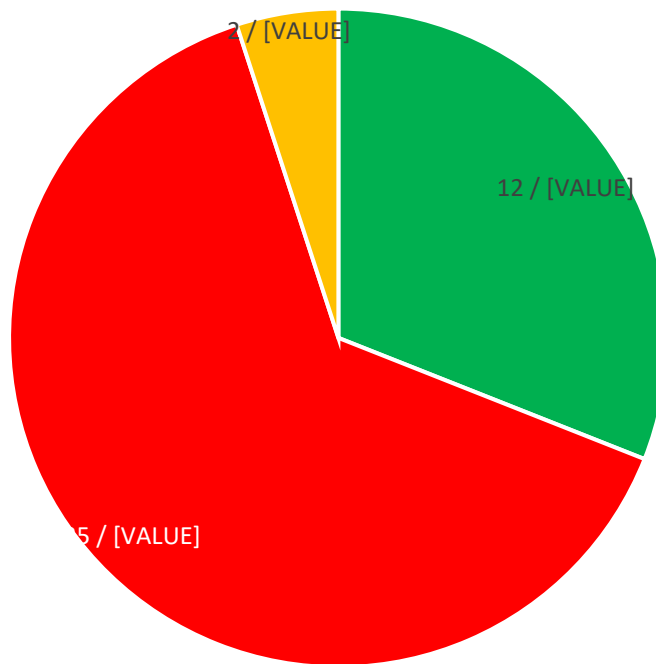
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Performance Analysis

Analysis is only carried out on measures that have targets or previous existing data.






Performance Indicator Trend






■ Improved ■ Downturned ■ Maintained

Performance Indicators – Chief Executives - Corporate Finance




Recovery Measures

| KPI Title | Pre. Year Period Actual | Period Actual | Period Target | Perf. RAG | Perf. Indicator Trend | Outcome RAG |
|--|-------------------------------|------------------|---------------|--|---|--|
| CP6.2.1M01 (RM) Percentage of planned efficiencies achieved | 91 | 96 | 95 |  GREEN |  |  AMBER |
| <p>Lead Officer: Gary Ferguson - Corporate Finance Manager Reporting Officer: Sara Dulson - Strategic Finance Manager Progress Comment: The Council has £5.206m of efficiencies in 2020/21 which are monitored as part of the revenue monitoring on a monthly basis. The target is to achieve 95% of these as reflected in the MTFS KPI's. As at Month 5 it is projected that £4.982m will be achieved which at 96% is slightly higher than the target. Last Updated: 13-Oct-2020</p> | | | | | | |

| KPI Title | Pre. Year Period Actual | Period Actual | Period Target | Perf. RAG | Perf. Indicator Trend | Outcome RAG |
|--|-------------------------------|------------------|---------------|--|---|--|
| CP6.2.1M04 (RM) The percentage variance between the revenue budget out-turn and the budget set | 1.12 | 0.3 | 0.5 |  GREEN |  |  AMBER |
| <p>Lead Officer: Gary Ferguson - Corporate Finance Manager Reporting Officer: Sara Dulson - Strategic Finance Manager Progress Comment: The Month 5 revenue monitoring report is showing a projected outturn variance of £0.921m overspend against the budget of £285.987. This equates to a percentage of 0.3% which is within the target of 0.5%. The pandemic brings lots of uncertainty and there are a number of financial risks that may impact on future projections. Last Updated: 09-Oct-2020</p> | | | | | | |

Performance Indicators – Chief Executives - Human Resources and Organisational Development

Recovery Measures

| KPI Title | Pre. Year Period Actual | Period Actual | Period Target | Perf. RAG | Perf. Indicator Trend | Outcome RAG |
|---|-------------------------|---------------|---------------|--|---|--|
| CP6.1.2M01 (RM) (PAM/001) The number of working days lost per full time equivalent (FTE) local authority employees lost due to sickness absence | 4.89 | 3.06 | 4 |  GREEN |  |  GREEN |
| <p>Lead Officer: Sharon Carney - Lead HR Business Partner Reporting Officer: Andrew Adams - Business Information and Compliance Adviser Progress Comment: The cumulative full time equivalent (FTE) days lost for the Council as at quarter two, is 3.06 days lost per FTE. This is a significant improvement when compared to last year (4.89). The increase is attributed to the change in working practices enforced by the national lockdown along with physical distancing measures designed to limit the spread of coughs, colds and other viruses. Absence. COVID related absence has and will continue to be monitored closely by the HR Business Partner team in conjunction with Portfolios and Schools to ensure attendance. Last Updated: 23-Oct-2020</p> | | | | | | |

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| KPI Title | Pre. Year Period Actual | Period Actual | Period Target | Perf. RAG | Perf. Indicator Trend | Outcome RAG |
|---|-------------------------|---------------|---------------|-----------|-----------------------|-------------|
| CP6.1.2M03 (RM) Number of accredited Mental Health First Aiders across the organisation | New Indicator | No Data | Baseline Year | N/A | N/A | N/A |
| <p>Lead Officer: Sharon Carney - Lead HR Business Partner Reporting Officer: Andrew Adams - Business Information and Compliance Adviser Progress Comment: As part of the initial response to COVID-19, a review of critical and non-critical services was undertaken. This review determined that all non-mandatory training should be put on hold to focus on delivering services deemed critical. This position will be kept under review over the coming months. Last Updated: 23-Oct-2020</p> | | | | | | |



| KPI Title | Pre. Year Period Actual | Period Actual | Period Target | Perf. RAG | Perf. Indicator Trend | Outcome RAG |
|---|-------------------------|---------------|---------------|-----------|-----------------------|-------------|
| (RM) Increase in attendance at 'Coaching Skills for Managers' | New Indicator | 0 | Baseline Year | N/A | N/A | N/A |

Lead Officer: Sharon Carney - Lead HR Business Partner

Reporting Officer: Andrew Adams - Business Information and Compliance Adviser

Progress Comment: As part of the response phase, critical and non-critical services were to be identified. All non-mandatory training was deemed non-critical and was put on hold to focus on critical services. The last cohort was booked for April 2020 but was cancelled and has been unavailable since. However, in quarter three, an online training programme is to be created for managers to use.

Last Updated: 16-Oct-2020

| KPI Title | Pre. Year Period Actual | Period Actual | Period Target | Perf. RAG | Perf. Indicator Trend | Outcome RAG |
|--|-------------------------|---------------|---------------|---|-----------------------|---|
| CP6.1.2M02 (RM) Increase in attendance of managers and employee Stress Management training | 85 | 89 | 37.5 |  GREEN | ↓ |  GREEN |

Lead Officer: Sharon Carney - Lead HR Business Partner

Reporting Officer: Andrew Adams - Business Information and Compliance Adviser

Progress Comment: The COVID pandemic has presented different challenges to our workforce and as a result of active promotion we have seen an increase in the attendance of managers and employees at a range of awareness training sessions including stress awareness and mindfulness.

Last Updated: 23-Oct-2020

Portfolio Measures

| KPI Title | Pre. Year Period Actual | Period Actual | Period Target | Perf. RAG | Perf. Indicator Trend | Outcome RAG |
|--|-------------------------|---------------|---------------|-----------|-----------------------|-------------|
| (PM) Number of full time equivalent (FTE) lost to sickness (non-COVID) | New Indicator | No Data | Baseline Year | N/A | N/A | N/A |
| <p>Lead Officer: Sharon Carney - Lead HR Business Partner Reporting Officer: Andrew Adams - Business Information and Compliance Adviser Progress Comment: The data will be provided once the COVID related sickness absences have been imported into HR Management Information System. Last Updated: 23-Oct-2020</p> | | | | | | |

| KPI Title | Pre. Year Period Actual | Period Actual | Period Target | Perf. RAG | Perf. Indicator Trend | Outcome RAG |
|--|-------------------------|---------------|---------------|-----------|-----------------------|-------------|
| (PM) Number of days full time equivalent lost to (FTE) sickness (COVID) | New Indicator | No Data | Baseline Year | N/A | N/A | N/A |
| <p>Lead Officer: Sharon Carney - Lead HR Business Partner Reporting Officer: Andrew Adams - Business Information and Compliance Adviser Progress Comment: The recording of COVID related sickness absences has been carried out on spreadsheets. Testing is currently underway to enable the COVID related sickness absences to be imported into HR Management Information System. Last Updated: 23-Oct-2020</p> | | | | | | |

| KPI Title | Pre. Year Period Actual | Period Actual | Period Target | Perf. RAG | Perf. Indicator Trend | Outcome RAG |
|---|-------------------------|---------------|---------------|-----------|-----------------------|-------------|
| (PM) Percentage of employees who were unable to work due to self - isolation | New Indicator | 7 | Baseline Year | N/A | N/A | N/A |
| <p>Lead Officer: Sharon Carney - Lead HR Business Partner Reporting Officer: Andrew Adams - Business Information and Compliance Adviser Progress Comment: Employees who have themselves or live with someone with symptoms of COVID-19 have been required to follow Government and PHW stay at home advice. Last Updated: 23-Oct-2020</p> | | | | | | |

| KPI Title | Pre. Year Period Actual | Period Actual | Period Target | Perf. RAG | Perf. Indicator Trend | Outcome RAG |
|---|-------------------------|---------------|---------------|-----------|-----------------------|-------------|
| (PM) Percentage of employees who were unable to work due to shielding | New Indicator | 5 | Baseline Year | N/A | N/A | N/A |

Lead Officer: Sharon Carney - Lead HR Business Partner

Reporting Officer: Andrew Adams - Business Information and Compliance Adviser

Progress Comment: The Government encouraged 'shielding' for individuals in some vulnerable groups including pregnant women, those aged 70 or older and those under 70 with an underlying health condition. Employees who fall within these defined categories, whose role does not allow working from home have been granted special approved leave and continued to receive their normal contractual pay.

Last Updated: 23-Oct-2020

| KPI Title | Pre. Year Period Actual | Period Actual | Period Target | Perf. RAG | Perf. Indicator Trend | Outcome RAG |
|---|-------------------------|---------------|---------------|-----------|-----------------------|-------------|
| (PM) Percentage of employees who were unable to work due to caring responsibilities | New Indicator | No Data | Baseline Year | N/A | N/A | N/A |

Lead Officer: Sharon Carney - Lead HR Business Partner



Reporting Officer: Andrew Adams - Business Information and Compliance Adviser

Progress Comment: No Data – this will be provided in the second half of year.



Last Updated: 23-Oct-2020

Performance Indicators – Education

Recovery Measures

| KPI Title | Pre. Year Period Actual | Period Actual | Period Target | Perf. RAG | Perf. Indicator Trend | Outcome RAG |
|--|-------------------------|---------------|---------------|---|-----------------------|---|
| CP1.5.3M01 (PM) Number of children who access the Childcare offer | 1298 | 1240 | 312.5 |  GREEN | ↓ |  GREEN |
| <p>Lead Officer: Byra Foulkes - Early Years Support Manager Reporting Officer: Jacque Slee - Team Manager Performance Progress Comment: Data provided indicates the number of children who accessed the Childcare Offer between 1 April and 30 September 2020. Last Updated: 09-Oct-2020</p> | | | | | | |

| KPI Title | Pre. Year Period Actual | Period Actual | Period Target | Perf. RAG | Perf. Indicator Trend | Outcome RAG |
|---|-------------------------|---------------|---------------|-----------|-----------------------|-------------|
| CP1.5.3M02 (PM) Number of childcare providers | 189 | 167 | N/A | N/A | ↓ | N/A |
| <p>Lead Officer: Byra Foulkes - Early Years Support Manager Reporting Officer: Jacque Slee - Team Manager Performance Progress Comment: There are 337 childcare providers registered; this measure indicates the number of providers taking part. There is no target set for this measure as it is an activity measure. Last Updated: 09-Oct-2020</p> | | | | | | |



| KPI Title | Pre. Year Period Actual | Period Actual | Period Target | Perf. RAG | Perf. Indicator Trend | Outcome RAG |
|--|-------------------------|---------------|---------------|---|-----------------------|---|
| CP1.5.4M01 (PM) Access to sanitary products in schools (%) | 14 | 0 | 50 |  RED | ↓ |  GREEN |

Lead Officer: Vicky Barlow - Senior Manager - School Improvement Systems

Reporting Officer: Laura England - Healthy Schools and Pre-Schools Officer

Progress Comment: The tender procurement process on Sell to Wales commenced but was delayed due to Covid-19 restrictions so consultation is underway with headteachers to enable them to purchase directly. Deliveries to schools or to homes via subscription service not yet commenced. Schools did have sufficient supplies to support pupils during the lockdown.

Last Updated: 15-Oct-2020



| KPI Title | Pre. Year Period Actual | Period Actual | Period Target | Perf. RAG | Perf. Indicator Trend | Outcome RAG |
|--|-------------------------|---------------|---------------|---|-----------------------|---|
| CP1.5.4M02 (PM) Access to sanitary products in youth clubs (%) | 100 | 0 | 50 |  RED | ↓ |  GREEN |

Lead Officer: Ann Roberts - Senior Manager - Integrated Youth Provision

Reporting Officer: Laura England - Healthy Schools and Pre-Schools Officer

Progress Comment: Tender is underway for products through Sell to Wales Welsh Government framework to commission a provider to deliver sanitary products but has been delayed due to Covid-19 restrictions. The Youth Service had received supplies prior to lockdown from previous procurement to be able to continue to support young people.

Last Updated: 15-Oct-2020



| KPI Title | Pre. Year Period Actual | Period Actual | Period Target | Perf. RAG | Perf. Indicator Trend | Outcome RAG |
|--|-------------------------|---------------|---------------|---|-----------------------|---|
| CP1.5.4M03 (PM) Access to sanitary products in Foodbanks (%) | 100 | 0 | 50 |  RED | ↓ |  GREEN |

Lead Officer: Vicky Barlow - Senior Manager - School Improvement Systems

Reporting Officer: Laura England - Healthy Schools and Pre-Schools Officer

Progress Comment: Tender is underway for products through Sell to Wales Welsh Government framework to commission a provider to deliver sanitary products but has been delayed due to COVID-19 restrictions.

Last Updated: 15-Oct-2020

| KPI Title | Pre. Year Period Actual | Period Actual | Period Target | Perf. RAG | Perf. Indicator Trend | Outcome RAG |
|---|-------------------------|---------------|---------------|---|-----------------------|---|
| 3.1.1M09 (PM) The percentage of young people aged 16 – 18 in the youth justice system offered education, training or employment (ETE) | 54 | 55 | 65 |  RED | ↑ |  AMBER |

Lead Officer: James Warr - Operations Manager



Reporting Officer: Louisa Greenly - Performance Management & Information Officer

Progress Comment: There has been a reduction in the number of hours of ETE undertaken by young people in the period. The transition from lockdown back into education, training and employment has been difficult for many young people, particularly in this difficult to engage cohort. The service recently appointed an Education Coordinator into the post that had been vacant for 6 months, and it is anticipated that the postholder will target young people who are NEET in order to secure them the ETE provision they deserve. For this is the reason it has been assessed as Amber, and not Red.

Last Updated: 05-Oct-2020

Performance Indicators - Governance

Recovery Measures

| KPI Title | Pre. Year Period Actual | Period Actual | Period Target | Perf. RAG | Perf. Indicator Trend | Outcome RAG |
|---|-------------------------|---------------|---------------|---|-----------------------|---|
| (RM) Non-Domestic Rates (NDR) 'in-year' collection levels (%) | New Indicator | 53.64 | 98 |  RED | N/A |  RED |

Lead Officer: Gareth Owens - Chief Officer - Governance

Reporting Officer: David Barnes - Manager - Revenues




Progress Comment: The performance is tracked weekly and interventions made wherever possible through advice and support to businesses by extending payments and ensuring entitlement to grants and rate reliefs. The first and second stages of 'soft' enforcement for businesses who are falling into debt and who have not made any contact with us has been completed. As income is £4.46m less than target at September, formal debt processes re-commenced in August, starting with those businesses who have not paid nor engaged with the Council and who owe several months of unpaid Non-Domestic Rates (NDR).

We continue to engage with businesses to provide flexible payment agreements. However, businesses who fail to engage or pay, will now continue to be tracked and progressed through the debt recovery systems. Legal action through the Magistrates Courts is scheduled for October in cases where businesses ignore repeated request for payment.

This risk of losses in collection is also being tracked on a monthly basis by Welsh Government to 'stress-test' the resilience of the National Collection Pool as this forms a critical part of Aggregate External Finance (AEF) and the money distributed by Welsh Government (WG) through the settlement. This also includes redistributed non-domestic rates.

Last Updated: 12-Oct-2020

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| KPI Title | Pre. Year Period Actual | Period Actual | Period Target | Perf. RAG | Perf. Indicator Trend | Outcome RAG |
|---|-------------------------|---------------|---------------|--|--|--|
| CP5.2.1M01 (RM) Call abandonment rate for a combined Housing and Streetscene Contact Centre (%) | 11.67 | 4.74 | 15 |  GREEN |  |  GREEN |

Lead Officer: Rebecca Jones - Customer Services and Registration Manager

Reporting Officer: Rebecca Jones - Customer Services and Registration Manager

Progress Comment: The Contact Centre continue to assist in the Council's response to COVID-19 and manage calls from vulnerable residents, parents of school pupils who prepared for the return to school in September, switchboard and Planning. The total number of calls offered to the team during the first half of 2020-21 was 88,938 – 95% were answered. Including switchboard and planning a total of 111,310 calls were offered in the first half of 2020-21 - 94% were answered.

Last Updated: 19-Oct-2020



| KPI Title | Pre. Year Period Actual | Period Actual | Period Target | Perf. RAG | Perf. Indicator Trend | Outcome RAG |
|---|-------------------------|---------------|---------------|---|-----------------------|---|
| CP5.2.1M02 (RM) Call answering rate for a combined Housing and Streetscene Contact Centre (%) | 76.73 | 95.27 | 80 |  GREEN | ↑ |  GREEN |

Lead Officer: Rebecca Jones - Customer Services and Registration Manager

Reporting Officer: Rebecca Jones - Customer Services and Registration Manager

Progress Comment: Despite a 30% increase in calls to Housing and Streetscene services during quarter two (compared to quarter one), the Contact Centre answered 95% of all Housing & Streetscene calls offered to the team in the first half of 2020-21. This exceeds our target which is an achievement given the overall volume of calls offered in quarter two.

Last Updated: 12-Oct-2020




| KPI Title | Pre. Year Period Actual | Period Actual | Period Target | Perf. RAG | Perf. Indicator Trend | Outcome RAG |
|------------------------------------|-------------------------|---------------|---------------|---|-----------------------|---|
| CP5.2.1M04 (RM) My Account sign up | No data | 14134 | 6565.5 |  GREEN | N/A |  GREEN |

Lead Officer: Rebecca Jones - Customer Services and Registration Manager

Reporting Officer: Rebecca Jones - Customer Services and Registration Manager



Progress Comment: The number of new subscriptions continues to increase steadily. During quarter two there was a larger increase due to the secondary school admission window opening in September 2020.



Last Updated: 02-Oct-2020



| KPI Title | Pre. Year Period Actual | Period Actual | Period Target | Perf. RAG | Perf. Indicator Trend | Outcome RAG |
|---|-------------------------|---------------|---------------|--|---|--|
| CP6.2.1M03 (RM) Council Tax 'in-year' collection levels (%) | 57.8 | 56.39 | 98 |  RED |  |  AMBER |
| <p>Lead Officer: Gareth Owens - Chief Officer - Governance Reporting Officer: David Barnes - Manager - Revenues Progress Comment: The performance is tracked weekly and interventions made wherever possible through advice and support by extending payments or signposting to Council Tax Reduction Scheme (CTRS). The first and second stages of 'soft' enforcement for tax-payers who are falling into debt and who have not made any contact with us have been completed. As income is less than target to achieve the same results in 2019/20 formal debt processes recommenced in August starting with those taxpayers who have not paid nor engaged with the Council and owe several months of unpaid council tax. Income collection continues following the issuing of statutory 1st reminder notices and by follow-up 'final' reminder notices in early September. We continue to engage with taxpayers to provide flexible payment agreements. However, taxpayers who fail to engage or pay, will now continue to be tracked and progressed through the debt recovery systems. Legal action through the Magistrates Courts has now been scheduled for October in cases where taxpayers ignore repeated request for payment. The re-commencement of recovery is now helping to increase income levels and at the end of September resulted in being £1.34m off-target – but an improvement of the previous month. This ongoing risks are being taken into account in the review of the Medium-Term Financial Strategy (MTFS). Last Updated: 12-Oct-2020</p> | | | | | | |



Performance Indicators – Planning, Environment and Economy



Recovery Measures



| KPI Title | Pre. Year Period Actual | Period Actual | Period Target | Perf. RAG | Perf. Indicator Trend | Outcome RAG |
|---|-------------------------|---------------|---------------|---|-----------------------|---|
| CP1.5.2M01 (RM) Total number of energy efficiency measures delivered to reduce fuel poverty | 857 | 946 | 300 |  GREEN | ↑ |  GREEN |
| <p>Lead Officer: Niall Waller - Service Manager - Enterprise and Regeneration Reporting Officer: Joseph Muxlow - Regeneration Programme Lead Progress Comment: The measure is made up of various component parts delivered by the Domestic Energy Efficiency Project team. Included within the statistic are work carried out on private and public housing stock for renewable heating, gas central heating, loft and cavity insulation and solar photo voltaic installations. Last Updated: 15-Oct-2020</p> | | | | | | |



| KPI Title | Pre. Year Period Actual | Period Actual | Period Target | Perf. RAG | Perf. Indicator Trend | Outcome RAG |
|--|-------------------------|---------------|---------------|---|-----------------------|---|
| CP1.5.2M01 (RM) Total number of individuals supported to access learning and work opportunities | New Indicator | 31 | 130 |  RED | N/A |  RED |
| <p>Lead Officer: Niall Waller - Service Manager - Enterprise and Regeneration Reporting Officer: Sharon Jones - Communities For work Progress Comment: The outbreak of COVID-19 and the subsequent national lockdown made it impossible to meet with clients on a face to face basis this saw the re-design and delivery of communities for work and communities for work plus programmes, in the short term this led to an online/telephone service. The teams have helped support our mentoring scheme participants with 31 accessing further training and employment opportunities. Last Updated: 14-Oct-2020</p> | | | | | | |

| KPI Title | Pre. Year Period Actual | Period Actual | Period Target | Perf. RAG | Perf. Indicator Trend | Outcome RAG |
|--|-------------------------|---------------|---------------|--|-----------------------|--|
| (RM) Percentage of "major" applications determined within time periods required | New Indicator | 66.66 | 60 |  GREEN | N/A |  AMBER |
| <p>Lead Officer: Mandy Lewis - Manager - Planning Development Reporting Officer: Lynne Fensome - Management and Support Manager Progress Comment: Six "major" applications were determined in the period four within the agreed time period. Last Updated: 16-Oct-2020</p> | | | | | | |



| KPI Title | Pre. Year Period Actual | Period Actual | Period Target | Perf. RAG | Perf. Indicator Trend | Outcome RAG |
|--|-------------------------|---------------|---------------|--|-----------------------|--|
| (RM) Average time taken to determine planning applications (days) | New Indicator | 120 | 67 |  RED | N/A |  AMBER |
| <p>Lead Officer: Mandy Lewis - Manager - Planning Development Reporting Officer: Lynne Fensome - Management and Support Manager Progress Comment: Until September the service has been operating with severely reduced staffing resources due to sickness absence and childcare responsibilities. The inability to carry out site visits also impacted on our ability to complete the decision making process. Welsh Government (WG) guidance allowed for officers to negotiate an extension of one month to the statutory decision date to assist with capacity therefore we expect this to be reflected in the performance targets set nationally. Last Updated: 16-Oct-2020</p> | | | | | | |

| KPI Title | Pre. Year Period Actual | Period Actual | Period Target | Perf. RAG | Perf. Indicator Trend | Outcome RAG |
|---|-------------------------|---------------|---------------|--|-----------------------|--|
| (RM) Average time taken to determine "major" applications in days | New Indicator | 213 | 232 |  GREEN | N/A |  AMBER |
| <p>Lead Officer: Mandy Lewis - Manager - Planning Development Reporting Officer: Lynne Fensome - Management and Support Manager Progress Comment: This figure represents a 100 day reduction from quarter one when the service was in full lockdown and officers were unable to make site visits and this impacted on the length of time to determine major applications. A return to more normal working conditions in quarter two enabled officers to reduce the average decision time to 213 days. Last Updated: 19-Oct-2020</p> | | | | | | |

| KPI Title | Pre. Year Period Actual | Period Actual | Period Target | Perf. RAG | Perf. Indicator Trend | Outcome RAG |
|---|-------------------------|---------------|---------------|---|-----------------------|---|
| (RM) Enforcement cases investigated within 84 days (%) | New Indicator | 54 | 79.9 |  RED | N/A |  AMBER |
| <p>Lead Officer: Mandy Lewis - Manager - Planning Development Reporting Officer: Lynne Fensome - Management and Support Manager Progress Comment: The ability of the team to investigate enforcement cases has been severely affected by the lockdown due to the inability to carry out site visits. There has been a slight recovery in quarter two as restrictions were lifted and the appointment of external consultants to support the two enforcement officers. Last Updated: 16-Oct-2020</p> | | | | | | |

| KPI Title | Pre. Year Period Actual | Period Actual | Period Target | Perf. RAG | Perf. Indicator Trend | Outcome RAG |
|--|-------------------------|---------------|---------------|---|-----------------------|---|
| (M) Average time taken to pursue positive enforcement action where a breach had been identified (days) | New Indicator | 34 | 100 |  GREEN | N/A |  GREEN |
| <p>Lead Officer: Mandy Lewis - Manager - Planning Development Reporting Officer: Lynne Fensome - Management and Support Manager Progress Comment: This indicator tracks the average time from expediency report to positive actions taken where a breach of planning has been found. Positive action includes: a) informal negotiation removes the breach; (b) an Enforcement Notice is issued; (c) planning permission is subsequently granted through an application or enforcement appeal; (d) prosecution is brought (with the date the case is first heard deemed as the "positive action" date); (e) direct action by the authority removes the breach of control. 56 cases were closed in quarter two with 48 recording no breach had occurred. Last Updated: 19-Oct-2020</p> | | | | | | |

Portfolio Measures

| KPI Title | Pre. Year Period Actual | Period Actual | Period Target | Perf. RAG | Perf. Indicator Trend | Outcome RAG |
|---|-------------------------|---------------|---------------|---|-----------------------|---|
| (PM) Decisions made contrary to officer recommendation (number) | New Indicator | 3.58 | 5 |  GREEN | N/A |  GREEN |

Lead Officer: Mandy Lewis - Manager - Planning Development
Reporting Officer: Lynne Fensome - Management and Support Manager
Progress Comment: Training programme for Members has resulted in a decrease in decisions made contrary to officer recommendation.

| KPI Title | Pre. Year Period Actual | Period Actual | Period Target | Perf. RAG | Perf. Indicator Trend | Outcome RAG |
|--|-------------------------|---------------|---------------|-----------|-----------------------|-------------|
| (PM) Number of applications received and determined during the quarter | New Indicator | 179 | N/A | N/A | N/A | N/A |



Lead Officer: Mandy Lewis - Manager - Planning Development
Reporting Officer: Lynne Fensome - Management and Support Manager
Progress Comment: 254 received 179 determined. No target set as this is an activity measure.



| KPI Title | Pre. Year Period Actual | Period Actual | Period Target | Perf. RAG | Perf. Indicator Trend | Outcome RAG |
|--|-------------------------|---------------|---------------|-----------|-----------------------|-------------|
| (PM) Number of applications received, carried forward, transferred and determined during the quarter | New Indicator | 254 | N/A | N/A | N/A | N/A |



Lead Officer: Mandy Lewis - Manager - Planning Development
Reporting Officer: Lynne Fensome - Management and Support Manager
Progress Comment: Carried forward from previous quarter 409, received 254, determined 179, withdrawn 13, and carried forward 471. No target set as this is an activity measure.



Performance Indicators – Streetscene and Transportation



Recovery Measures

| KPI Title | Pre. Year Period Actual | Period Actual | Period Target | Perf. RAG | Perf. Indicator Trend | Outcome RAG |
|---|-------------------------|---------------|---------------|---|-----------------------|---|
| CP4.1.2M01 (PAM/030) (RM) Percentage of waste reused, recycled or composted | 70.65 | 65.19 | 60 |  GREEN | ↓ |  GREEN |
| <p>Lead Officer: Ruth Cartwright - Regulatory Services Manager Reporting Officer: Gabrielle Povey - Recycling and Compliance Officer Progress Comment: We are on target, but below last year point due to COVID-19 restrictions and changes in behavior - increased working from home, changes to buying/spending habits, less options to reuse, however more time to separate and recycle. Last Updated: 15-Oct-2020</p> | | | | | | |

| KPI Title | Pre. Year Period Actual | Period Actual | Period Target | Perf. RAG | Perf. Indicator Trend | Outcome RAG |
|--|-------------------------|---------------|---------------|---|-----------------------|---|
| CP4.1.2M02 (RM) Average recycling rate across all HRC sites (%) | 82.71 | 84.85 | 70 |  GREEN | ↑ |  GREEN |
| <p>Lead Officer: Ruth Cartwright - Regulatory Services Manager Reporting Officer: Gabrielle Povey - Recycling and Compliance Officer Progress Comment: Recycling performance at Household Recycling Centres has remained relatively static despite the site closures due to COVID and social distancing restrictions being implemented, this is in part due to changes in resident behaviours. Although the sites were closed for a period of two month, since reopening, throughput has returned to pre COVID level with a steep rise in waste arising seen throughout June and July while residents brought in more household DIY waste which had been stored during lockdown. Last Updated: 15-Oct-2020</p> | | | | | | |

| KPI Title | Pre. Year Period Actual | Period Actual | Period Target | Perf. RAG | Perf. Indicator Trend | Outcome RAG |
|---|-------------------------|---------------|---------------|--|-----------------------|--|
| CP4.2.2M01 (RM) Developing the number of bus quality partnerships on the core network | 0 | 0 | 1 |  RED | ↔ |  AMBER |
| <p>Lead Officer: Anthony Stanford - Highways Strategy Manager Reporting Officer: Ceri Hansom - Integrated Transport Unit Manager Progress Comment: Whilst major progress has been made to lay the foundations for future Quality Bus Partnerships (QBP's), an agreement for Chester to Rhyl Partnership has not been achieved due to the uncertainty associated with the COVID-19 pandemic. This work will in future pass to Transport for Wales (TfW) to provide national consistency for such agreements. Last Updated: 14-Oct-2020</p> | | | | | | |

| KPI Title | Pre. Year Period Actual | Period Actual | Period Target | Perf. RAG | Perf. Indicator Trend | Outcome RAG |
|---|-------------------------|---------------|---------------|--|-----------------------|--|
| CP4.2.1M01 (RM) Provide Local Travel Arrangements (LTAs) in geographical areas of the County (number) | 10 | 8 | 6 |  GREEN | ↓ |  GREEN |
| <p>Lead Officer: Anthony Stanford - Highways Strategy Manager Reporting Officer: Ceri Hansom - Integrated Transport Unit Manager Progress Comment: The Councils progress on the revision of LTA's has unfortunately been hindered by the recent COVID-19 pandemic and therefore, it has not been possible to obtain representative patronage data. That said, following the easing of the initial travel restrictions, patronage levels are in the process of recovery and as such, it will now be possible to recommence the review. Last Updated: 13-Oct-2020</p> | | | | | | |



| KPI Title | Pre. Year Period Actual | Period Actual | Period Target | Perf. RAG | Perf. Indicator Trend | Outcome RAG |
|--|-------------------------|---------------|---------------|--|-----------------------|--|
| CP4.2.3M04 (RM) Undertake post completion inspections of utility works (%) | 97.66 | 94.34 | 90 |  GREEN | ↓ |  GREEN |

Lead Officer: Barry Wilkinson - Highways Network Manager

Reporting Officer: Sam Tulley - Road Space Manager

Progress Comment: Utility companies (such as Welsh Water, BT or Scottish Power) carry out excavation works on the public highway, the repairs to the road are guaranteed by the Utility Company for a period of two years. Every Highway Authority is required to inspect 10% of all repairs before the end of this guarantee period, but FCC inspect more than required to promote best practice and avoid future costs. If any defects are identified during the inspection the Utility are required to carry out the required remedial works, preventing the Authority from being burdened with the future repair costs. Inspections are allocated on a weekly basis, and therefore in order to provide a meaningful and reflective report, the data provided for quarter two are inspections generated in quarter one.

Last Updated: 15-Oct-2020



| KPI Title | Pre. Year Period Actual | Period Actual | Period Target | Perf. RAG | Perf. Indicator Trend | Outcome RAG |
|---|-------------------------|---------------|---------------|--|-----------------------|--|
| CP4.1.4M01 (RM) Achieve minimum level of agreed Streetscene standards (%) | 85 | 51.22 | 85 |  RED | ↓ |  GREEN |

Lead Officer: Barry Wilkinson - Highways Network Manager

Reporting Officer: Katie Wilby - Transportation and Logistics Manager

Progress Comment: A number of Streetscene services were curtailed or suspended whilst resources were redirected to other key functions during the response to the national lockdown restrictions and the global pandemic. The decision to prioritise key frontline services was based on our assessment of risk and was reported through ERMT. Throughout quarter two, services have been reinstated as resources and restrictions allowed and performance has now recovered to almost pre-COVID levels.



Last Updated: 15-Oct-2020



| KPI Title | Pre. Year Period Actual | Period Actual | Period Target | Perf. RAG | Perf. Indicator Trend | Outcome RAG |
|--|-------------------------------|------------------|---------------|---|--------------------------|---|
| CP7.1.5M01 (RM) Number of targeted environmental educational campaigns | 1 | 4 | 1 |  GREEN | ↑ |  GREEN |



Lead Officer: Ruth Cartwright - Regulatory Services Manager
Reporting Officer: Vicky Plant - Support Services Manager
Progress Comment: Four campaigns have taken place as follows: 6th August Fly-tipping Flint, 6th August Dog Fouling Connah's Quay, 7th August Buckley, and 28th September Riverside Park Deeside.
 Last Updated: 14-Oct-2020



Performance Indicators – Social Services

Recovery Measures



| KPI Title | Pre. Year Period Actual | Period Actual | Period Target | Perf. RAG | Perf. Indicator Trend | Outcome RAG |
|--|-------------------------|---------------|---------------|--|-----------------------|--|
| CP1.1.3M04 (SS015) (RM) Percentage of urgent requests for equipment that meet or exceed the national 1 Day response standards | 93 | 100 | 98 |  GREEN | ↑ |  GREEN |
| Lead Officer: Jacque Slee - Team Manager Performance Reporting Officer: Liz Barron - Performance Officer Progress Comment: Equipment is managed by the North East Wales Community Equipment Service. Last Updated: 08-Oct-2020 | | | | | | |

| KPI Title | Pre. Year Period Actual | Period Actual | Period Target | Perf. RAG | Perf. Indicator Trend | Outcome RAG |
|--|-------------------------|---------------|---------------|--|-----------------------|--|
| CP1.1.3M05 (SS016) (RM) Percentage of requests for equipment that meet or exceed the national 7 Day standard | 100 | 100 | 80 |  GREEN | ↔ |  GREEN |
| Lead Officer: Jacque Slee - Team Manager Performance Reporting Officer: Liz Barron - Performance Officer Progress Comment: The National standard for the provision of equipment requests within 7 days is 80%. Last Updated: 08-Oct-2020 | | | | | | |



| KPI Title | Pre. Year Period Actual | Period Actual | Period Target | Perf. RAG | Perf. Indicator Trend | Outcome RAG |
|--|-------------------------|---------------|---------------|--|-----------------------|--|
| CP1.2.3M01 (SS003) (RM) Number of new foster carer approvals in the year | 9 | 4 | 4 |  GREEN | ↓ |  GREEN |
| Lead Officer: Jacque Slee - Team Manager Performance Reporting Officer: Claire Latham - Performance Officer Progress Comment: Four approvals for connected person foster carers have been processed. Last Updated: 13-Oct-2020 | | | | | | |



| KPI Title | Pre. Year Period Actual | Period Actual | Period Target | Perf. RAG | Perf. Indicator Trend | Outcome RAG |
|--|-------------------------|---------------|---------------|---|-----------------------|---|
| CP1.2.4M01 (SS004) (RM) Number of referrals to the Family Group Meeting Service | 182 | 144 | 140 |  | ↓ |  |
| <p>Lead Officer: Jacque Slee - Team Manager Performance Reporting Officer: Claire Latham - Performance Officer Progress Comment: 20 families are currently awaiting allocation for a Family Group Meeting. Last Updated: 12-Oct-2020</p> | | | | | | |



Portfolio Measures

| KPI Title | Pre. Year Period Actual | Period Actual | Period Target | Perf. RAG | Perf. Indicator Trend | Outcome RAG |
|--|-------------------------|---------------|---------------|---|-----------------------|---|
| CP1.1.3M01 / CP5.1.1M01 (SS010) (PM) The number of people who access the special prescribing / 3rd sector service through the Single Point of access. | 202 | 1036 | 145 |  | ↑ |  |
| <p>Lead Officer: Jacque Slee - Team Manager Performance Reporting Officer: Liz Barron - Performance Officer Progress Comment: Numbers were significantly higher, particularly in April due to the pandemic. There was a 700% increase in calls/referrals to the service through April and subsequent high demands following. Last Updated: 14-Oct-2020</p> | | | | | | |



| KPI Title | Pre. Year Period Actual | Period Actual | Period Target | Perf. RAG | Perf. Indicator Trend | Outcome RAG |
|---|-------------------------|---------------|---------------|-----------|-----------------------|-------------|
| CP1.1.3M02 (SS011) (PM) The number of admissions to step up / step down beds. | 108 | 102 | N/A | N/A | ↓ | N/A |
| <p>Lead Officer: Jacque Slee - Team Manager Performance Reporting Officer: Liz Barron - Performance Officer Progress Comment: Admissions between April and September are comparable with the same period last year (108 between April and September 2019). Betsi Caldwell University Health Board (BCuHB) does not set a target for this measure; it is a measure of activity only. Last Updated: 14-Oct-2020</p> | | | | | | |



| KPI Title | Pre. Year Period Actual | Period Actual | Period Target | Perf. RAG | Perf. Indicator Trend | Outcome RAG |
|--|-------------------------|---------------|---------------|--|-----------------------|--|
| CP1.1.3M06 (SS017) (PM) Percentage of equipment that is re-used | 91 | 90 | 70 |  GREEN | ↓ |  GREEN |
| <p>Lead Officer: Jacque Slee - Team Manager Performance Reporting Officer: Liz Barron - Performance Officer Progress Comment: The National standard for the reuse of equipment is 70%. Last Updated: 08-Oct-2020</p> | | | | | | |



| KPI Title | Pre. Year Period Actual | Period Actual | Period Target | Perf. RAG | Perf. Indicator Trend | Outcome RAG |
|---|-------------------------|---------------|---------------|--|-----------------------|--|
| (PM) [SEP] The percentage of adult safeguarding enquiries that met the 7 day timescale | 96 | 97 | 94 |  GREEN | ↑ |  GREEN |
| <p>Lead Officer: Jayne Belton - Children's Safeguarding Manager Reporting Officer: Jacque Slee - Team Manager Performance Progress Comment: The Safeguarding Unit continue to prioritise enquiries within the 7 day timescale Last Updated: 13-Oct-2020</p> | | | | | | |

| KPI Title | Pre. Year Period Actual | Period Actual | Period Target | Perf. RAG | Perf. Indicator Trend | Outcome RAG |
|---|-------------------------|---------------|---------------|--|-----------------------|--|
| CP1.2.2M01 (SS001) (PM) The percentage pre-birth assessments completed within timescales. | 100 | 93.33 | 90 |  GREEN | ↓ |  GREEN |
| <p>Lead Officer: Jacque Slee - Team Manager Performance Reporting Officer: Claire Latham - Performance Officer Progress Comment: Pre-birth assessments are carried out in line with the North Wales Multi-Agency Pre-Birth Pathway. One assessment in quarter one was complete outside the timescales indicated by the Pathway. Last Updated: 14-Oct-2020</p> | | | | | | |



| KPI Title | Pre. Year Period Actual | Period Actual | Period Target | Perf. RAG | Perf. Indicator Trend | Outcome RAG |
|--|-------------------------|---------------|---------------|-----------|-----------------------|-------------|
| CP1.2.2M02 (SS002) (PM)The percentage of children who were reported as having run away or gone missing from home who had a return interview | New Collection Method | 80 | Baseline Year | N/A | N/A | N/A |
| <p>Lead Officer: Jacque Slee - Team Manager Performance Reporting Officer: Claire Latham - Performance Officer Progress Comment: Baseline year - All children are offered a return interview after a period of going missing. All children who did not have an interview in timescales did not have one because they declined to attend. Some children go missing more than once; in quarter two there were 24 missing incidents, relating to 19 children. Last Updated: 14-Oct-2020</p> | | | | | | |

| KPI Title | Pre. Year Period Actual | Period Actual | Period Target | Perf. RAG | Perf. Indicator Trend | Outcome RAG |
|---|-------------------------|---------------|---------------|--|-----------------------|--|
| CP1.2.2M03 (SCC/034) (PM) The percentage of reviews of children on the Child Protection Register due in the year that were carried out within the statutory timescales | 100 | 99.39 | 98 |  GREEN | ↓ |  GREEN |
| <p>Lead Officer: Jacque Slee - Team Manager Performance Reporting Officer: Claire Latham - Performance Officer Progress Comment: Child Protection conferences can be delayed for a number of reasons, including the availability of family and professionals, court decisions, or in the interests of the children. All delays are approved by a manger prior to the conference taking place. Last Updated: 08-Oct-2020</p> | | | | | | |

| KPI Title | Pre. Year Period Actual | Period Actual | Period Target | Perf. RAG | Perf. Indicator Trend | Outcome RAG |
|---|-------------------------|---------------|---------------|---|-----------------------|---|
| CP1.2.2M04 (SCC/014) (PM) The percentage of initial child protection conferences that were due in the year and were held within 15 working days of the strategy discussion | 100 | 95.83 | 95 |  GREEN | ↓ |  GREEN |
| <p>Lead Officer: Jacque Slee - Team Manager Performance Reporting Officer: Claire Latham - Performance Officer Progress Comment: Child Protection conferences can be delayed for a number of reasons, including the availability of family and professionals, court decisions, or in the interests of the children. All delays are approved by a manger prior to the conference taking place. Last Updated: 13-Oct-2020</p> | | | | | | |

| KPI Title | Pre. Year Period Actual | Period Actual | Period Target | Perf. RAG | Perf. Indicator Trend | Outcome RAG |
|---|-------------------------|---------------|---------------|---|-----------------------|---|
| CP1.2.4M02 (SS005) (PM) Number of Special Guardianship Orders made | 5 | 3 | 1 |  GREEN | ↓ |  GREEN |
| <p>Lead Officer: Jacque Slee - Team Manager Performance Reporting Officer: Claire Latham - Performance Officer Progress Comment: So far this year, three children have been prevented from entering the care system through the award of Special Guardianship Orders to family members. Last Updated: 12-Oct-2020</p> | | | | | | |





| KPI Title | Pre. Year Period Actual | Period Actual | Period Target | Perf. RAG | Perf. Indicator Trend | Outcome RAG |
|--|-------------------------|---------------|---------------|-----------|-----------------------|-------------|
| CP1.3.1M01 / CP2.1.6M02 (SS013) (PM) People with a learning disability accessing Project Search to improve their employability skills (number) | 9 | 7 | N/A | N/A | ↓ | N/A |
| <p>Lead Officer: Jacque Slee - Team Manager Performance Reporting Officer: Liz Barron - Performance Officer Progress Comment: Seven young people enrolled in Project Search in the September intake. There is no target set for this measure as it is an activity measure. Last Updated: 08-Oct-2020</p> | | | | | | |

| KPI Title | Pre. Year Period Actual | Period Actual | Period Target | Perf. RAG | Perf. Indicator Trend | Outcome RAG |
|--|-------------------------|---------------|---------------|--|-----------------------|--|
| CP1.5.3M01 (PM) Number of children who access the Childcare offer | 1298 | 1240 | 312.5 |  GREEN | ↓ |  GREEN |
| <p>Lead Officer: Byra Foulkes - Early Years Support Manager Reporting Officer: Jacque Slee - Team Manager Performance Progress Comment: Data provided indicates the number of children who accessed the Childcare Offer between 1 April and 30 September 2020. Last Updated: 09-Oct-2020</p> | | | | | | |

| KPI Title | Pre. Year Period Actual | Period Actual | Period Target | Perf. RAG | Perf. Indicator Trend | Outcome RAG |
|---|-------------------------|---------------|---------------|-----------|-----------------------|-------------|
| CP1.5.3M02 (PM) Number of childcare providers | 189 | 167 | N/A | N/A | ↓ | N/A |
| <p>Lead Officer: Byra Foulkes - Early Years Support Manager Reporting Officer: Jacque Slee - Team Manager Performance Progress Comment: There are 337 childcare providers registered; this measure indicates the number of providers taking part. There is no target set for this measure as it is an activity measure. Last Updated: 09-Oct-2020</p> | | | | | | |

Performance Indicators – Housing

Recovery Measures

| KPI Title | Pre. Year Period Actual | Period Actual | Period Target | Perf. RAG | Perf. Indicator Trend | Outcome RAG |
|---|-------------------------|---------------|---------------|--|-----------------------|--|
| (RM) Average number of working days taken to deliver a DFG (medium adaptations) | New Indicator | 181 | 88 |  RED | N/A |  RED |
| <p>Lead Officer: Jen Griffiths - Benefits Manager Reporting Officer: Rafaela Rice - Disabled Facilities Manager Progress Comment: Following the lockdown restrictions being lifted, three medium size adaptations have been delivered. Management information has been introduced by the newly appointed management team to oversee the work in progress and delivery timescales. A full review of these cases has been completed and an action plan has been put in place to address areas of delay. Additional resource is being sourced on a temporary basis to assist with the backlog of work. Management information has now been developed to provide oversight of the Disabled Facilities Grant work to be delivered. A large number of the adaptations has exceeded the delivery timescales set out within the Housing Adaptations Service Standards. The service is subject to a root and branch review and we are working on a longer term plan to resolve the issues. Last Updated: 12-Oct-2020</p> | | | | | | |
| KPI Title | Pre. Year Period Actual | Period Actual | Period Target | Perf. RAG | Perf. Indicator Trend | Outcome RAG |
| (RM) Average number of working days taken to deliver a DFG (Large Adaptations) | New Indicator | 321 | 330 |  GREEN | N/A |  RED |
| <p>Lead Officer: Jen Griffiths - Benefits Manager Reporting Officer: Rafaela Rice - Disabled Facilities Manager Progress Comment: Following the lockdown restrictions being lifted, one large adaptation has been delivered during this period within the required timescales. The service is subject to a root and branch review to resolve the issues on the delivery of a long term plan along with contractor resource improvements. Last Updated: 09-Oct-2020</p> | | | | | | |

| KPI Title | Pre. Year Period Actual | Period Actual | Period Target | Perf. RAG | Perf. Indicator Trend | Outcome RAG |
|--|-------------------------|---------------|---------------|-----------|-----------------------|-------------|
| (RM) Number of applicants on the Common Housing Register | New Indicator | 1973 | Baseline Year | N/A | N/A | N/A |

Lead Officer: Martin Cooil - Housing & Prevention Service Manager

Reporting Officer: Cheryl Marland - Housing Access and Sarth Team Leader

Progress Comment: Across the 1st half of the year there was a significant increase in the number of applicants on the Common Housing Register. Within the quarter one period it was noted that applications were notably down. This allowed the service the opportunity to catch up on a backlog of work and process outstanding applications. Since then demand has steadily increased throughout quarter two and is now in line with pre-COVID levels.

In the early stages of the national lockdown, allocations of social housing was down, as movement of people was restricted to only essential travel. Refurbishment works to vacant properties was also negatively impacted due to the application of social distancing controls. This temporary halt in lettings contributed to the increase in numbers on the Register as people were not moving into social housing so remained on the Common Housing Register.

We shall be monitoring demand for social housing closely. With the challenges that the health pandemic presents in terms of wellbeing and households financial circumstances we will likely see increases in housing needs and demand for social housing grow throughout the course of the year and into next financial year.

Last Updated: 15-Oct-2020

| KPI Title | Pre. Year Period Actual | Period Actual | Period Target | Perf. RAG | Perf. Indicator Trend | Outcome RAG |
|---|-------------------------|---------------|---------------|-----------|-----------------------|-------------|
| (RM) Number of referrals to the Housing Support Gateway | New Indicator | 652 | Baseline Year | N/A | N/A | N/A |

Lead Officer: Martin Cooil - Housing & Prevention Service Manager

Reporting Officer: Lisa Pearson - Commissioning and Contract Monitoring Officer

Progress Comment: This measure seeks to demonstrate the level of demand for housing related support services within Flintshire.

Demand for housing related support is an indication of unmet need across a wide spectrum of housing related hardship. Whilst it is anticipated that hardship and challenges within the home will increase as a result of the current health pandemic (increases in tensions at home, isolation, financial hardship, family breakdown to name just a few), we have not as yet seen a significant increase in demand for housing related support services.

Last Updated: 05-Oct-2020

| KPI Title | Pre. Year Period Actual | Period Actual | Period Target | Perf. RAG | Perf. Indicator Trend | Outcome RAG |
|---|-------------------------|---------------|---------------|-----------|-----------------------|-------------|
| (RM) Number of homelessness presentations | 523 | 438 | N/A | N/A | N/A | N/A |

Lead Officer: Martin Cooil - Housing & Prevention Service Manager

Reporting Officer: Jenni Griffiths - Homeless and Advice Manager

Progress Comment: There is no target set for this measure as it is an activity measure.

Households who are homeless or at risk of homelessness are eligible for assistance under the Housing Wales Act 2014 (homelessness legislation). Anyone who is homeless or at risk of homelessness within a 56 days period can contact the Council and a homelessness assessment will be undertaken. This measure therefore seeks to demonstrate the levels of demand for statutory homeless services.

Early on in the reporting year, demand for homelessness services was significantly down by approximately 50%; this can be attributed to the pandemic. Since then demand has grown throughout the remainder of the reporting period and is now back to "normal levels".

It is anticipated that demand will increase as interventions such as the furlough scheme end and Courts reopen for possession proceedings. Landlords are still required to serve tenants with 6 months' notice if needing to terminate a tenancy and this offers some additional security for people renting their homes in the short term

When comparing the levels of homelessness assessments undertaken at the half year point this year, there has been a 16% reduction for 2020/2021 compared to the same reporting period in 2019/2020. We have undertaken 438 homeless assessments so far this this year. Last year this figure was 523 at the half year point.

Last Updated: 15-Oct-2020



| KPI Title | Pre. Year Period Actual | Period Actual | Period Target | Perf. RAG | Perf. Indicator Trend | Outcome RAG |
|---|-------------------------|---------------|---------------|-----------|-----------------------|-------------|
| (RM) Number of households in homeless accommodation | New Indicator | 26 | Baseline Year | N/A | N/A | N/A |

Lead Officer: Martin Cooil - Housing & Prevention Service Manager

Reporting Officer: Jenni Griffiths - Homeless and Advice Manager

Progress Comment: This measure shows the number of households who are homeless and accommodated in the Councils temporary accommodation at the end of the reporting period. Guidance from Welsh Government placed additional duties on Councils to support people into accommodation as part of the emergency public health response to the coronavirus health pandemic. This saw a large increase in numbers of households accommodated as rough sleepers and people who became homeless during the period were offered temporary housing. Prior to the national lockdown there were only 11 households in temporary accommodation. At the end of the quarter one period there were 31 households in temporary homeless accommodation. At the end of quarter two there were 26 households in temporary homeless accommodation. A significant proportion of those households in temporary accommodation are single people offered assistance under the emergency housing response for COVID-19. A high proportion of these individuals would not normally qualify for interim housing duties under the Housing Wales Act 2014 (homelessness legislation) but current Welsh Government guidance as part of the emergency public health response, sees these individuals offered temporary accommodation. At its peak the number of households in temporary housing had been as high as 38 (August 2020). Positive move on accounts for the reductions in numbers as people are assisted into more appropriate long term housing. 50 households have been supported onto other long term housing during the first half of the year, reducing pressures on our limited homeless accommodation portfolio.

Last Updated: 15-Oct-2020

| KPI Title | Pre. Year Period Actual | Period Actual | Period Target | Perf. RAG | Perf. Indicator Trend | Outcome RAG |
|--|-------------------------|---------------|---------------|--|-----------------------|--|
| CP1.4.1M03 (PAM/012) (RM) Percentage of households successfully prevented from becoming homeless | 81.82 | 80.88 | 90 |  AMBER | ↓ |  AMBER |

Lead Officer: Martin Cooil - Housing & Prevention Service Manager



Reporting Officer: Jenni Griffiths - Homeless and Advice Manager



Progress Comment: The number of homeless prevention outcomes for the half year period is lower than normal. This was expected as during the initial lockdown period there were no lettings going ahead in either Private Rented Sector or social sectors which would normally contribute to positive outcomes. National interventions such as the closure of courts for possession proceedings, furlough scheme, extended notice periods for those who rent, rental and mortgage holidays, have all been positive protections for residents during the coronavirus health pandemic and have had a direct and positive impact on levels of homelessness. It is anticipated that levels of presentations and homelessness will increase as the year progresses and these interventions and lockdown measures are eased.



Year to date performance for homeless prevention is standing at approx. 80.88% success. Fewer opportunities for successful prevention through limited move on options during the lockdown period is a significant factor here.



Last Updated: 15-Oct-2020



Portfolio Measures

| KPI Title | Pre. Year Period Actual | Period Actual | Period Target | Perf. RAG | Perf. Indicator Trend | Outcome RAG |
|---|-------------------------|---------------|---------------|---|-----------------------|---|
| CP1.4.4M01 (PM) The number of Council homes completed or under construction through the Strategic Housing and Regeneration Programme (SHARP) | 54 | 53 | 91 |  RED | ↓ |  AMBER |
| <p>Lead Officer: Melville Evans - Senior Manager - Housing Programmes Reporting Officer: Gordon Ronald - Development Project Manager Progress Comment: SHARP Only - New Homes complete and under management:</p> <ul style="list-style-type: none"> • As at September 2020, 29 additional new build properties now under Management (6 New Homes, 23 FCC). • 24 additional new Properties are under construction and due to be handed over to Management by March 2021 (14 New Homes, 10 FCC). 71 SHARP units at Planning Stage delivery linked to successful planning determination from Flintshire County Council. • Nant Y Gro, Gronant (LL19) : 41 units Planning approval but waiting on planning to discharge a condition to allow commencement of site. • Ffordd Pandarus, Mostyn (CH8 9PJ) : 20 units Going to Planning Committee November. • Fford Hiraethog, Mostyn (CH8 9PT) : 10 units. <p>Last Updated: 19-Oct-2020</p> | | | | | | |

| KPI Title | Pre. Year Period Actual | Period Actual | Period Target | Perf. RAG | Perf. Indicator Trend | Outcome RAG |
|--|-------------------------|---------------|---------------|---|-----------------------|---|
| CP1.5.5M01 (PM) Average number of days to process new claims for housing benefit and council tax reduction | 16.76 | 17.41 | 20 |  GREEN | ↓ |  GREEN |
| <p>Lead Officer: Jen Griffiths - Benefits Manager Reporting Officer: Suzanne Jones - Team Manager - Benefits and Council Tax Reduction Assessment Progress Comment: The target of 20 days to process a new claim has been met. Previous changes of adjustments to working practices and additional resources have allowed us to continue with the level of performance from quarter one.</p> <p>Last Updated: 06-Oct-2020</p> | | | | | | |

| KPI Title | Pre. Year Period Actual | Period Actual | Period Target | Perf. RAG | Perf. Indicator Trend | Outcome RAG |
|--|-------------------------|---------------|---------------|--|-----------------------|--|
| CP1.5.5M02 (PM) Average number of days to process change in circumstances for housing benefit and council tax reduction | 3.83 | 4.01 | 8 |  GREEN | ↓ |  GREEN |
| <p>Lead Officer: Jen Griffiths - Benefits Manager Reporting Officer: Suzanne Jones - Team Manager - Benefits and Council Tax Reduction Assessment Progress Comment: The target of 8 days to process a change of circumstances has been met. Previous changes of adjustments to working practices and additional resources have allowed us to continue improving our level of performance from quarter one. Last Updated: 06-Oct-2020</p> | | | | | | |

| KPI Title | Pre. Year Period Actual | Period Actual | Period Target | Perf. RAG | Perf. Indicator Trend | Outcome RAG |
|--|-------------------------|---------------|---------------|--|-----------------------|--|
| CP1.4.2M01 (PM) The percentage of council houses that meet the Welsh Housing Quality standards within our annual programme | 103.35 | 82.77 | 100 |  RED | ↓ |  GREEN |
| <p>Lead Officer: Sean O'Donnell - Contract Surveyor Reporting Officer: Denise Price - Business Performance Manager Progress Comment: Due to the ongoing COVID-19 pandemic, many of the Contractors the Council had procured to deliver the Welsh Housing Quality Standard (WHQS) Capital Programme were furloughed. As a result, this delayed the completion of the 2019-2020 financial years' work (Year 5 of the Capital Programme) and the commencement of the 2020-2021 financial years' work (Year six of the Capital Programme). We have commenced with some work to properties, however this is very restricted in terms of the number of properties we are able to work on at any one time. We have also delayed works to many of our sheltered properties and other vulnerable tenants who may have been shielding at the time. Progress is now gathering some momentum, however our delivery targets for this year will not be achieved. The Council is in regular contact with Welsh Government, who, have now extended the WHQS delivery deadline of December 2020 by 12 months. The Capital Works Team continues to progress with year 6 of the WHQS Capital Programme and is prioritising works and properties accordingly. Last Updated: 12-Oct-2020</p> | | | | | | |

| KPI Title | Pre. Year Period Actual | Period Actual | Period Target | Perf. RAG | Perf. Indicator Trend | Outcome RAG |
|---|-------------------------|---------------|---------------|--|-----------------------|--|
| CP1.4.2M02 (PM) Tenant satisfaction level (%) | 92.81 | 95.92 | 95 |  GREEN | ↑ |  GREEN |

Lead Officer: Sean O'Donnell - Contract Surveyor

Reporting Officer: Denise Price - Business Performance Manager

Progress Comment: Due to the ongoing COVID-19 pandemic, many of the Contractors the Council had procured to deliver the Welsh Housing Quality Standard Capital Programme were furloughed.

As a result, this delayed the completion of the 2019-2020 financial years' work (Year 5 of the Capital Programme) and the commencement of the 2020-2021 financial years' work (Year 6 of the Capital Programme). We have commenced with some works to properties, however this is very restricted in terms of the number of properties we are able to work on at any one time. We have also delayed works to many of our sheltered properties and other vulnerable tenants who may have been shielding at the time.

This has also impacted on our tenant satisfaction surveys and the ability to complete these with the tenant face to face with our FCC Tenant Liaison Officers.

Our current satisfaction scores are high, however due to the number of delays with works and durations working in and on tenants homes due to the current restrictions, this satisfaction level may change moving forwards.

Last Updated: 15-Oct-2020



CORPORATE RESOURCES OVERVIEW AND SCRUTINY

| | |
|------------------------|--|
| Date of Meeting | Thursday, 12th November 2020 |
| Report Subject | Revenue Budget Monitoring 2020/21 Month 6 and Capital Programme Monitoring 2020/21 Month 6 |
| Cabinet Member | Leader of the Council and Cabinet Member for Finance |
| Report Author | Corporate Finance Manager |
| Type of Report | Operational |

EXECUTIVE SUMMARY

The purpose of this report is to provide Members with the Revenue Budget Monitoring 2020/21 (Month 6) Report and the Capital Programme 2020/21 (Month 6).

RECOMMENDATIONS

| | |
|---|--|
| 1 | That the committee considers and comments on the Revenue Budget Monitoring 2020/21 (Month 6) report. Any specific matters for attention will be noted and reported back to the Cabinet when it considers the report. |
| 2 | That the committee considers and comments on the Capital Programme 2020/21 (Month 6) report. Any specific matters for attention will be noted and reported verbally to the Cabinet when it considers the report. |

REPORT DETAILS

| | |
|-------------|---|
| 1.00 | EXPLAINING THE REVENUE BUDGET MONITORING POSITION 2020/21 (MONTH 6), CAPITAL PROGRAMME 2020/21 (MONTH 6) |
| 1.01 | The Revenue Budget Monitoring 2020/21 (Month 6) report will be presented to Cabinet on Tuesday 17th November 2020. A copy of the report is attached as Appendix A to this report. |
| 1.02 | The Capital Programme 2020/21 (Month 6) report will be presented to Cabinet on Tuesday 17th November 2020. A copy of the report is attached as Appendix B to this report. |

| | |
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| 2.00 | RESOURCE IMPLICATIONS |
| 2.01 | As set out in Appendix A; Revenue Budget Monitoring 2020/21 (Month 6), in Appendix B; Capital Programme 2020/21 (Month 6). |

| | |
|-------------|---|
| 3.00 | CONSULTATIONS REQUIRED / CARRIED OUT |
| 3.01 | None required. |

| | |
|-------------|--|
| 4.00 | RISK MANAGEMENT |
| 4.01 | As set out in Appendix A; Revenue Budget Monitoring 2020/21 (Month 6), in Appendix B; Capital Programme 2020/21 (Month 6). |

| | |
|-------------|---|
| 5.00 | APPENDICES |
| 5.01 | Appendix A; Revenue Budget Monitoring 2020/21 (Month 6) Appendix B; Capital Programme 2020/21 (Month 6). |

| | |
|-------------|--|
| 6.00 | LIST OF ACCESSIBLE BACKGROUND DOCUMENTS |
| 6.01 | None required. |

| | |
|-------------|---|
| 7.00 | CONTACT OFFICER DETAILS |
| 7.01 | <p>Contact Officer: Dave Ledsham, Finance Manager Telephone: 01352 704503 E-mail: dave.ledsham@flintshire.gov.uk</p> |

| | |
|-------------|---|
| 8.00 | GLOSSARY OF TERMS |
| 8.01 | <p>Revenue: a term used to describe the day to day costs of running Council services and income deriving from those services. It also includes charges for the repayment of debt, including interest, and may include direct financing of capital expenditure.</p> <p>Budget: a statement expressing the Council's policies and service levels in financial terms for a particular financial year. In its broadest sense it includes both the revenue budget and capital programme and any authorised amendments to them.</p> <p>Capital Programme: The Council's financial plan covering capital schemes and expenditure proposals for the current year and a number of future years. It also includes estimates of the capital resources available to finance the programme.</p> |

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CABINET

| | |
|------------------------|--|
| Date of Meeting | Tuesday, 17th November, 2020 |
| Report Subject | Revenue Budget Monitoring Report 2020/21 (Month 6) |
| Cabinet Member | Cabinet Member for Finance |
| Report Author | Corporate Finance Manager |
| Type of Report | Operational |

EXECUTIVE SUMMARY

This monthly report provides the latest detailed revenue budget monitoring position 2020/21 for the Council Fund and Housing Revenue Account for the financial year and presents the position, based on actual income and expenditure, as at Month 6. This report projects how the budget would stand at the close of the financial year if all things remain unchanged; it also takes into account the latest position on Welsh Government Emergency Grant Funding announcements.

The projected year end position, without new actions to reduce cost pressures and/or improve the financial return on efficiency planning and cost control is:

Council Fund

- An operating deficit of £0.569m (excluding the impact of the pay award which will be met by reserves), which is a favourable movement of £0.352m from the deficit figure reported at Month 5.
- A projected contingency reserve balance as at 31st March, 2021 of £1.415m

Housing Revenue Account

- Net in-year revenue expenditure forecast to be £0.478m lower than budget
- A projected closing balance as at 31st March, 2021 of £2.651m

As reported in previous reports and to assist with mitigating the overall projected overspend the following measures were introduced from Month 5:-

- 1) All non-essential spend be reviewed and challenged with a view to ceasing/delaying where able and
- 2) Further Portfolio Management Team challenge of recruitment to vacancies i.e. ceasing/delaying.

RECOMMENDATIONS

| | |
|---|--|
| 1 | To note the overall report and the projected Council Fund contingency sum as at 31 st March 2021. |
| 2 | To note the projected final level of balances on the Housing Revenue Account (HRA). |

REPORT DETAILS

| | |
|-------------|---|
| 1.00 | EXPLAINING THE MONTH 6 POSITION |
| 1.01 | <p>Council Fund Projected Position</p> <p>The projected year end position, without mitigation to reduce cost pressures and improve the yield on efficiency planning, is as follows:</p> <ul style="list-style-type: none">• An operating deficit of £0.569m (excluding the impact of the pay award which will be met by reserves)• A projected contingency reserve available balance as at 31 March 2021 of £1.415m. <p>To assist with mitigating the overall projected overspend the following measures have been introduced:-</p> <ol style="list-style-type: none">1) All non-essential spend is being reviewed and challenged with a view to ceasing/delaying where able and2) Introduction of a vacancy management process to consider new recruitment requests <p>The outcome of this work is shown within the report and will continue as part of the robust challenge of the future monthly monitoring position.</p> |

| 1.02 | <p>Table 1. Projected Position by Portfolio</p> <p>The table below shows the projected position by portfolio:</p> <table border="1" data-bbox="320 255 1394 1211"> <thead> <tr> <th data-bbox="320 255 786 450">Portfolio/ Service Area</th> <th data-bbox="786 255 975 450">Approved Budget £m</th> <th data-bbox="975 255 1182 450">Projected Outturn £m</th> <th data-bbox="1182 255 1394 450">In-Year Over / (Under) spend £m</th> </tr> </thead> <tbody> <tr> <td>Social Services</td> <td>68.458</td> <td>68.624</td> <td>0.166</td> </tr> <tr> <td>Out of County Placements</td> <td>11.940</td> <td>12.079</td> <td>0.138</td> </tr> <tr> <td>Education & Youth</td> <td>8.775</td> <td>8.265</td> <td>(0.510)</td> </tr> <tr> <td>Schools</td> <td>98.508</td> <td>98.508</td> <td>0.000</td> </tr> <tr> <td>Streetscene & Transportation</td> <td>30.585</td> <td>31.831</td> <td>1.246</td> </tr> <tr> <td>Planning & Environment</td> <td>5.762</td> <td>6.216</td> <td>0.454</td> </tr> <tr> <td>People & Resources</td> <td>4.491</td> <td>4.475</td> <td>(0.016)</td> </tr> <tr> <td>Governance</td> <td>9.193</td> <td>9.604</td> <td>0.411</td> </tr> <tr> <td>Strategic Programmes</td> <td>4.943</td> <td>4.656</td> <td>(0.287)</td> </tr> <tr> <td>Housing & Assets</td> <td>16.115</td> <td>15.727</td> <td>(0.387)</td> </tr> <tr> <td>Chief Executive</td> <td>2.789</td> <td>2.533</td> <td>(0.257)</td> </tr> <tr> <td>Central & Corporate Finance</td> <td>24.427</td> <td>24.039</td> <td>(0.388)</td> </tr> <tr> <td>Total</td> <td>285.987</td> <td>286.556</td> <td>0.569</td> </tr> </tbody> </table> | Portfolio/ Service Area | Approved Budget £m | Projected Outturn £m | In-Year Over / (Under) spend £m | Social Services | 68.458 | 68.624 | 0.166 | Out of County Placements | 11.940 | 12.079 | 0.138 | Education & Youth | 8.775 | 8.265 | (0.510) | Schools | 98.508 | 98.508 | 0.000 | Streetscene & Transportation | 30.585 | 31.831 | 1.246 | Planning & Environment | 5.762 | 6.216 | 0.454 | People & Resources | 4.491 | 4.475 | (0.016) | Governance | 9.193 | 9.604 | 0.411 | Strategic Programmes | 4.943 | 4.656 | (0.287) | Housing & Assets | 16.115 | 15.727 | (0.387) | Chief Executive | 2.789 | 2.533 | (0.257) | Central & Corporate Finance | 24.427 | 24.039 | (0.388) | Total | 285.987 | 286.556 | 0.569 |
|------------------------------|---|--------------------------------|---|--------------------------------|---|-----------------|--------|--------|-------|--------------------------|--------|--------|-------|-------------------|-------|-------|---------|---------|--------|--------|-------|------------------------------|--------|--------|-------|------------------------|-------|-------|-------|--------------------|-------|-------|---------|------------|-------|-------|-------|----------------------|-------|-------|---------|------------------|--------|--------|---------|-----------------|-------|-------|---------|-----------------------------|--------|--------|---------|--------------|----------------|----------------|--------------|
| Portfolio/ Service Area | Approved Budget £m | Projected Outturn £m | In-Year Over / (Under) spend £m | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Social Services | 68.458 | 68.624 | 0.166 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Out of County Placements | 11.940 | 12.079 | 0.138 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Education & Youth | 8.775 | 8.265 | (0.510) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Schools | 98.508 | 98.508 | 0.000 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Streetscene & Transportation | 30.585 | 31.831 | 1.246 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Planning & Environment | 5.762 | 6.216 | 0.454 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| People & Resources | 4.491 | 4.475 | (0.016) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Governance | 9.193 | 9.604 | 0.411 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Strategic Programmes | 4.943 | 4.656 | (0.287) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Housing & Assets | 16.115 | 15.727 | (0.387) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Chief Executive | 2.789 | 2.533 | (0.257) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Central & Corporate Finance | 24.427 | 24.039 | (0.388) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Total | 285.987 | 286.556 | 0.569 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 1.03 | <p>The reasons for the favourable net movement of £0.352m from the previous month are shown in Appendix 1. The reasons for the overall projected variances are summarised within Appendix 2 showing the detail of all variances over £0.050m and a summary of minor variances for each portfolio.</p> <p>Within the projected overspend position of £0.569m, there are COVID-19 related cost pressures and income shortfalls totalling £1.569m which are shown in a separate column in Appendix 2 (net costs pressures of £0.102m and income shortfalls of £1.467m). We will continue to look at legitimate funding opportunities from the Welsh Government Hardship Fund which if confirmed will have a positive impact on the overall deficit position.</p> | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | <p>Significant Movement from Month 5</p> | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 1.04 | <p>Social Services (£0.045m)</p> <p>There is a favourable movement of £0.045m due to reduced care package costs within Disability Services.</p> <p>Education and Youth (£0.060m)</p> <p>The original projection for School Improvement Systems was based on an average number of hours from the previous financial year. A reduction in the number of non-maintained settings payments for the Summer Term, 2020</p> | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |

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| | <p>due to the pandemic has resulted in the forecast being revised. In addition, a vacant position will not be filled.</p> <p>Governance (£0.142m)</p> <p>Enforcement and bailiff duties re-commenced during Month 5, starting with the issue of first reminder notices. As a result, actual income of £0.020m was received during September and future projections have been revised accordingly.</p> <p>Strategic Programmes (£0.072m)</p> <p>The improved position is due to a further reduction in utility costs.</p> |
| 1.05 | <p>Key Financial Risks – Council Tax Income and Council Tax Reduction Scheme</p> <p>There are significant impacts on Council Tax income and the Council Tax Reduction Scheme.</p> <p>The potential financial impact of these two areas is being reported separately and are not included in the overall projections. This is due to 1) the difficulties in predicting the impacts of these risks at this early stage and 2) the potential for these areas to be further supported by additional Welsh Government funding.</p> <p>However, if these cost pressures are not met by additional funding they will add to the projected overspend of £0.569m. An update on the latest position on each area is detailed below.</p> |
| 1.06 | <p>Council Tax Income</p> <p>As with all Councils the pandemic has significantly impacted on council tax collection. At this stage council tax income is 1.4% below target which equates to £1.37m. Income is expected to continue to recover now that recovery processes have resumed in full and when agreed payment deferrals are settled.</p> |
| 1.07 | <p>However, it is unlikely that the full budgeted income will be achieved by the end of the financial year and it is estimated that there may be a shortfall of up to 0.6% which equates to £0.600m. Welsh Government are monitoring the situation but taking a longer term view as to any potential support when the recovery impacts are more certain.</p> |
| 1.08 | <p>Council Tax Reduction Scheme (CTRS)</p> <p>During the pandemic there has been a significant increase in demand with additional costs of £0.233m identified as at the first quarter. Welsh Government have confirmed funding for the first quarter estimated at £0.058m. However, the risk remains for the remaining three quarters of the year for existing clients together with the costs of any further increases in demand which is likely in the current economic climate and as the furlough scheme ceases. The impact of this increase in demand could potentially</p> |

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| | increase the cost pressure by up to a further £0.500m - £0.750m if there were to be no further Welsh Government funding. |
| 1.09 | <p>OPEN RISKS</p> <p>Members were made aware when setting the budget that there were a number of open risks that would need to be kept under close review. An update on these is provided below.</p> |
| 1.10 | <p>Pay Award</p> <p>The Teachers Pay Award which is effective from September 2020 has now been set at 3.1% and the financial impact of this for 2020/21 is estimated to be £0.535m. Welsh Government recently announced that a grant will be made available that will part fund this increase.</p> |
| 1.11 | <p>Charging for Post 16 Transport</p> <p>The budget for 2020/21 provides for expected additional income of £0.449m based on the assumption that charging would be introduced from September 2020. This policy decision was reversed by Cabinet in May.</p> <p>The developing financial solution through effective partnership working with Coleg Cambria will assist with mitigating the financial risk for 2020/21 and the outcome will be included in future reports. An agreement has been reached with the college that a level of the anticipated value of the journeys would be reimbursed to the Portfolio. However, the level of this reimbursement is currently £0.047m less than that included in the budget. Therefore this remains a risk to the containment of any costs associated with the journey provision.</p> |
| 1.12 | <p>Out of County Placements</p> <p>Additional funding of £2.7m was included in the budget for 2020/21 to address the historic significant increase in demand. At this stage, based on current activity there is an overall net projected overspend of £0.138m (underspend of £0.199m within Education offset by an overspend of £0.337m within Children's Services).</p> |
| 1.13 | <p>NEW EMERGING RISKS</p> <p>Free School Meals</p> <p>Schools have a delegated budget for free school meals (FSM) which is based on the number of pupils eligible for FSM. The budget for 2020/21 is £1.256m. Following the closure of schools in March, the Council made direct payments to families and there was a marked increase in the number of claims. Based on current free school meal claims and making projections for a range of take-up percentages in the remainder of the year, it is estimated that the budget could overspend by between £0.222m and £0.344m.</p> |

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| 1.14 | <p>Transportation</p> <p>Under School Transport, there has been a significant financial increase in private hire coach, minibus and taxi quotations, which is due to the operators including the cost of the cleaning of vehicles, driver PPE and the fact the school contract is the only business they are receiving at the moment, i.e. no private hire for weekends, during the day such as swimming lessons, school trips or private tour excursions. There has also been additional financial pressure in relation to the re-procurement of a subsidised local bus contract in which we have seen a significant cost increase due to the operator now building the loss of fare revenue (reduced patronage) into their quotations.</p> <p>The Transport team are currently assessing the overall financial impact of this, and the outcome will be included in the Month 7 monitoring report.</p> |
| 1.15 | <p>Emergency Funding</p> <p>In addition to the Hardship Fund, Welsh Government has previously confirmed further funding of £264 million across Wales to continue to support local government for additional costs and income losses. Eligibility criteria for this funding has now been confirmed and income loss claims will continue to be made on a quarterly basis for the remainder of the financial year.</p> <p>Welsh Government have previously confirmed that additional costs for Social Care and Schools will continue to be a priority when considering the use of this funding which is encouraging to ensure that the Council can continue to meet the impact of these additional costs.</p> <p>The previous announcement on funding for the first quarter of increased demand for the Council Tax Reduction Scheme is also a positive outcome and is currently under consideration for the remainder of the financial year as well as any further increases in demand.</p> |
| 1.16 | <p>Achievement of Planned In-Year Efficiencies</p> <p>The 2020/21 budget contains £5.206m of specific efficiencies which are being tracked and monitored. The Council aims to achieve a 95% rate in 2020/21 as reflected in the MTFS KPI's.</p> <p>The current assessment of the efficiencies to be achieved in 2020/21 shows that £4.982m or 96% of the efficiencies will be achieved.</p> <p>Further details on the current status on efficiencies can be seen in Appendix 2 with the overall impact in relation to any impact for 2021/22 being reviewed as part of the ongoing work on the MTFS.</p> |
| 1.17 | <p>Reserves and Balances</p> <p>Un-earmarked Reserves</p> |

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|------|--|
| | The level of Council Fund Contingency Reserve brought forward into 2020/21 was £2.370m as detailed in the 2019/20 outturn report. This is the amount available for general purposes following the set-aside of £3.0m for Emergency Funding. |
| 1.18 | <p>Taking into account the above and, the current projected overspend at this stage, and previously agreed allocations, the balance on the Contingency Reserve at 31 March 2021 is projected to be £1.415m as detailed in Appendix 3.</p> <p>This assumes that the projected overspend of £0.569m is met from the £3m emergency ring-fenced fund which would leave an amount of £2.038m remaining after allowing for other known ineligible items.</p> |
| 1.19 | A review of the Earmarked Balances and Reserves is on-going, balances challenged and identified as no longer required are to be returned to the Contingency Reserve. |
| 1.20 | <p>Housing Revenue Account</p> <p>The 2019/20 Outturn Report to Cabinet on 16 June 2020 showed an un-earmarked closing balance at the end of 2019/20 of £2.009m and a closing balance of earmarked reserves of £0.437m.</p> |
| 1.21 | The 2020/21 budget for the HRA is £36.672m which includes a movement of £0.164m to reserves. |
| 1.22 | The monitoring for the HRA is projecting in year expenditure to be £0.478m lower than budget and a closing un-earmarked balance as at 31 March 2021 of £2.487m, which at 6.91% of total expenditure satisfies the prudent approach of ensuring a minimum level of 3%. Appendix 5 attached refers. |
| 1.23 | The budget contribution towards capital expenditure (CERA) is £12.928m. |

| | |
|-------------|-------------------------------|
| 2.00 | RESOURCE IMPLICATIONS |
| 2.01 | As set out within the report. |

| | |
|-------------|--|
| 3.00 | IMPACT ASSESSMENT AND RISK MANAGEMENT |
| 3.01 | The financial impacts of the emergency as set out in the report are a combination of actual costs and losses to date and estimates of costs and losses for the future. There is the possibility that the estimates will change over time. The budget will be monitored closely and mitigation actions taken wherever possible. |

| | |
|-------------|---|
| 4.00 | CONSULTATIONS REQUIRED/CARRIED OUT |
| 4.01 | None specific. |

| | |
|-------------|---|
| 5.00 | APPENDICES |
| 5.01 | Appendix 1: Council Fund – Movement in Variances from Month 5 Appendix 2: Council Fund – Budget Variances Appendix 3: Council Fund – Programme of Efficiencies Appendix 4: Council Fund – Movement on Un-earmarked Reserves Appendix 5: Housing Revenue Account Variances |

| | |
|-------------|--|
| 6.00 | LIST OF ACCESSIBLE BACKGROUND DOCUMENTS |
| 6.01 | Various budget records. |

| | |
|-------------|--|
| 7.00 | CONTACT OFFICER DETAILS |
| 7.01 | <p>Contact Officer: Dave Ledsham Strategic Finance Manager</p> <p>Telephone: 01352 704503</p> <p>E-mail: dave.ledsham@flintshire.gov.uk</p> |

| | |
|-------------|---|
| 8.00 | GLOSSARY OF TERMS |
| 8.01 | <p>Budget: a statement expressing the Council’s policies and service levels in financial terms for a particular financial year. In its broadest sense it includes both the revenue budget and capital programme and any authorised amendments to them.</p> <p>Council Fund: the fund to which all the Council’s revenue expenditure is charged.</p> <p>Financial Year: the period of twelve months commencing on 1 April.</p> <p>Housing Revenue Account: the Housing Revenue Account (HRA) is a local authority account showing current income and expenditure on housing services related to its own housing stock. The account is separate from the Council Fund and trading accounts and is funded primarily from rents and government subsidy.</p> <p>Intermediate Care Fund: Funding provided by Welsh Government to encourage integrated working between local authorities, health and housing.</p> |

Projected Outturn: projection of the expenditure to the end of the financial year, made on the basis of actual expenditure incurred to date.

Reserves: these are balances in hand that have accumulated over previous years and are held for defined (earmarked reserves) and general (general reserves) purposes. Councils are required to regularly review the level and purpose of their reserves and to take account of the advice of the Chief Finance Officer.

Revenue: a term used to describe the day-to-day costs of running Council services and income deriving from those services. It also includes charges for the repayment of debt, including interest, and may include direct financing of capital expenditure.

Variance: difference between latest budget and actual income or expenditure. Can be to date if reflecting the current or most up to date position or projected, for example projected to the end of the month or financial year.

Virement: the transfer of budget provision from one budget head to another. Virement decisions apply to both revenue and capital expenditure heads, and between expenditure and income, and may include transfers from contingency provisions. Virements may not however be approved between capital and revenue budget heads.

Budget Monitoring Report
Council Fund Variances

MONTH 6 - SUMMARY

| Service | Movement between Periods (£m) | Narrative for Movement between Periods greater than £0.025m |
|---|-------------------------------|---|
| Social Services | | |
| Older People | | |
| Minor Variances | -0.027 | |
| Adults of Working Age | | |
| Resources & Regulated Services | -0.038 | Due to changes to care package costs within Disability Services |
| Residential Placements | 0.094 | Due to costs for an additional care package within Mental Health Services |
| Minor Variances | -0.042 | |
| Children's Services | | |
| Minor Variances | -0.017 | |
| Safeguarding & Commissioning | | |
| Minor Variances | -0.015 | |
| Total Social Services (excl Out of County) | -0.045 | |
| Out of County | | |
| Children's Services | -0.008 | |
| Education & Youth | 0.005 | |
| Total Out of County | -0.002 | |
| Education & Youth | | |
| School Improvement Systems | -0.034 | Established staff position ceased from September 2020 with no replacement. Due to COVID-19, non-maintained settings payments for the Summer Term 20 period were significantly less in comparison to Summer Term 2019 as average hours were taken from Spring Term 2020. |
| Minor Variances | -0.026 | |
| Total Education & Youth | -0.060 | |
| Schools | 0.000 | |
| Streetscene & Transportation | | |
| Highways Network | 0.074 | Increased commitments with regard to street lighting costs and reduction in the rechargeable works orders income. |
| Transportation | -0.151 | Impact of revised routes for new school year from September and operator support during school closure being paid at 75% of budgeted level. |
| Regulatory Services | -0.179 | Confirmation of NDR value for Parc Adfer and reallocation of additional tonnage due to lockdown collection levels. |
| Impact of Covid-19 | 0.232 | Updated value of risk around Car Parking Income and FPN collections. Refreshed value of risk in relation to kerbside collection volumes and potential loss of waste enforcement revenues. |
| Other Minor Variances | 0.006 | |
| Total Streetscene & Transportation | -0.017 | |
| Planning, Environment & Economy | | |
| Minor Variances | -0.005 | |
| Total Planning & Environment | -0.005 | |
| People & Resources | | |
| HR & OD | 0.022 | Minor variances across the service |
| Corporate Finance | -0.017 | |
| Total People & Resources | 0.005 | |
| Governance | | |
| Revenues | -0.110 | Revised projection of expected Fee Income from Enforcement/Bailiffs, due to the re-commencement of enforcement duties. |
| Minor Variances | -0.032 | |

| | | |
|--|---------------|--|
| Total Governance | -0.142 | |
| | | |
| Strategic Programmes | | |
| Strategic Programmes | -0.072 | Variance due to further reduced utility costs. |
| Total Strategic Programmes | -0.072 | |
| | | |
| Housing & Assets | | |
| Council Fund Housing | -0.039 | Additional Housing Support Grant allocation |
| Minor Variances | 0.033 | |
| Total Housing & Assets | -0.006 | |
| | | |
| Chief Executive's | 0.002 | |
| | | |
| Central & Corporate Finance | -0.009 | |
| | | |
| Grand Total | -0.352 | |

**Budget Monitoring Report
Council Fund Variances**

MONTH 6 - SUMMARY

| Service | Approved Budget (£m) | Projected Outturn (£m) | Annual Variance (£m) | Impact of Covid-19 (£m) | Last Month Variance (£m) | Cause of Major Variances greater than £0.050m | Action Required |
|--------------------------------|-------------------------|---------------------------|-------------------------|----------------------------|-----------------------------|---|-----------------|
| Social Services | | | | | | | |
| Older People | | | | | | | |
| Localities | 19.195 | 18.556 | -0.639 | -0.058 | -0.633 | The net cost of residential care is £0.467m underspent. This includes the cost of residential care placements net of the income received for this service, such as property charges and contributions from health. There is a decline in the demand for residential care placements due to COVID-19. Day care is £0.058m under budget, as a projection has been made that day care provision will not resume until much later in the financial year. Domiciliary and Direct Payments are reporting a combined overspend of £0.084m and are projected based on recent levels of care provision. The Localities Teams staff budget is underspending by £0.131m due to a number of staff not yet on top of scale, some temporary reduced hours and in-year savings on travel costs. The minor adaptations budget is £0.058m underspent based on expected activity and there is a small underspend on service level agreements paid to the third sector of £0.009m. | |
| Resources & Regulated Services | 7.980 | 7.811 | -0.169 | | -0.147 | The Councils in-house care provision is reporting an underspend of £0.169m. Day care is reporting an overspend of £0.013m, day centres are currently closed and are anticipated to be so for the foreseeable future and the staff are deployed to residential care. The overspend on day centres is due to several small variances. Homecare is underspent by £0.001m. Staff costs are incurred as a result of the amount of homecare delivered, and projected forward based on estimated activity. Residential care is overspent by £0.036m due to a number of small variances. Extra care is underspending by £0.216m. Plas Yr Ywen in Holywell has not yet opened and a full compliment of staff is not yet recruited. Care staff already recruited are currently redeployed to alternate in-house care services and this has meant significant costs due to Covid 19 have been avoided. It is anticipated Plas Yr Ywen will open early 2021. | |
| Impact of Covid-19 | 0.000 | -0.000 | -0.000 | -0.000 | -0.000 | | |
| Minor Variances | 1.217 | 1.190 | -0.028 | | -0.029 | | |
| Adults of Working Age | | | | | | | |
| Administrative Support | 0.321 | 0.233 | -0.088 | | -0.088 | Not all staff are currently paid at top of grade and there are also some staff seconded from this service. There have also been in-year savings on staff travel costs. | |
| Residential Placements | 1.297 | 1.985 | 0.688 | | 0.593 | This outturn is the cost of social care for people within the Mental Health service. These costs include nursing and residential care, domiciliary care and Direct Payments. Care needs for individuals within this service vary over time, sometimes at short notice and costs are subject to the same changes. | |
| Minor Variances | 29.602 | 29.382 | -0.220 | | -0.139 | | |
| Children's Services | | | | | | | |
| Family Placement | 2.621 | 2.790 | 0.169 | | 0.172 | The overspend is due to current demands on the service from the number of fostering placements, which in some instances avoid making an Out of County placement which would be more expensive. The main pressure areas are payments for foster carers, foster agencies and special guardianship payments. | |
| Legal & Third Party | 0.225 | 0.557 | 0.332 | | 0.341 | Legal costs are overspent due to the number of cases going through the courts and the use of external legal professionals. Direct Payments have also increased in demand. | |

**Budget Monitoring Report
Council Fund Variances**

MONTH 6 - SUMMARY

| Service | Approved Budget (£m) | Projected Outturn (£m) | Annual Variance (£m) | Impact of Covid-19 (£m) | Last Month Variance (£m) | Cause of Major Variances greater than £0.050m | Action Required |
|---|-------------------------|---------------------------|-------------------------|----------------------------|-----------------------------|--|-----------------|
| Professional Support | 5.270 | 5.666 | 0.396 | | 0.392 | To support adequate levels of child protection, the established staffing structure needs to be at a sufficient level to meet mandatory safeguarding standards. Vacancies are therefore minimised and additional temporary posts are sometimes required. | |
| Minor Variances | 1.469 | 1.465 | -0.004 | | 0.004 | | |
| Safeguarding & Commissioning | | | | | | | |
| Charging Policy income | -3.060 | -3.138 | -0.078 | | -0.076 | Charging policy income is expected to exceed the budget and is based on the weekly charge cap and the number of service users who financially contribute to their care. | |
| Business Support Service | 1.214 | 1.154 | -0.060 | | -0.056 | This variance is on salaries and due to some staff not yet paid top of sale and some staff opting out of the pension scheme. | |
| Management & Support | -2.057 | -2.183 | -0.125 | | -0.125 | The underspend is due to not having to contribute to the Regional Collaboration unit in 2020/21 | |
| Minor Variances | 3.165 | 3.158 | -0.006 | | 0.002 | | |
| Total Social Services (excl Out of County) | 68.458 | 68.624 | 0.166 | -0.058 | 0.211 | | |
| Out of County | | | | | | | |
| Children's Services | 7.437 | 7.774 | 0.337 | | 0.345 | | |
| Education & Youth | 4.504 | 4.305 | -0.199 | | -0.204 | | |
| Total Out of County | 11.940 | 12.079 | 0.138 | 0.000 | 0.141 | | |
| Education & Youth | | | | | | | |
| Integrated Youth Provision | 1.351 | 1.116 | -0.235 | -0.148 | -0.215 | Includes a projected underspend of -£0.148m on Youth Centres due to closures arising from COVID-19 safety measures producing savings on building cleaning and some relief staffing costs. Also includes a total saving of -£0.074m on the Youth Justice Service mainly due to a delay in recruitment to a new post and savings on equipment purchase and training. | |
| School Improvement Systems | 1.709 | 1.526 | -0.183 | -0.149 | -0.149 | In year savings identified through the challenge of non-essential spend across School Improvement and Early Entitlement. A significant majority of the underspend relates solely to Early Entitlement due to demography and a reduction in the number of settings requiring funding. | |
| School Planning & Provision | 0.676 | 0.621 | -0.056 | | -0.062 | Mainly a saving against the provision for third party/public liability insurance claims | |
| Minor Variances | 5.040 | 5.003 | -0.037 | | -0.024 | | |
| Total Education & Youth | 8.775 | 8.265 | -0.510 | -0.297 | -0.450 | | |
| Schools | 98.508 | 98.508 | -0.000 | | -0.000 | | |
| Streetscene & Transportation | | | | | | | |

**Budget Monitoring Report
Council Fund Variances**

MONTH 6 - SUMMARY

| Service | Approved Budget (£m) | Projected Outturn (£m) | Annual Variance (£m) | Impact of Covid-19 (£m) | Last Month Variance (£m) | Cause of Major Variances greater than £0.050m | Action Required |
|---------------------|-------------------------|---------------------------|-------------------------|----------------------------|-----------------------------|---|--|
| Service Delivery | 8.685 | 8.963 | 0.279 | | 0.273 | The service has incurred additional revenue pressures from responding to and resolving previously reported security measures and remedial actions following vandalism at the Household Recycling Centres. This matter has been widely reported during 2019-20 and has not abated. The monthly costs are now running at over £0.006m per month, mainly due to the introduction of a night time presence on the sites. In addition a pressure has arisen around Hire of Plant in operations which is a direct result of the delayed delivery of equipment from JCB due to staff being currently on furlough, every effort is being made to secure coverage of this pressure via Welsh Government Grant Claims as a direct result of COVID-19. | |
| Highways Network | 7.734 | 7.901 | 0.167 | | 0.092 | The pressure previously reported in the Insurance Premium has been removed following confirmation of a lower premium for 2020/21. A pressure for Fuel NSI increases remains reported as, despite fuel prices being deflated during the initial phase of the Pandemic, prices are now increasing rapidly alongside increases in volumes of consumption. Increase in street lighting costs and revised projection on rechargeable works orders income at Month 6. | |
| Transportation | 9.297 | 9.110 | -0.187 | | -0.036 | Operators have been supported during school closures by receiving 75% of their contracted values, in addition a number of routes have been re-procured to reflect current arrangements for operation in the new school year. The forecast position for this service has now been clarified and accommodates both matters. There are also risks around this position in that the forecast is based on the assumption that Colleges will honour their agreement to support Post 16 transport in the sum of £0.600m. If this does not crystallise, the position will be adversely impacted. In addition, there is also a risk around free school meal transports provided in good faith and submitted as a part of the COVID claim; this has been challenged by Welsh Government and discussions are ongoing around the potential outcome. | It should be noted however that this improvement will only impact during 2020-21 and the underlying impact of the current circumstances. Therefore Pressure Method statements for 2021-22 previously reported still stand. |
| Regulatory Services | 4.870 | 4.869 | -0.001 | | 0.178 | This service has experienced a downturn in the levels of income generated by sales of Electricity and this is currently anticipated to reach a level of some £0.120m during the year. The increased cost of disposals to Parc Adfer were reported last month and a full stringent review of these has taken place. A value of £0.133m has been evidenced as relating directly to increased tonnages as a result of many people working and staying at or close to home. This increased cost of disposal has been moved to the COVID code and will form a part of the claim for September. There has been a downturn in the rebate for Co-mingled waste due to a considerable drop in the value per ton of approximately £70 - £80 per ton. Confirmation of NDR value for Parc Adfer and reallocation of additional tonnage due to lockdown collection levels has resulted in a saving of £0.179m. | |

Budget Monitoring Report
Council Fund Variances

MONTH 6 - SUMMARY

| Service | Approved Budget (£m) | Projected Outturn (£m) | Annual Variance (£m) | Impact of Covid-19 (£m) | Last Month Variance (£m) | Cause of Major Variances greater than £0.050m | Action Required |
|---|-------------------------|---------------------------|-------------------------|----------------------------|-----------------------------|---|---|
| Impact of Covid-19 | 0.000 | 0.987 | 0.987 | 0.987 | 0.755 | Following a full reconciliation and review of Streetscene expenditure and income loss relating to the Coronavirus Pandemic, all relevant details have now been consolidated to one code. This has been done in order to facilitate enhanced reporting and monitoring of the impact. All risks identified are now recorded in this forecast and at month 6 they include; £0.050m Agency and overtime, £0.550m car parking income loss, £0.099m in relation to potential PCN and FPN revenues, £0.080m in relation to additional vehicles and fuel and £0.075m in relation to additional private contractors and plant hire. In addition, a level of additional disposal expenditure as a result of increased kerbside waste collections due to people working and remaining at or close to home has now been quantified; this is in the sum of £0.133m which will be included in the September claim, if this is not successful an application will be made for a further release of the Contingency. If successful, this will result in an improved position for the Portfolio and the Council. | It should be noted that following the disallowing of expenditure from claims to Welsh Government of the Grass Cutting contract, let due to all operatives being diverted to waste routes, an application has been made for the release of part of the £3m Contingency Reserve set aside for COVID-19 related pressures. |
| Other Minor Variances | 0.000 | 0.000 | 0.000 | | 0.000 | | |
| Total Streetscene & Transportation | 30.585 | 31.831 | 1.246 | 0.987 | 1.263 | | |
| Planning, Environment & Economy | | | | | | | |
| Business | 1.684 | 1.741 | 0.057 | | 0.047 | Historic income target £0.025m remains unrealised, minor variances across the service | |
| Development | 0.015 | 0.213 | 0.198 | 0.295 | 0.210 | Pressure within the Building Control service is due in the main, to delays sourcing core materials meaning that the construction industry is operating at a low level of capacity. This results in a projected reduced Building Control fee income. A lull in the property market is affecting a reduced need for Land Charge Searches adding to the overspend. The current economic conditions are having an adverse affect the Planning Applications, the projection is dependant on the number and value of applications received, resulting in a changeable outturn to ensure an accurate reflection. The overall variance is mitigated by the Fee Increase for planning and related applications of approx 20% that came into effect August, 2020 | |
| Regeneration | 0.508 | 0.643 | 0.135 | 0.110 | 0.157 | There has been a significant impact on income levels following the closure of the markets in the first quarter of the financial year. | |
| Minor Variances | 3.555 | 3.619 | 0.064 | 0.050 | 0.045 | | |
| Total Planning & Environment | 5.762 | 6.216 | 0.454 | 0.455 | 0.459 | | |
| People & Resources | | | | | | | |
| HR & OD | 2.418 | 2.421 | 0.003 | | -0.019 | | |
| Corporate Finance | 2.073 | 2.054 | -0.019 | | -0.002 | | |
| Total People & Resources | 4.491 | 4.475 | -0.016 | 0.000 | -0.021 | | |
| Governance | | | | | | | |
| Legal Services | 0.730 | 0.894 | 0.164 | | 0.177 | Overspend as a result of employing locums covering absence to ensure continuing client service delivery in the area of child protection £0.153m. Historical efficiency target that was dependant on demand reduction in another service that has not occurred, thereby preventing the consequent achievement of the efficiency £0.091m. Total overspend is mitigated by vacant posts, expected fee income and commitment challenge across the service. | |

**Budget Monitoring Report
Council Fund Variances**

MONTH 6 - SUMMARY

| Service | Approved Budget (£m) | Projected Outturn (£m) | Annual Variance (£m) | Impact of Covid-19 (£m) | Last Month Variance (£m) | Cause of Major Variances greater than £0.050m | Action Required |
|--|-------------------------|---------------------------|-------------------------|----------------------------|-----------------------------|--|-----------------|
| Democratic Services | 2.094 | 2.036 | -0.058 | | -0.056 | Favourable variance following reduced take up of Members Allowances £0.024m. Minor variances across the service. | |
| Customer Services | 0.724 | 0.766 | 0.042 | 0.071 | 0.062 | Within the Registration Service there is an estimated loss of income for the remainder of the year due to the cancellation/suspension of wedding ceremonies due to the pandemic. This is mitigated in part by vacancies and commitment challenge across the service, | |
| Revenues | 0.030 | 0.352 | 0.322 | 0.292 | 0.432 | The national lockdown restrictions have resulted in the cessation of all recovery activities, especially enforcement/bailiff duties during the first 5 months of the year. All debt recovery activities, with the exception of enforcement/bailiff duties re-commenced during August, starting with the issues of first reminder notices. The level of financial risk from fee income will be dependant on re-commencement of court action to secure Liability Orders - income from fees is projected to re-commence during October as court summonses are issued. however this will be mitigated by the potential for an additional resource to assist in clearing the backlog of cases and provide service resilience. | |
| Minor Variances | 5.615 | 5.556 | -0.060 | | -0.063 | | |
| Total Governance | 9.193 | 9.604 | 0.411 | 0.363 | 0.553 | | |
| Strategic Programmes | | | | | | | |
| Leisure | 4.943 | 4.656 | -0.287 | | -0.216 | Variance due to reduced utility costs. Consideration of budget reduction for 2021/22 | |
| Total Strategic Programmes | 4.943 | 4.656 | -0.287 | 0.000 | -0.215 | | |
| Housing & Assets | | | | | | | |
| Enterprise Centres | -0.217 | -0.105 | 0.112 | | 0.094 | Pressure due to loss of income in respect of void units | |
| Property Asset And Development | 0.442 | 0.365 | -0.077 | | -0.079 | Mainly staffing cost savings pending completion of restructure | |
| Caretaking & Security | 0.262 | 0.201 | -0.062 | | -0.064 | Mainly staffing cost savings due to vacancies | |
| Centralised Costs | 3.353 | 2.584 | -0.769 | | -0.773 | Overall savings predominantly as a result of the demolition of Phase 3 & 4 of County Hall. A reduction in gas and electric prices also contributing to the underspend. | |
| Benefits | 11.657 | 11.879 | 0.222 | 0.119 | 0.217 | Potential net pressure of up to £0.750m on the Council Tax reduction scheme due to additional take up arising from the COVID-19 pandemic impact on employment. This figure takes account of £0.058m of WG emergency funding support in respect of the April to June element of the overall pressure but the £0.750m is not included in the variance figures. Variance includes pressure of £0.119m on staffing costs due the additional demand caused by the COVID-19 pandemic and overpayments. | |
| Council Fund Housing | -0.328 | -0.203 | 0.125 | | 0.163 | Reduction of internal Housing Support grant allocation due to eligibility issues and pressure arising from new service contract for Carelink | |
| Minor Variances | 0.947 | 1.007 | 0.061 | | 0.060 | | |
| Total Housing & Assets | 16.115 | 15.727 | -0.387 | 0.119 | -0.382 | | |
| Chief Executive's | 2.789 | 2.533 | -0.257 | | -0.259 | Vacant posts across the service | |
| Central & Corporate Finance | 24.427 | 24.039 | -0.388 | | -0.379 | Over recovery of planned pension contributions recoupment against actuarial projections based on the level of contributions received to date and forecast to the end of the financial year. | |

**Budget Monitoring Report
Council Fund Variances**

MONTH 6 - SUMMARY

| Service | Approved Budget (£m) | Projected Outturn (£m) | Annual Variance (£m) | Impact of Covid-19 (£m) | Last Month Variance (£m) | Cause of Major Variances greater than £0.050m | Action Required |
|--------------------|-------------------------|---------------------------|-------------------------|----------------------------|-----------------------------|---|-----------------|
| Grand Total | 285.986 | 286.556 | 0.569 | 1.569 | 0.921 | | |

2020/21 Efficiencies Outturn Tracker - M6

| Efficiency Description | Accountable Officer | Efficiency Target | Projected Efficiency | (Under)/Over Achievement | Efficiency Open/Closed (O/C) | Confidence in Achievement of Efficiency - Based on (see below) R = High Assumption A = Medium Assumption G = Figures Confirmed | |
|--|---|--------------------|----------------------|--------------------------|------------------------------|---|---|
| | | 2020/21 £m | 2020/21 £m | 2020/21 £m | | | |
| Portfolio | | | | | | | |
| Corporate | | | | | | | |
| Employer Pension Contributions | Reduced requirement due to recovery | Rachel Parry Jones | 0.800 | 0.800 | 0.000 | C | G |
| Actuarial Review | Reduced contribution rate | All | 2.646 | 2.646 | 0.000 | C | G |
| Single Person Discount Review | One Off Efficiency | David Barnes | 0.300 | 0.300 | 0.000 | O | G |
| Total Corporate Services | | | 3.746 | 3.746 | 0.000 | | |
| Social Services | | | | | | | |
| Reviewing Function | Reduction of Post | Neil Ayling | 0.025 | 0.264 | 0.239 | O | G |
| Supported Living | Reduction of Voids | Neil Ayling | 0.025 | 0.005 | (0.020) | O | G |
| Communications | Reduction in Mobile Hardware | Neil Ayling | 0.030 | 0.020 | (0.010) | O | G |
| Vacancy Management Saving | Appropriate Vacancy Management | Neil Ayling | 0.030 | 0.025 | (0.005) | O | G |
| Strategic Use of Grant Funding | Core Funding Replacement Solution | Neil Ayling | 0.100 | 0.170 | 0.070 | O | G |
| Regional Collaboration Wrexham CBC | Reduction in Posts | Neil Ayling | 0.030 | 0.010 | (0.020) | O | G |
| Additional Social Services Grant | Social Services Grant | Neil Ayling | 0.426 | 0.000 | (0.426) | O | G |
| Total Social Services | | | 0.666 | 0.494 | (0.172) | | |
| Education & Youth | | | | | | | |
| Integrated Youth Provision | Youth Centres - Premises | Claire Homard | 0.014 | 0.014 | 0.000 | O | G |
| Total Education & Youth | | | 0.014 | 0.014 | 0.000 | | |
| Streetscene & Transportation | | | | | | | |
| Discretionary Transport Review - Post 16 Transport | Joint with Education | Steve O Jones | 0.449 | 0.402 | (0.047) | O | R |
| Income from External Works | | Steve O Jones | 0.010 | 0.010 | 0.000 | O | G |
| Garden Waste Charges | Additional take up of service | Steve O Jones | 0.030 | 0.030 | 0.000 | O | G |
| NWRP Gate Fee Benefit | Utilisation of WG Grant funding | Steve O Jones | 0.200 | 0.200 | 0.000 | O | A |
| Total Streetscene & Transportation | | | 0.689 | 0.642 | (0.047) | | |
| Planning, Environment & Economy | | | | | | | |
| Countryside | Additional Tree Income | Tom Woodall | 0.010 | 0.010 | 0.000 | O | G |
| Countryside | Review of Spending | Tom Woodall | 0.017 | 0.017 | 0.000 | O | G |
| Review of Pest Control | Trading Standards Investigations and Community Safety | Sian Jones | 0.035 | 0.035 | 0.000 | O | G |
| Development Management | Increased Planning Fee Income | Mandy Lewis | 0.015 | 0.015 | 0.000 | O | G |
| Minerals & Waste | Adoption of new SLA with Partners | Gary Nancarrow | 0.005 | 0.000 | (0.005) | O | G |
| Portfolio Admin | Supplies and Services Review | Lynne Fensome | 0.005 | 0.005 | 0.000 | O | G |
| Regeneration | Bus Dev, Housing and Markets | Niall Waller | 0.004 | 0.004 | 0.000 | O | G |
| Total Planning, Environment & Economy | | | 0.091 | 0.086 | (0.005) | | |
| Total 2020/21 Budget Efficiencies | | | 5.206 | 4.982 | (0.224) | | |

| | % | £ |
|---|------------|----------------|
| Total 2020/21 Budget Efficiencies | 100 | 5.206 |
| Total Projected 2020/21 Budget Efficiencies Underachieved | -4 | (0.224) |
| Total Projected 2020/21 Budget Efficiencies Achieved | 96 | 4.982 |
| Total 2020/21 Budget Efficiencies (Less Previously agreed Decisions) | 100 | 0.000 |
| Total Projected 2020/21 Budget Efficiencies Underachieved | 0 | 0.000 |
| Total Projected 2020/21 Budget Efficiencies Achieved | 0 | 0.000 |

Movements on Council Fund Unearmarked Reserves

| | £m | £m |
|--|---------|--------------|
| Total Reserves as at 1 April 2020 | 11.025 | |
| Less - Base Level | (5.769) | |
| Total Reserves above base level available for delegation to Cabinet | | 5.256 |
| Less - amount approved for Childrens Services ' Front Door Pressures' | | (0.134) |
| Less - COVID-19 Emergency Funding Allocation* | | (2.886) |
| *Month 6 projected outturn of £0.569m will be funded from this | | |
| Less - projected national pay award increase | | 0.821 |
| Total Contingency Reserve available for use | | 1.415 |

Budget Monitoring Report
Housing Revenue Account Variances

MONTH 6 - SUMMARY

| Service | Revised Budget (£m) | Projected Outturn (£m) | Variance (£m) | Last Month Variance (£m) | Cause of Major Variance | Action Required |
|---|---------------------|------------------------|----------------|--------------------------|--|-----------------|
| Housing Revenue Account | | | | | | |
| Income | (36.676) | (36.471) | 0.206 | 0.204 | There is a pressure forecast of £0.206m. Of this £0.111m relates to loss of income on properties which are not tenanted as we are running at 2.03% void rate compared to 1.75% in the Business Plan. £0.066m relates to garages, £0.066m relates to void water charges. Additional rental income is projected of £0.050m. The remaining £0.008m is attributed to Minor Variances | |
| Capital Financing - Loan Charges | 9.027 | 9.027 | 0.000 | 0.000 | | |
| Estate Management | 1.846 | 1.688 | (0.158) | (0.096) | Additional expenditure of £0.058m is anticipated during the year in respect of the purchase of software. This is offset by salary efficiencies arising from vacancy savings and the pay award of £0.187m. The remaining £0.029 is minor variances | |
| Landlord Service Costs | 1.434 | 1.433 | (0.000) | 0.049 | Minor Variances | |
| Repairs & Maintenance | 8.907 | 8.426 | (0.481) | (0.481) | Reduction in Materials for Responsive and Voids expenditure due to Covid restrictions (£0.221m). Reduced projection of Responsive sub contractor spend on basis of Covid restrictions (£0.138m). Staffing Vacancy savings (£0.109m). Overall staffing saving (£0.089m). Increased Fleet projection based on Q1 charges £0.050m. Minor variances £0.026m. | |
| Management & Support Services | 2.523 | 2.479 | (0.044) | (0.040) | Efficiency projected of £0.044m of this £0.020m relates to salary savings. £0.016m relates to underspend on training due to Covid restrictions, and £0.008m to minor variances | |
| Capital Expenditure From Revenue (CERA) | 12.928 | 12.928 | 0.000 | 0.000 | | |
| HRA Projects | (0.153) | (0.153) | 0.000 | 0.000 | | |
| Contribution To / (From) Reserves | 0.164 | 0.164 | 0.000 | 0.000 | | |
| Total Housing Revenue Account | 0.000 | (0.478) | (0.478) | (0.364) | | |



CABINET

| | |
|------------------------|--|
| Date of Meeting | Tuesday, 17 th November 2020 |
| Report Subject | Capital Programme Monitoring 2020/21 (Month 6) |
| Cabinet Member | Cabinet Member for Finance |
| Report Author | Corporate Finance Manager |
| Type of Report | Operational |

EXECUTIVE SUMMARY

The report summarises changes made to the Capital Programme 2020/21 since it was set in January 2020 to the end of Month 6 (September 2020), along with expenditure to date and projected outturn.

The Capital Programme has seen a net decrease in budget of £3.419m during the period which comprises of:-

- Net budget increase in the programme of £3.028m (See Table 2 - Council Fund (CF) £3.028m, Housing Revenue Account (HRA) £0.000m);
- Carry Forward to 2021/22, approved at Month 4 of (£6.420m) (all CF)
- Identified savings at Month 6 (£0.027m) (CF).

Actual expenditure was £22.637m (See Table 3).

The final outturn funding surplus from the 2019/20 – 2021/22 Capital Programme was £1.145m. The 2020/21 – 2022/23 Capital Programme was approved on the 28th January 2020, with a funding deficit of £2.264m. The surplus carried forward led to an opening funding position deficit of £1.119m.

The reported Month 4 funding position for the 3 year period ending in 2022/23 was a shortfall of £0.388m. Capital receipts received in the second quarter of 2020/21, along with savings identified, total £0.791m. This gives a revised projected surplus in the Capital Programme at Month 6 of £0.403m for the 2020/21 – 2022/23 Capital Programme, prior to the realisation of additional capital receipts and/or other funding sources.

RECOMMENDATIONS

| | |
|---|---|
| 1 | Cabinet are requested to approve the overall report. |
| 2 | Cabinet are requested to approve the carry forward adjustments set out at 1.13. |

REPORT DETAILS

| 1.00 | EXPLAINING THE CAPITAL PROGRAMME MONITORING POSITION – MONTH 6 2020/21 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
|---------------------------------|---|-------------------|-------------------------|----------------------------|-----------------------------|-----------------------------|--------------------------|-----------------------|-----------------------|------------------------|-----------------------|--------------------------|------------------------|---------|----|----|--------------------|-------|-------|---------|-------|-------|-------|---------|-------|------------|-------|-------|-------|---------|-------|-------|-------|-------|-------------------|--------|-------|---------|---------|-------|---------|-------|--------|-----------------|-------|-------|-------|-------|-------|-------|-------|-------|---------------------------------|-------|-------|-------|---------|-------|-------|---------|-------|------------------------------|-------|-------|--------|---------|-------|-------|-------|--------|----------------------|-------|-------|-------|---------|-------|-------|-------|-------|------------------|--------|-------|----------|---------|---------|-------|-------|--------|---------------------------|---------------|---------------|--------------|----------------|----------------|----------------|--------------|---------------|------------------|---------------|--------------|-----------------|--------------|--------------|--------------|--------------|---------------|------------------------|---------------|---------------|-----------------|----------------|----------------|----------------|--------------|---------------|
| 1.01 | <p>Background</p> <p>The Council approved a Council Fund (CF) Capital Programme of £42.582m and a Housing Revenue Account (HRA) Capital Programme of £30.464m for 2020/21 at its meeting of 28th January, 2020.</p> | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 1.02 | For presentational purposes the Capital Programme is shown as a whole, with sub-totals for the Council Fund and HRA. In reality the HRA programme is 'ring fenced' and can only be used for HRA purposes. | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 1.03 | <p>Changes since Budget approval</p> <p>Table 1 below sets out how the programme has changed during 2020/21. More detailed cumulative information relating to each Portfolio is provided in Appendix A:-</p> <p>Table 1</p> <table border="1"> <thead> <tr> <th rowspan="3">REVISED PROGRAMME</th> <th rowspan="3">Original Budget 2020/21</th> <th rowspan="3">Carry Forward from 2019/20</th> <th colspan="3">2020/21 Previously Reported</th> <th rowspan="3">Savings - This Period</th> <th rowspan="3">Changes - This Period</th> <th rowspan="3">Revised Budget 2020/21</th> </tr> <tr> <th>Changes</th> <th>Carry Forward to 2021/22</th> <th>Savings</th> </tr> <tr> <th>£m</th> <th>£m</th> <th>£m</th> </tr> </thead> <tbody> <tr> <td>People & Resources</td> <td>0.400</td> <td>0.170</td> <td>(0.170)</td> <td>0.000</td> <td>0.000</td> <td>0.000</td> <td>(0.090)</td> <td>0.310</td> </tr> <tr> <td>Governance</td> <td>1.176</td> <td>0.975</td> <td>0.000</td> <td>(0.171)</td> <td>0.000</td> <td>0.000</td> <td>0.103</td> <td>2.083</td> </tr> <tr> <td>Education & Youth</td> <td>10.166</td> <td>8.519</td> <td>(1.582)</td> <td>(4.539)</td> <td>0.000</td> <td>(0.027)</td> <td>0.953</td> <td>13.490</td> </tr> <tr> <td>Social Services</td> <td>1.247</td> <td>4.188</td> <td>3.780</td> <td>0.000</td> <td>0.000</td> <td>0.000</td> <td>0.654</td> <td>9.869</td> </tr> <tr> <td>Planning, Environment & Economy</td> <td>3.078</td> <td>0.905</td> <td>0.204</td> <td>(0.187)</td> <td>0.000</td> <td>0.000</td> <td>(0.126)</td> <td>3.874</td> </tr> <tr> <td>Streetscene & Transportation</td> <td>3.030</td> <td>1.302</td> <td>10.001</td> <td>(0.543)</td> <td>0.000</td> <td>0.000</td> <td>1.319</td> <td>15.109</td> </tr> <tr> <td>Strategic Programmes</td> <td>0.985</td> <td>0.636</td> <td>0.160</td> <td>(0.200)</td> <td>0.000</td> <td>0.000</td> <td>0.024</td> <td>1.605</td> </tr> <tr> <td>Housing & Assets</td> <td>22.500</td> <td>3.071</td> <td>(11.556)</td> <td>(0.780)</td> <td>(0.650)</td> <td>0.000</td> <td>0.191</td> <td>12.776</td> </tr> <tr> <td>Council Fund Total</td> <td>42.582</td> <td>19.766</td> <td>0.837</td> <td>(6.420)</td> <td>(0.650)</td> <td>(0.027)</td> <td>3.028</td> <td>59.116</td> </tr> <tr> <td>HRA Total</td> <td>30.464</td> <td>0.000</td> <td>(13.124)</td> <td>0.000</td> <td>0.000</td> <td>0.000</td> <td>0.000</td> <td>17.340</td> </tr> <tr> <td>Programme Total</td> <td>73.046</td> <td>19.766</td> <td>(12.287)</td> <td>(6.420)</td> <td>(0.650)</td> <td>(0.027)</td> <td>3.028</td> <td>76.456</td> </tr> </tbody> </table> | REVISED PROGRAMME | Original Budget 2020/21 | Carry Forward from 2019/20 | 2020/21 Previously Reported | | | Savings - This Period | Changes - This Period | Revised Budget 2020/21 | Changes | Carry Forward to 2021/22 | Savings | £m | £m | £m | People & Resources | 0.400 | 0.170 | (0.170) | 0.000 | 0.000 | 0.000 | (0.090) | 0.310 | Governance | 1.176 | 0.975 | 0.000 | (0.171) | 0.000 | 0.000 | 0.103 | 2.083 | Education & Youth | 10.166 | 8.519 | (1.582) | (4.539) | 0.000 | (0.027) | 0.953 | 13.490 | Social Services | 1.247 | 4.188 | 3.780 | 0.000 | 0.000 | 0.000 | 0.654 | 9.869 | Planning, Environment & Economy | 3.078 | 0.905 | 0.204 | (0.187) | 0.000 | 0.000 | (0.126) | 3.874 | Streetscene & Transportation | 3.030 | 1.302 | 10.001 | (0.543) | 0.000 | 0.000 | 1.319 | 15.109 | Strategic Programmes | 0.985 | 0.636 | 0.160 | (0.200) | 0.000 | 0.000 | 0.024 | 1.605 | Housing & Assets | 22.500 | 3.071 | (11.556) | (0.780) | (0.650) | 0.000 | 0.191 | 12.776 | Council Fund Total | 42.582 | 19.766 | 0.837 | (6.420) | (0.650) | (0.027) | 3.028 | 59.116 | HRA Total | 30.464 | 0.000 | (13.124) | 0.000 | 0.000 | 0.000 | 0.000 | 17.340 | Programme Total | 73.046 | 19.766 | (12.287) | (6.420) | (0.650) | (0.027) | 3.028 | 76.456 |
| REVISED PROGRAMME | Original Budget 2020/21 | | | | Carry Forward from 2019/20 | 2020/21 Previously Reported | | | | | Savings - This Period | Changes - This Period | Revised Budget 2020/21 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | | | | | Changes | Carry Forward to 2021/22 | | | | | | | Savings | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | £m | £m | £m | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| People & Resources | 0.400 | 0.170 | (0.170) | 0.000 | 0.000 | 0.000 | (0.090) | 0.310 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Governance | 1.176 | 0.975 | 0.000 | (0.171) | 0.000 | 0.000 | 0.103 | 2.083 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Education & Youth | 10.166 | 8.519 | (1.582) | (4.539) | 0.000 | (0.027) | 0.953 | 13.490 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Social Services | 1.247 | 4.188 | 3.780 | 0.000 | 0.000 | 0.000 | 0.654 | 9.869 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Planning, Environment & Economy | 3.078 | 0.905 | 0.204 | (0.187) | 0.000 | 0.000 | (0.126) | 3.874 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Streetscene & Transportation | 3.030 | 1.302 | 10.001 | (0.543) | 0.000 | 0.000 | 1.319 | 15.109 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Strategic Programmes | 0.985 | 0.636 | 0.160 | (0.200) | 0.000 | 0.000 | 0.024 | 1.605 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Housing & Assets | 22.500 | 3.071 | (11.556) | (0.780) | (0.650) | 0.000 | 0.191 | 12.776 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Council Fund Total | 42.582 | 19.766 | 0.837 | (6.420) | (0.650) | (0.027) | 3.028 | 59.116 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| HRA Total | 30.464 | 0.000 | (13.124) | 0.000 | 0.000 | 0.000 | 0.000 | 17.340 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Programme Total | 73.046 | 19.766 | (12.287) | (6.420) | (0.650) | (0.027) | 3.028 | 76.456 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |

| 1.04 | <p>Carry Forward from 2019/20</p> <p>Carry forward sums from 2019/20 to 2020/21, totalling £19.766m (CF £19.766m, HRA £0.000m), were approved as a result of the quarterly monitoring reports presented to Cabinet during 2019/20.</p> | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
|-----------------------------------|---|-----------------------------------|--|--|--|-------------|-----------|----------------------------|--|--|------------------|--|--|----------------------------------|------|-------|----------------------------|------|-------|-----------------------------|------|-------|---------------------------|--|-------|--|--|-------|------------------|--|--|---------------------------|--|---------|--|--|---------|--------------|--|--------------|-------------------|--|--|------------------|--|--|---------------------------|--|-------|--|--|-------|------------------|--|--|---------------------------|--|-------|--|--|-------|--------------|--|--------------|
| 1.05 | <p>Changes during this period</p> <p>Funding changes during this period have resulted in a net increase in the programme total of £3.028m (CF £3.028m, HRA £0.000m)). A summary of the changes, detailing major items, is shown in Table 2 below:-</p> <p>Table 2</p> <table border="1" data-bbox="336 633 1370 1671"> <thead> <tr> <th colspan="3" style="text-align: center;">CHANGES DURING THIS PERIOD</th> </tr> <tr> <th></th> <th style="text-align: center;">Para</th> <th style="text-align: center;">£m</th> </tr> </thead> <tbody> <tr> <td colspan="3"><u>COUNCIL FUND</u></td> </tr> <tr> <td colspan="3">Increases</td> </tr> <tr> <td>Highways & Transportation Grants</td> <td style="text-align: center;">1.06</td> <td style="text-align: right;">1.250</td> </tr> <tr> <td>Children's Services Grants</td> <td style="text-align: center;">1.07</td> <td style="text-align: right;">0.564</td> </tr> <tr> <td>School Modernisation Grants</td> <td style="text-align: center;">1.08</td> <td style="text-align: right;">0.461</td> </tr> <tr> <td>Other Aggregate Increases</td> <td></td> <td style="text-align: right;">0.995</td> </tr> <tr> <td></td> <td></td> <td style="text-align: right; border-top: 1px solid black;">3.270</td> </tr> <tr> <td colspan="3">Decreases</td> </tr> <tr> <td>Other Aggregate Decreases</td> <td></td> <td style="text-align: right;">(0.242)</td> </tr> <tr> <td></td> <td></td> <td style="text-align: right; border-top: 1px solid black;">(0.242)</td> </tr> <tr> <td>Total</td> <td></td> <td style="text-align: right; border-top: 1px solid black;">3.028</td> </tr> <tr> <td colspan="3"><u>HRA</u></td> </tr> <tr> <td colspan="3">Increases</td> </tr> <tr> <td>Other Aggregate Increases</td> <td></td> <td style="text-align: right;">0.000</td> </tr> <tr> <td></td> <td></td> <td style="text-align: right; border-top: 1px solid black;">0.000</td> </tr> <tr> <td colspan="3">Decreases</td> </tr> <tr> <td>Other Aggregate Decreases</td> <td></td> <td style="text-align: right;">0.000</td> </tr> <tr> <td></td> <td></td> <td style="text-align: right; border-top: 1px solid black;">0.000</td> </tr> <tr> <td>Total</td> <td></td> <td style="text-align: right; border-top: 1px solid black;">0.000</td> </tr> </tbody> </table> | CHANGES DURING THIS PERIOD | | | | Para | £m | <u>COUNCIL FUND</u> | | | Increases | | | Highways & Transportation Grants | 1.06 | 1.250 | Children's Services Grants | 1.07 | 0.564 | School Modernisation Grants | 1.08 | 0.461 | Other Aggregate Increases | | 0.995 | | | 3.270 | Decreases | | | Other Aggregate Decreases | | (0.242) | | | (0.242) | Total | | 3.028 | <u>HRA</u> | | | Increases | | | Other Aggregate Increases | | 0.000 | | | 0.000 | Decreases | | | Other Aggregate Decreases | | 0.000 | | | 0.000 | Total | | 0.000 |
| CHANGES DURING THIS PERIOD | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | Para | £m | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| <u>COUNCIL FUND</u> | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Increases | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Highways & Transportation Grants | 1.06 | 1.250 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Children's Services Grants | 1.07 | 0.564 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| School Modernisation Grants | 1.08 | 0.461 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Other Aggregate Increases | | 0.995 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | 3.270 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Decreases | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Other Aggregate Decreases | | (0.242) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | (0.242) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Total | | 3.028 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| <u>HRA</u> | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Increases | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Other Aggregate Increases | | 0.000 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | 0.000 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Decreases | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Other Aggregate Decreases | | 0.000 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | 0.000 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Total | | 0.000 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 1.06 | <p>Introduction of Highways Maintenance Grant funding from Welsh Government (WG) of £0.950m, which will support the Council's core funding allocation of £0.600m for the Highway Asset Management Plan. There has also been an introduction of additional grant funding for Transportation schemes.</p> | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 1.07 | <p>In addition to the above, WG funding has been introduced for the Childcare Offer Capital Grant, £0.450m and Flying Start Capital Funding, £0.114m.</p> | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |

| | Grant awarded for the schemes are over a two year period, where budget will be profiled in line with expected expenditure. | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
|--------------------------------------|--|---------------|--------------------------------|--------------------------------|---------------------------|--|--|----|----|---|----|----|--------------------|-------|-------|------|-------|-------|------------|-------|-------|-------|-------|-------|-------------------|--------|-------|-------|--------|---------|-----------------|-------|-------|-------|-------|---------|---------------------------------|-------|-------|-------|-------|---------|------------------------------|--------|-------|-------|--------|---------|----------------------|-------|-------|-------|-------|---------|------------------|--------|-------|-------|--------|-------|---------------------------|---------------|---------------|--------------|---------------|----------------|----------------------|-------|-------|-------|-------|---------|----------------|-------|-------|--------|-------|-------|-------------|-------|-------|-------|-------|-------|------------------------|-------|-------|-------|-------|---------|-------------------|-------|-------|-------|--------|-------|-----------------|-------|-------|-------|-------|---------|--------------------------------------|---------------|--------------|--------------|---------------|--------------|------------------------|---------------|---------------|--------------|---------------|----------------|
| 1.08 | There has also been an introduction of grant funding from WG relating to the school modernisation programme. | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 1.09 | <p>Capital Expenditure compared to Budget</p> <p>Expenditure as at Month 6, across the whole of the Capital Programme was £22.637m. The breakdown of expenditure is analysed in Table 3, along with the percentage spend against budget.</p> <p>This shows that 29.61% of the budget has been spent (CF 28.64%, HRA 32.91%). Corresponding figures for Month 6 2019/20 were 27.13% (CF 23.28%, HRA 34.00%).</p> | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 1.10 | <p>The table also shows a projected underspend (pending carry forward and other adjustments) of £1.369m on the Council Fund and a break even position on the HRA.</p> <p>Table 3</p> <table border="1"> <thead> <tr> <th rowspan="2">EXPENDITURE</th> <th>Revised Budget</th> <th>Cumulative Expenditure Month 6</th> <th>Percentage Spend v Budget</th> <th>Projected Outturn</th> <th>Variance Budget v Outturn (Under)/Over</th> </tr> <tr> <th>£m</th> <th>£m</th> <th>%</th> <th>£m</th> <th>£m</th> </tr> </thead> <tbody> <tr> <td>People & Resources</td> <td>0.310</td> <td>0.000</td> <td>0.00</td> <td>0.310</td> <td>0.000</td> </tr> <tr> <td>Governance</td> <td>2.083</td> <td>0.318</td> <td>15.27</td> <td>2.083</td> <td>0.000</td> </tr> <tr> <td>Education & Youth</td> <td>13.490</td> <td>2.201</td> <td>16.32</td> <td>13.451</td> <td>(0.039)</td> </tr> <tr> <td>Social Services</td> <td>9.869</td> <td>3.579</td> <td>36.27</td> <td>9.581</td> <td>(0.288)</td> </tr> <tr> <td>Planning, Environment & Economy</td> <td>3.874</td> <td>0.661</td> <td>17.06</td> <td>3.844</td> <td>(0.030)</td> </tr> <tr> <td>Streetscene & Transportation</td> <td>15.109</td> <td>6.281</td> <td>41.57</td> <td>15.059</td> <td>(0.050)</td> </tr> <tr> <td>Strategic Programmes</td> <td>1.605</td> <td>0.242</td> <td>15.08</td> <td>0.643</td> <td>(0.962)</td> </tr> <tr> <td>Housing & Assets</td> <td>12.776</td> <td>3.648</td> <td>28.55</td> <td>12.776</td> <td>0.000</td> </tr> <tr> <td>Council Fund Total</td> <td>59.116</td> <td>16.930</td> <td>28.64</td> <td>57.747</td> <td>(1.369)</td> </tr> <tr> <td>Disabled Adaptations</td> <td>0.737</td> <td>0.216</td> <td>29.31</td> <td>0.683</td> <td>(0.054)</td> </tr> <tr> <td>Energy Schemes</td> <td>0.275</td> <td>0.351</td> <td>127.64</td> <td>0.275</td> <td>0.000</td> </tr> <tr> <td>Major Works</td> <td>1.811</td> <td>0.673</td> <td>37.16</td> <td>2.011</td> <td>0.200</td> </tr> <tr> <td>Accelerated Programmes</td> <td>0.741</td> <td>0.089</td> <td>12.01</td> <td>0.406</td> <td>(0.335)</td> </tr> <tr> <td>WHQS Improvements</td> <td>8.190</td> <td>3.697</td> <td>45.14</td> <td>10.134</td> <td>1.944</td> </tr> <tr> <td>SHARP Programme</td> <td>5.586</td> <td>0.681</td> <td>12.19</td> <td>3.831</td> <td>(1.755)</td> </tr> <tr> <td>Housing Revenue Account Total</td> <td>17.340</td> <td>5.707</td> <td>32.91</td> <td>17.340</td> <td>0.000</td> </tr> <tr> <td>Programme Total</td> <td>76.456</td> <td>22.637</td> <td>29.61</td> <td>75.087</td> <td>(1.369)</td> </tr> </tbody> </table> | EXPENDITURE | Revised Budget | Cumulative Expenditure Month 6 | Percentage Spend v Budget | Projected Outturn | Variance Budget v Outturn (Under)/Over | £m | £m | % | £m | £m | People & Resources | 0.310 | 0.000 | 0.00 | 0.310 | 0.000 | Governance | 2.083 | 0.318 | 15.27 | 2.083 | 0.000 | Education & Youth | 13.490 | 2.201 | 16.32 | 13.451 | (0.039) | Social Services | 9.869 | 3.579 | 36.27 | 9.581 | (0.288) | Planning, Environment & Economy | 3.874 | 0.661 | 17.06 | 3.844 | (0.030) | Streetscene & Transportation | 15.109 | 6.281 | 41.57 | 15.059 | (0.050) | Strategic Programmes | 1.605 | 0.242 | 15.08 | 0.643 | (0.962) | Housing & Assets | 12.776 | 3.648 | 28.55 | 12.776 | 0.000 | Council Fund Total | 59.116 | 16.930 | 28.64 | 57.747 | (1.369) | Disabled Adaptations | 0.737 | 0.216 | 29.31 | 0.683 | (0.054) | Energy Schemes | 0.275 | 0.351 | 127.64 | 0.275 | 0.000 | Major Works | 1.811 | 0.673 | 37.16 | 2.011 | 0.200 | Accelerated Programmes | 0.741 | 0.089 | 12.01 | 0.406 | (0.335) | WHQS Improvements | 8.190 | 3.697 | 45.14 | 10.134 | 1.944 | SHARP Programme | 5.586 | 0.681 | 12.19 | 3.831 | (1.755) | Housing Revenue Account Total | 17.340 | 5.707 | 32.91 | 17.340 | 0.000 | Programme Total | 76.456 | 22.637 | 29.61 | 75.087 | (1.369) |
| EXPENDITURE | Revised Budget | | Cumulative Expenditure Month 6 | Percentage Spend v Budget | Projected Outturn | Variance Budget v Outturn (Under)/Over | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | £m | £m | % | £m | £m | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| People & Resources | 0.310 | 0.000 | 0.00 | 0.310 | 0.000 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Governance | 2.083 | 0.318 | 15.27 | 2.083 | 0.000 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Education & Youth | 13.490 | 2.201 | 16.32 | 13.451 | (0.039) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Social Services | 9.869 | 3.579 | 36.27 | 9.581 | (0.288) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Planning, Environment & Economy | 3.874 | 0.661 | 17.06 | 3.844 | (0.030) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Streetscene & Transportation | 15.109 | 6.281 | 41.57 | 15.059 | (0.050) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Strategic Programmes | 1.605 | 0.242 | 15.08 | 0.643 | (0.962) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Housing & Assets | 12.776 | 3.648 | 28.55 | 12.776 | 0.000 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Council Fund Total | 59.116 | 16.930 | 28.64 | 57.747 | (1.369) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Disabled Adaptations | 0.737 | 0.216 | 29.31 | 0.683 | (0.054) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Energy Schemes | 0.275 | 0.351 | 127.64 | 0.275 | 0.000 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Major Works | 1.811 | 0.673 | 37.16 | 2.011 | 0.200 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Accelerated Programmes | 0.741 | 0.089 | 12.01 | 0.406 | (0.335) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| WHQS Improvements | 8.190 | 3.697 | 45.14 | 10.134 | 1.944 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| SHARP Programme | 5.586 | 0.681 | 12.19 | 3.831 | (1.755) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Housing Revenue Account Total | 17.340 | 5.707 | 32.91 | 17.340 | 0.000 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Programme Total | 76.456 | 22.637 | 29.61 | 75.087 | (1.369) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 1.11 | Details of the variances for individual programme areas are listed in Appendix B, which includes the reasons, and remedial actions which may be required, where those variances exceed +/- 10% of the revised budget. In addition, where carry forward into 2021/22 has been identified, this is also included in the narrative. | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |

| 1.12 | <p>Carry Forward into 2021/22</p> <p>During the quarter, carry forward of £1.369m (all CF) has been identified which reflects reviewed spending plans across all programme areas; these committed amounts have been identified as now required to meet the cost of programme works and/or retention payments in 2021/22.</p> | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
|---------------------------------------|---|---------------------------------------|----------------|-----------------|-----------------|--------------|-----------|-----------|-----------|-----------|------------|-------|-------|---------|-------|-------------------|-------|-------|-------|-------|-----------------|-------|-------|-------|-------|---------------------------------|-------|-------|-------|-------|------------------------------|-------|-------|-------|-------|----------------------|-------|-------|-------|-------|------------------|-------|-------|-------|-------|---------------------|--------------|--------------|----------------|--------------|--------------|--------------|--------------|----------------|--------------|
| 1.13 | <p>Information relating to each programme area is contained in Appendix B and summarised in Table 4 below:</p> <p>Table 4</p> <table border="1" data-bbox="336 595 1385 1234"> <thead> <tr> <th data-bbox="336 595 863 741" rowspan="2">CARRY FORWARD INTO 2021/22</th> <th data-bbox="863 618 987 663">Month 4</th> <th data-bbox="987 618 1112 663">Month 6</th> <th data-bbox="1112 618 1236 663">Reversed</th> <th data-bbox="1236 618 1385 663">Total</th> </tr> <tr> <th data-bbox="863 663 987 741">£m</th> <th data-bbox="987 663 1112 741">£m</th> <th data-bbox="1112 663 1236 741">£m</th> <th data-bbox="1236 663 1385 741">£m</th> </tr> </thead> <tbody> <tr> <td data-bbox="336 741 863 808">Governance</td> <td data-bbox="863 741 987 808">0.171</td> <td data-bbox="987 741 1112 808">0.000</td> <td data-bbox="1112 741 1236 808">(0.103)</td> <td data-bbox="1236 741 1385 808">0.068</td> </tr> <tr> <td data-bbox="336 808 863 853">Education & Youth</td> <td data-bbox="863 808 987 853">4.539</td> <td data-bbox="987 808 1112 853">0.039</td> <td data-bbox="1112 808 1236 853">0.000</td> <td data-bbox="1236 808 1385 853">4.578</td> </tr> <tr> <td data-bbox="336 853 863 898">Social Services</td> <td data-bbox="863 853 987 898">0.000</td> <td data-bbox="987 853 1112 898">0.288</td> <td data-bbox="1112 853 1236 898">0.000</td> <td data-bbox="1236 853 1385 898">0.288</td> </tr> <tr> <td data-bbox="336 898 863 943">Planning, Environment & Economy</td> <td data-bbox="863 898 987 943">0.187</td> <td data-bbox="987 898 1112 943">0.030</td> <td data-bbox="1112 898 1236 943">0.000</td> <td data-bbox="1236 898 1385 943">0.217</td> </tr> <tr> <td data-bbox="336 943 863 987">Streetscene & Transportation</td> <td data-bbox="863 943 987 987">0.543</td> <td data-bbox="987 943 1112 987">0.050</td> <td data-bbox="1112 943 1236 987">0.000</td> <td data-bbox="1236 943 1385 987">0.593</td> </tr> <tr> <td data-bbox="336 987 863 1032">Strategic Programmes</td> <td data-bbox="863 987 987 1032">0.200</td> <td data-bbox="987 987 1112 1032">0.962</td> <td data-bbox="1112 987 1236 1032">0.000</td> <td data-bbox="1236 987 1385 1032">1.162</td> </tr> <tr> <td data-bbox="336 1032 863 1077">Housing & Assets</td> <td data-bbox="863 1032 987 1077">0.780</td> <td data-bbox="987 1032 1112 1077">0.000</td> <td data-bbox="1112 1032 1236 1077">0.000</td> <td data-bbox="1236 1032 1385 1077">0.780</td> </tr> <tr> <td data-bbox="336 1077 863 1122">Council Fund</td> <td data-bbox="863 1077 987 1122">6.420</td> <td data-bbox="987 1077 1112 1122">1.369</td> <td data-bbox="1112 1077 1236 1122">(0.103)</td> <td data-bbox="1236 1077 1385 1122">7.686</td> </tr> <tr> <td data-bbox="336 1122 863 1234">TOTAL</td> <td data-bbox="863 1122 987 1234">6.420</td> <td data-bbox="987 1122 1112 1234">1.369</td> <td data-bbox="1112 1122 1236 1234">(0.103)</td> <td data-bbox="1236 1122 1385 1234">7.686</td> </tr> </tbody> </table> | CARRY FORWARD INTO 2021/22 | Month 4 | Month 6 | Reversed | Total | £m | £m | £m | £m | Governance | 0.171 | 0.000 | (0.103) | 0.068 | Education & Youth | 4.539 | 0.039 | 0.000 | 4.578 | Social Services | 0.000 | 0.288 | 0.000 | 0.288 | Planning, Environment & Economy | 0.187 | 0.030 | 0.000 | 0.217 | Streetscene & Transportation | 0.543 | 0.050 | 0.000 | 0.593 | Strategic Programmes | 0.200 | 0.962 | 0.000 | 1.162 | Housing & Assets | 0.780 | 0.000 | 0.000 | 0.780 | Council Fund | 6.420 | 1.369 | (0.103) | 7.686 | TOTAL | 6.420 | 1.369 | (0.103) | 7.686 |
| CARRY FORWARD INTO 2021/22 | Month 4 | | Month 6 | Reversed | Total | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | £m | £m | £m | £m | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Governance | 0.171 | 0.000 | (0.103) | 0.068 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Education & Youth | 4.539 | 0.039 | 0.000 | 4.578 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Social Services | 0.000 | 0.288 | 0.000 | 0.288 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Planning, Environment & Economy | 0.187 | 0.030 | 0.000 | 0.217 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Streetscene & Transportation | 0.543 | 0.050 | 0.000 | 0.593 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Strategic Programmes | 0.200 | 0.962 | 0.000 | 1.162 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Housing & Assets | 0.780 | 0.000 | 0.000 | 0.780 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Council Fund | 6.420 | 1.369 | (0.103) | 7.686 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| TOTAL | 6.420 | 1.369 | (0.103) | 7.686 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 1.14 | <p>Additional Allocations</p> <p>No additional allocations have been identified in the programme in this quarter.</p> | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 1.15 | <p>Savings</p> <p>The following saving has been identified in the programme in this quarter.</p> <ul style="list-style-type: none"> • Elfed High School, All Terrain Pitch (ATP) - £0.027m. Cost of works were lower than the allocated budget for the scheme. This one-off saving can be released back into the Capital Programme. | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 1.16 | <p>Funding of 2020/21 Approved Schemes</p> <p>The position at Month 6 is summarised in Table 5 below for the three year Capital Programme between 2020/21 – 2022/23:-</p> | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |

Table 5

| FUNDING OF APPROVED SCHEMES 2020/21 - 2022/23 | | |
|--|-----------|----------------|
| | £m | £m |
| Balance carried forward from 2019/20 | | (1.145) |
| Increases | | |
| Shortfall in 2020/21 to 2022/23 Budget | 2.264 | |
| Additional allocation to Queensferry Campus | 0.217 | |
| | | 2.481 |
| Decreases | | |
| Actual In year receipts | (1.062) | |
| Savings | (0.677) | (1.739) |
| Funding - (Available)/Shortfall | | (0.403) |

1.17 The final outturn funding surplus from the 2019/20 – 2021/22 Capital Programme was £1.145m. The 2020/21 – 2022/23 Capital Programme was approved on the 28th January 2020, with a funding deficit of £2.264m. The surplus carried forward led to an opening funding position deficit of £1.119m.

The reported Month 4 funding position for the 3 year period ending in 2022/23 was a shortfall of £0.388m. Capital receipts received in the second quarter of 2020/21, along with savings identified, total £0.791m. This gives a revised projected surplus in the Capital Programme at Month 6 of £0.403m for the 2020/21 – 2022/23 Capital Programme, prior to the realisation of additional capital receipts and/or other funding sources.

1.18 **Investment in County Towns**

At its meeting on 12th December 2017, the Council approved a Notice of Motion relating to the reporting of investment in county towns. The extent and format of the reporting was agreed at the Corporate Resources Overview and Scrutiny Committee on 14th June 2018.

1.19 Table 6 below shows a summary of the 2019/20 actual expenditure, the 2020/21 revised budget and budgets for future years as approved by Council at its meeting of 28th January, 2020. Further detail can be found in Appendix C, including details of the 2020/21 spend to Month 6.

Table 6**INVESTMENT IN COUNTY TOWNS**

| | 2019/20 Actual £m | 2020/21 Revised Budget £m | 2021 - 2023 Budget £m |
|----------------------------------|----------------------------------|--|--|
| Buckley / Penyffordd | 7.729 | 11.996 | 0.656 |
| Connah's Quay / Shotton | 3.844 | 5.620 | 0.170 |
| Flint / Bagillt | 3.048 | 3.417 | 0.169 |
| Holywell / Caerwys / Mostyn | 3.291 | 1.537 | 2.956 |
| Mold / Treuddyn / Cilcain | 3.406 | 5.938 | 3.038 |
| Queensferry / Hawarden / Sealand | 5.925 | 10.320 | 2.856 |
| Saltney / Broughton / Hope | 0.748 | 3.107 | 4.222 |
| Unallocated / To Be Confirmed | 0.728 | 8.723 | 33.920 |
| Total | 28.719 | 50.658 | 47.987 |

1.20 The inclusion of actuals for 2019/20 and approved schemes for future years allows a slightly fuller picture of investment plans. However, expenditure which has occurred in years' prior to 2019/20 has not be included, and the expenditure and budgets reported should be considered in that context.

1.21 There are two significant factors which increase allocations to particular areas, which are homes developed under SHARP, and new or remodelled schools. The impact of these can be seen in the detail shown in Appendix C.

1.22 Some expenditure cannot yet be allocated to specific towns as schemes are not yet fully developed or are generic in nature and not easily identifiable to one of the seven areas. As such schemes are identified the expenditure will be allocated to the relevant area.

1.23 Information on the split between internal and external funding can be found in Appendix C.

1.24 In addition to the information contained in Appendix C, there is also considerable capital expenditure on the HRA Welsh Housing Quality Standard (WHQS), which was originally outside the scope of this analysis. A summary is provided in Table 7 below, albeit using a slightly different catchment area basis.

Table 7

| WHQS Programme | | |
|-------------------------|----------------------------------|----------------------------------|
| | 2019/20 Actual £m | 2020/21 Budget £m |
| Holywell | 2.950 | 0.300 |
| Flint | 2.110 | 0.300 |
| Deeside & Saltney | 0.420 | 2.611 |
| Buckley | 0.600 | 4.579 |
| Mold | 7.130 | 1.432 |
| Connah's Quay & Shotton | 0.480 | 1.400 |
| Total | 13.690 | 10.622 |

| | |
|-------------|--|
| 2.00 | RESOURCE IMPLICATIONS |
| 2.01 | Financial implications - As set out in the body of the report. |
| 2.02 | Personnel implications - None directly as a result of this report. |

| | |
|-------------|---|
| 3.00 | IMPACT ASSESSMENT AND RISK MANAGEMENT |
| 3.01 | <p>The impact of the current pandemic will continually be monitored throughout the year. Any changes to the Government guidelines may have an adverse impact on the ability of Portfolios to deliver schemes in year. This may result in them being re-profiled into the next financial year.</p> <p>These delays could impact the delivery of the programme in 2021/22, which could result in future schemes being stalled in order to deliver the schemes carried forward from 2020/21. There is a risk around having resources available to manage and deliver schemes.</p> <p>Grants received in year will be monitored closely to ensure that expenditure is incurred within the terms and conditions of the grant. The capital team will work with project leads to report potential risks of achieving spend within timescales and assist in liaising with the grant provider.</p> <p>The Council has a prudent policy of allocating its own capital receipts to fund capital projects only when receipts are actually received rather than when it is anticipated the receipt will be received, and this position continues to be the case. Due to the pandemic there may be a delay in obtaining capital receipts as the timing of these receipts are also subject to market forces outside of the Council's control. In line with current policy no allowance has</p> |

| | |
|--|---|
| | been made for these receipts in reporting the Council's capital funding position. |
|--|---|

| | |
|-------------|--|
| 4.00 | CONSULTATIONS REQUIRED/CARRIED OUT |
| 4.01 | No consultation is required as a direct result of this report. |

| | |
|-------------|--|
| 5.00 | APPENDICES |
| 5.01 | Appendix A: Capital Programme - Changes during 2020/21 |
| 5.02 | Appendix B: Variances |
| 5.03 | Appendix C: Investment in Towns |

| | |
|-------------|--|
| 6.00 | LIST OF ACCESSIBLE BACKGROUND DOCUMENTS |
| 6.01 | Capital Programme monitoring papers 2020/21. |

| | |
|-------------|---|
| 7.00 | CONTACT OFFICER DETAILS |
| 7.01 | Contact Officer: Chris Taylor, Principal Accountant Telephone: 01352 703309 E-mail: christopher.taylor@flintshire.gov.uk |

| | |
|-------------|---|
| 8.00 | GLOSSARY OF TERMS |
| 8.01 | <p>Budget Re-profiling: Capital schemes are very dynamic and a number of factors can influence their timing and funding. Budget re-profiling assures that the correct resources are available in the correct accounting period to finance the actual level of expenditure.</p> <p>Capital Expenditure: Expenditure on the acquisition of non-current assets or expenditure which extends the useful life of an existing asset</p> <p>Capital Programme: The Council's financial plan covering capital schemes and expenditure proposals for the current year and a number of future years. It also includes estimates of the capital resources available to finance the programme.</p> <p>Capital Receipts: Receipts (in excess of £10,000) realised from the disposal of assets.</p> <p>Carry Forward: Carry forward occurs when schemes due to be completed in a given financial year are delayed until a subsequent year. In this case</p> |

the relevant funding is carried forward to meet the delayed, contractually committed expenditure.

CERA: Capital Expenditure charged to Revenue Account. The Council is allowed to use its revenue resources to fund capital expenditure. However the opposite is not permissible.

Council Fund (CF): The fund to which all the Council's revenue and capital expenditure is charged.

Housing Revenue Account (HRA): The fund to which all the Council's revenue and capital expenditure relating to its housing stock is charged.

MRA: Major Repairs Allowance. A general capital grant from WG for HRA purposes.

Non-current Asset: A resource controlled (but not necessarily owned) by the Council, from which economic benefits or service potential are expected to flow to the Council for more than 12 months.

Section 106: Monies are received from developers/contractors pursuant to Section 106 of the Town & Country Planning Act 1990. These sums are available for use once the relevant terms of the individual agreement have been met. The monies are most commonly used for educational enhancement, play areas, highways and affordable housing.

Target Hardening: Measures taken to prevent unauthorised access to Council sites.

Unhypothecated Supported Borrowing (USB), commonly referred to as Supported Borrowing - Each year Welsh Government provide Councils with a Supported Borrowing allocation. Councils borrow to fund capital expenditure equivalent to that annual allocation, Welsh Government then include funding to cover the revenue costs associated with the borrowing for future years within the Revenue Support Grant. The Council decides how this funding is spent.

Unsupported (Prudential) Borrowing: Borrowing administered under the Prudential Code, whereby Authorities can set their own policies on acceptable levels and types of borrowing. The Prudential Framework allows Authorities to take out loans in response to overall cash flow forecasts and other factors provided they can show that the borrowing is to meet planned capital expenditure in the current year or the next three years.

CAPITAL PROGRAMME - CHANGES DURING 2020/21

| | Original Budget 2020/21 | Carry Forward from 2019/20 | 2020/21 Previously Reported | | | Savings (Current) | Changes (Current) | Revised Budget 2020/21 |
|--|-------------------------|----------------------------|-----------------------------|--------------------------|--------------|-------------------|-------------------|------------------------|
| | | | Changes | Carry Forward to 2021/22 | Savings | | | |
| | £m | £m | £m | £m | £m | £m | £m | £m |
| Council Fund : | | | | | | | | |
| People & Resources | | | | | | | | |
| 'Headroom' | 0.350 | 0.170 | (0.170) | 0.000 | 0.000 | 0.000 | (0.090) | 0.260 |
| Corporate Finance - H & S | 0.050 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.050 |
| | 0.400 | 0.170 | (0.170) | 0.000 | 0.000 | 0.000 | (0.090) | 0.310 |
| Governance | | | | | | | | |
| Information Technology | 1.176 | 0.975 | 0.000 | (0.171) | 0.000 | 0.000 | 0.103 | 2.083 |
| | 1.176 | 0.975 | 0.000 | (0.171) | 0.000 | 0.000 | 0.103 | 2.083 |
| Education & Youth | | | | | | | | |
| Education - General | 1.500 | 2.668 | (1.200) | (0.119) | 0.000 | 0.000 | (0.105) | 2.744 |
| Primary Schools | 2.399 | 0.065 | 0.118 | (0.025) | 0.000 | 0.000 | 0.568 | 3.125 |
| Schools Modernisation | 5.365 | 0.072 | (0.550) | 0.000 | 0.000 | 0.000 | 0.234 | 5.121 |
| Secondary Schools | 0.652 | 5.784 | 0.008 | (4.395) | 0.000 | (0.027) | 0.256 | 2.278 |
| Special Education | 0.250 | (0.070) | 0.042 | 0.000 | 0.000 | 0.000 | 0.000 | 0.222 |
| | 10.166 | 8.519 | (1.582) | (4.539) | 0.000 | (0.027) | 0.953 | 13.490 |
| Social Services | | | | | | | | |
| Services to Older People | 0.725 | 4.048 | 3.778 | 0.000 | 0.000 | 0.000 | 0.000 | 8.551 |
| Children's Services | 0.522 | 0.140 | 0.002 | 0.000 | 0.000 | 0.000 | 0.654 | 1.318 |
| | 1.247 | 4.188 | 3.780 | 0.000 | 0.000 | 0.000 | 0.654 | 9.869 |
| Planning, Environment & Economy | | | | | | | | |
| Closed Landfill Sites | 0.000 | 0.250 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.250 |
| Engineering | 0.038 | 0.350 | 0.038 | (0.187) | 0.000 | 0.000 | 0.000 | 0.239 |
| Energy Services | 2.950 | 0.300 | (0.339) | 0.000 | 0.000 | 0.000 | 0.000 | 2.911 |
| Ranger Services | 0.040 | 0.005 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.045 |
| Townscape Heritage Initiatives | 0.050 | 0.000 | 0.342 | 0.000 | 0.000 | 0.000 | (0.126) | 0.266 |
| Private Sector Renewal/Improv't | 0.000 | 0.000 | 0.163 | 0.000 | 0.000 | 0.000 | 0.000 | 0.163 |
| | 3.078 | 0.905 | 0.204 | (0.187) | 0.000 | 0.000 | (0.126) | 3.874 |
| Streetscene & Transportation | | | | | | | | |
| Waste | 2.430 | 0.497 | (0.953) | (0.497) | 0.000 | 0.000 | 0.000 | 1.477 |
| Cemeteries | 0.000 | 0.000 | 0.070 | 0.000 | 0.000 | 0.000 | 0.000 | 0.070 |
| Highways | 0.600 | 0.704 | 0.000 | 0.000 | 0.000 | 0.000 | 1.028 | 2.332 |
| Local Transport Grant | 0.000 | 0.055 | 10.884 | 0.000 | 0.000 | 0.000 | 0.291 | 11.230 |
| Solar Farms | 0.000 | 0.046 | 0.000 | (0.046) | 0.000 | 0.000 | 0.000 | 0.000 |
| | 3.030 | 1.302 | 10.001 | (0.543) | 0.000 | 0.000 | 1.319 | 15.109 |

| | Original Budget 2020/21 | Carry Forward from 2019/20 | Previously Reported 2020/21 | | Savings (Current) | Changes (Current) | Revised Budget 2020/21 |
|----------------------------------|-------------------------|----------------------------|-----------------------------|--------------------------|-------------------|-------------------|------------------------|
| | | | Changes | Carry Forward to 2021/22 | | | |
| | £m | £m | £m | £m | £m | £m | £m |
| Strategic Programmes | | | | | | | |
| Leisure Centres | 0.285 | 0.047 | (0.022) | 0.000 | 0.000 | 0.000 | 0.308 |
| Play Areas | 0.200 | 0.218 | 0.000 | (0.200) | 0.000 | 0.000 | 0.242 |
| Libraries | 0.000 | 0.012 | 0.022 | 0.000 | 0.000 | 0.000 | 0.036 |
| Theatr Clwyd | 0.500 | 0.359 | 0.160 | 0.000 | 0.000 | 0.000 | 1.019 |
| | 0.985 | 0.636 | 0.160 | (0.200) | 0.000 | 0.000 | 1.605 |
| Housing & Assets | | | | | | | |
| Administrative Buildings | 0.650 | 1.205 | 0.286 | 0.000 | 0.000 | 0.000 | 2.141 |
| Community Asset Transfers | 0.100 | 0.836 | 0.000 | (0.780) | 0.000 | 0.000 | 0.156 |
| Food Poverty | 0.050 | 0.042 | 0.000 | 0.000 | 0.000 | 0.000 | 0.092 |
| Affordable Housing | 20.000 | 0.000 | (11.700) | 0.000 | 0.000 | 0.000 | 8.300 |
| Disabled Facilities Grants | 1.700 | 0.988 | (0.142) | 0.000 | (0.650) | 0.000 | 2.087 |
| | 22.500 | 3.071 | (11.556) | (0.780) | (0.650) | 0.000 | 12.776 |
| Housing Revenue Account : | | | | | | | |
| Disabled Adaptations | 1.104 | 0.000 | (0.367) | 0.000 | 0.000 | 0.000 | 0.737 |
| Energy Schemes | 0.275 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.275 |
| Major Works | 1.811 | 0.000 | (0.500) | 0.000 | 0.000 | 0.500 | 1.811 |
| Accelerated Programmes | 0.742 | 0.000 | (0.371) | 0.000 | 0.000 | 0.370 | 0.741 |
| WHQS Improvements | 15.361 | 0.000 | (6.301) | 0.000 | 0.000 | (0.870) | 8.190 |
| SHARP Programme | 11.171 | 0.000 | (5.585) | 0.000 | 0.000 | 0.000 | 5.586 |
| | 30.464 | 0.000 | (13.124) | 0.000 | 0.000 | 0.000 | 17.340 |
| Totals : | | | | | | | |
| Council Fund | 42.582 | 19.766 | 0.837 | (6.420) | (0.650) | 3.028 | 59.116 |
| Housing Revenue Account | 30.464 | 0.000 | (13.124) | 0.000 | 0.000 | 0.000 | 17.340 |
| Grand Total | 73.046 | 19.766 | (12.287) | (6.420) | (0.650) | 3.028 | 76.456 |

PEOPLE & RESOURCES

Capital Budget Monitoring 2020/21 - Month 6

| Programme Area | Total Budget £m | Actual Exp. £m | Projected Outturn £m | Variance (Under)/ Over £m | Variance %age % | Variance Prev Qtr £m | Cause of Variance | Action Required | Comments |
|-------------------------------------|--------------------|-------------------|-------------------------|---------------------------------|--------------------|-------------------------|-------------------|--|---|
| 'Headroom' | 0.260 | 0.000 | 0.260 | 0.000 | 0 | 0.000 | | Corporate provision - to be allocated as requested and approved. | Any unspent allocation will be the subject of a carry forward request at outturn. |
| Corporate Finance - Health & Safety | 0.050 | 0.000 | 0.050 | 0.000 | 0 | 0.000 | | Corporate provision - to be allocated as requested and approved. | Any unspent allocation will be the subject of a carry forward request at outturn. |
| Total | 0.310 | 0.000 | 0.310 | 0.000 | 0 | 0.000 | | | |

GOVERNANCE

Capital Budget Monitoring 2020/21 - Month 6

| Programme Area | Total Budget £m | Actual Exp. £m | Projected Outturn £m | Variance (Under)/ Over £m | Variance %age % | Variance Prev Qtr £m | Cause of Variance | Action Required | Comments |
|------------------------|--------------------|-------------------|-------------------------|---------------------------------|--------------------|-------------------------|-------------------|-----------------|--|
| Information Technology | 2.083 | 0.318 | 2.083 | 0.000 | 0 | 0.000 | | | £0.103m of budget brought forward from the 2021/22 programme to deliver Citrix infrastructure improvements. This is to support home working as part of the Councils response to the COVID-19 pandemic. |
| Total | 2.083 | 0.318 | 2.083 | 0.000 | 0 | 0.000 | | | |

Variance = Budget v Projected Outturn

EDUCATION & YOUTH

Capital Budget Monitoring 2020/21 - Month 6

| Programme Area | Total Budget £m | Actual Exp. £m | Projected Outturn £m | Variance (Under)/ Over £m | Variance %age % | Variance Prev Qtr £m | Cause of Variance | Action Required | Comments |
|-----------------------|--------------------|-------------------|-------------------------|---------------------------------|--------------------|-------------------------|--|---|---|
| Education - General | 2.744 | 0.512 | 2.744 | 0.000 | 0 | 0.000 | | | |
| Primary Schools | 3.125 | 0.580 | 3.125 | 0.000 | 0 | 0.000 | | | |
| Schools Modernisation | 5.121 | 0.503 | 5.121 | 0.000 | 0 | 0.000 | | | |
| Secondary Schools | 2.278 | 0.545 | 2.278 | 0.000 | 0 | 0.000 | | | Savings identified on Elfed High School ATP project - £0.027m |
| Special Education | 0.222 | 0.061 | 0.183 | (0.039) | -18 | 0.000 | Early Identified Rollover - Rolling Programme, with projects now planned to be delivered in 2021/22. | Carry Forward - Request approval to move funding of £0.039m to 2021/22. | |
| Total | 13.490 | 2.201 | 13.451 | (0.039) | -0 | 0.000 | | | |

Variance = Budget v Projected Outturn

SOCIAL SERVICES

Capital Budget Monitoring 2020/21 - Month 6

| Programme Area | Total Budget £m | Actual Exp. £m | Projected Outturn £m | Variance (Under)/ Over £m | Variance %age % | Variance Prev Qtr £m | Cause of Variance | Action Required | Comments |
|--------------------------|--------------------|-------------------|-------------------------|---------------------------------|--------------------|-------------------------|--|---|---|
| Services to Older People | 8.551 | 3.270 | 8.263 | (0.288) | -3 | 0.000 | Marleyfield House Extension works to progress into 2021/22 as per schedule of works and projected cash flow. | Carry Forward - Request approval to move funding of £0.288m to 2021/22. | |
| Children's Services | 1.318 | 0.309 | 1.318 | 0.000 | 0 | 0.000 | | | Childcare Offer - Welsh Government (WG) are currently considering a variation request regarding flexibility of grant funding. |
| Total | 9.869 | 3.579 | 9.581 | (0.288) | -3 | 0.000 | | | |

Variance = Budget v Projected Outturn

PLANNING, ENVIRONMENT & ECONOMY

Capital Budget Monitoring 2020/21 - Month 6

| Programme Area | Total Budget £m | Actual Exp. £m | Projected Outturn £m | Variance (Under)/Over £m | Variance %age % | Variance Prev Qtr £m | Cause of Variance | Action Required | Comments |
|------------------------------------|--------------------|-------------------|-------------------------|-----------------------------|--------------------|-------------------------|---|---|--|
| Closed Landfill Sites | 0.250 | 0.000 | 0.250 | 0.000 | 0 | 0.000 | | | Increasing COVID-19 related restrictions on movement and isolation may cause delays. |
| Engineering | 0.239 | 0.049 | 0.239 | 0.000 | 0 | 0.000 | | | |
| Energy Services | 2.911 | 0.085 | 2.911 | 0.000 | 0 | 0.000 | | | |
| Ranger Services | 0.045 | 0.023 | 0.045 | 0.000 | 0 | 0.000 | | | |
| Townscape Heritage Initiatives | 0.266 | 0.224 | 0.236 | (0.030) | -11 | 0.000 | Match funding of £0.030m required for the Green Infrastructure Project (WG funded). This will now be delivered next financial year due to the impact of COVID-19. Bailey Hill - Grant Funded scheme. Grant funding drawn down once received. | Carry Forward - Request approval to move funding of £0.030m to 2021/22. | |
| Private Sector Renewal/Improvement | 0.163 | 0.280 | 0.163 | (0.000) | -0 | 0.000 | | | Funding to be introduced to match expenditure. |
| Total | 3.874 | 0.661 | 3.844 | (0.030) | -1 | 0.000 | | | |

Variance = Budget v Projected Outturn

STREETSCENE & TRANSPORTATION

Capital Budget Monitoring 2020/21 - Month 6

| Programme Area | Total Budget £m | Actual Exp. £m | Projected Outturn £m | Variance (Under)/ Over £m | Variance %age % | Variance Prev Qtr £m | Cause of Variance | Action Required | Comments |
|-----------------------|--------------------|-------------------|-------------------------|------------------------------|--------------------|-------------------------|---|---|----------|
| Waste Services | 1.477 | 0.247 | 1.477 | 0.000 | 0 | 0.000 | | | |
| Cemeteries | 0.070 | 0.007 | 0.020 | (0.050) | -71 | 0.000 | Project has been delayed as a result of COVID-19. Planned works will now take place in 2021/22. | Carry Forward - Request approval to move funding of £0.050m to 2021/22. | |
| Highways | 2.332 | 0.250 | 2.332 | 0.000 | 0 | 0.000 | | | |
| Local Transport Grant | 11.230 | 5.777 | 11.230 | 0.000 | 0 | 0.000 | | | |
| Total | 15.109 | 6.281 | 15.059 | (0.050) | -0 | 0.000 | | | |

Variance = Budget v Projected Outturn

STRATEGIC PROGRAMMES

Capital Budget Monitoring 2020/21 - Month 6

| Programme Area | Total Budget £m | Actual Exp. £m | Projected Outturn £m | Variance (Under)/ Over £m | Variance %age % | Variance Prev Qtr £m | Cause of Variance | Action Required | Comments |
|-----------------|--------------------|-------------------|-------------------------|---------------------------------|--------------------|-------------------------|--|---|---|
| Leisure Centres | 0.308 | 0.055 | 0.308 | 0.000 | 0 | 0.000 | | | |
| Play Areas | 0.242 | 0.093 | 0.242 | 0.000 | 0 | 0.000 | | | Potential for the Bailey Hill play area funding of £0.127m to be rolled into 2021/22. Ongoing monitoring. |
| Libraries | 0.036 | 0.036 | 0.036 | 0.000 | 0 | 0.000 | | | |
| Theatr Clwyd | 1.019 | 0.057 | 0.057 | (0.962) | -94 | 0.000 | Phase 3 works now complete. Phase 4 to take place in 2021/22 as per schedule of works. Phase 4 is the final design and technical stage, which is grant funded. Carry forward request relates to the construction stage of the project. | Carry Forward - Request approval to move funding of £0.962m to 2021/22. | |
| Total | 1.605 | 0.242 | 0.643 | (0.962) | -60 | 0.000 | | | |

Variance = Budget v Projected Outturn

HOUSING & ASSETS

Capital Budget Monitoring 2020/21 - Month 6

| Programme Area | Total Budget £m | Actual Exp. £m | Projected Outturn £m | Variance (Under)/ Over £m | Variance %age % | Variance Prev Qtr £m | Cause of Variance | Action Required | Comments |
|----------------------------|--------------------|-------------------|-------------------------|------------------------------|--------------------|-------------------------|-------------------|-----------------|---|
| Administrative Buildings | 2.141 | 1.285 | 2.141 | 0.000 | 0 | 0.000 | | | |
| Community Asset Transfers | 0.156 | 0.072 | 0.156 | 0.000 | 0 | 0.000 | | | Expenditure is incurred as and when schemes are signed off. |
| Food Poverty | 0.092 | 0.092 | 0.092 | 0.000 | 0 | 0.000 | | | |
| Affordable Housing | 8.300 | 1.765 | 8.300 | 0.000 | 0 | 0.000 | | | |
| Disabled Facilities Grants | 2.087 | 0.434 | 2.087 | 0.000 | 0 | 0.000 | | | DFG spend is customer driven and volatile. The service is currently undergoing a re-design and engaging additional resources, with a view to completing and delivering older applications of works. COVID-19 could cause delays in the delivery of services |
| Total | 12.776 | 3.648 | 12.776 | 0.000 | 0 | 0.000 | | | |

Variance = Budget v Projected Outturn

HOUSING REVENUE ACCOUNT

Capital Budget Monitoring 2020/21 - Month 6

| Programme Area | Total Budget £m | Actual Exp. £m | Projected Outturn £m | Variance (Under)/ Over £m | Variance %age % | Variance Prev Qtr £m | Cause of Variance | Action Required | Comments |
|------------------------|--------------------|-------------------|-------------------------|------------------------------|--------------------|-------------------------|--|--------------------------------------|----------|
| Disabled Adaptations | 0.737 | 0.216 | 0.683 | (0.054) | -7 | 0.000 | | | |
| Energy Services | 0.275 | 0.351 | 0.275 | 0.000 | 0 | 0.000 | | | |
| Major Works | 1.811 | 0.673 | 2.011 | 0.200 | 11 | 0.000 | Increased projection in spend as Void works resume following a period under COVID-19 restrictions. Overspend to be offset by reduced Accelerated Programmes work. | Virement to allocate budget to spend | |
| Accelerated Programmes | 0.741 | 0.089 | 0.406 | (0.335) | -45 | 0.000 | Continued restrictions on the programme as a result of COVID-19, means the budget is projecting an underspend. The variance will contribute to the overspend in Major works. | Virement to allocate budget to spend | |
| WQS Improvements | 8.190 | 3.697 | 10.134 | 1.944 | 24 | 0.000 | Original budget was £15.361m. Initial projections from Capital Works Team indicated a 50% reduction in spend due to the COVID-19 restrictions, hence the reduction in budget. However, contractors are now back on site and spend is increasing. This overspend will be met from the original budget allocation. | Virement to allocate budget to spend | |
| SHARP | 5.586 | 0.681 | 3.831 | (1.755) | -31 | 0.000 | Reduced spend projection based on current schemes delayed. Amount to be monitored on any potential reduction in borrowing requirements. | Virement to allocate budget to spend | |
| Total | 17.340 | 5.707 | 17.340 | 0.000 | 0 | 0.000 | | | |

Variance = Budget v Projected Outturn

SUMMARY

Capital Budget Monitoring 2020/21 - Month 6

| Programme Area | Total Budget | Actual Exp. | Projected Outturn | Variance (Under)/ Over | Variance %age | Variance Prev Qtr | Cause of Variance | Action Required | Comments |
|---------------------------------|---------------|---------------|-------------------|------------------------|---------------|-------------------|-------------------|-----------------|----------|
| | £m | £m | £m | £m | % | £m | | | |
| People & Resources | 0.310 | 0.000 | 0.310 | 0.000 | 0 | 0.000 | | | |
| Governance | 2.083 | 0.318 | 2.083 | 0.000 | 0 | 0.000 | | | |
| Education & Youth | 13.490 | 2.201 | 13.451 | (0.039) | -0 | 0.000 | | | |
| Social Services | 9.869 | 3.579 | 9.581 | (0.288) | -3 | 0.000 | | | |
| Planning, Environment & Economy | 3.874 | 0.661 | 3.844 | (0.030) | -1 | 0.000 | | | |
| Streetscene & Transportation | 15.109 | 6.281 | 15.059 | (0.050) | -0 | 0.000 | | | |
| Strategic Programmes | 1.605 | 0.242 | 0.643 | (0.962) | -60 | 0.000 | | | |
| Housing & Assets | 12.776 | 3.648 | 12.776 | 0.000 | 0 | 0.000 | | | |
| Sub Total - Council Fund | 59.116 | 16.930 | 57.747 | (1.369) | -2 | 0.000 | | | |
| Housing Revenue Account | 17.340 | 5.707 | 17.340 | 0.000 | 0 | 0.000 | | | |
| Total | 76.456 | 22.637 | 75.087 | (1.369) | -2 | 0.000 | | | |

Variance = Budget v Projected Outturn

INVESTMENT IN COUNTY TOWNS - 2019/20 ACTUAL SPEND

APPENDIX C

| TOWN FUNDING | 19/20 ACTUAL £000 | BUCKLEY | | CONNAH'S QUAY | | FLINT | | HOLYWELL | | MOLD | | QUEENSFERRY | | SALTNEY | | UNALLOCATED | | TOTALS | | | | |
|---|----------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|---------------|--------|-------|
| | | Internal £000 | External £000 | Internal £000 | External £000 | Internal £000 | External £000 | Internal £000 | External £000 | Internal £000 | External £000 | Internal £000 | External £000 | Internal £000 | External £000 | Internal £000 | External £000 | Internal £000 | External £000 | Total £000 | | |
| EXPENDITURE | | | | | | | | | | | | | | | | | | | | | | |
| HOUSING - HRA | | | | | | | | | | | | | | | | | | | | | | |
| SHARP | 5,576 | 1,706 | 236 | 7 | | 10 | | 1,385 | 1 | 466 | | | 1,765 | | | | | | | 3,574 | 2,002 | 5,576 |
| EDUCATION & YOUTH | | | | | | | | | | | | | | | | | | | | | | |
| Connah's Quay High School | 3,435 | | | | 1,435 | 2,000 | | | | | | | | | | | | | | 1,435 | 2,000 | 3,435 |
| Queensferry Campus | 368 | | | | | | | | | | | 368 | | | | | | | | 368 | 0 | 368 |
| Penyffordd Amalgamation | 2,138 | 1,945 | 193 | | | | | | | | | | | | | | | | | 1,945 | 193 | 2,138 |
| School Extension & Remodelling:- | | | | | | | | | | | | | | | | | | | | | | |
| Mynydd Isa Argoed High School | 270 | 270 | | | | | | | | | | | | | | | | | | 270 | 0 | 270 |
| St John the Baptist | 232 | 188 | 44 | | | | | | | | | | | | | | | | | 188 | 44 | 232 |
| Bagillt Ysgol Glan Aber | 2,184 | | | | | | 1,017 | 1,167 | | | | | | | | | | | | 1,017 | 1,167 | 2,184 |
| Castell Alun High School | 477 | | | | | | | | | | | | | 477 | | | | | | 477 | 0 | 477 |
| Shotton St Ethelwolds | 217 | | | 2 | 215 | | | | | | | | | | | | | | | 2 | 215 | 217 |
| Flint Saint Richard Gwyn | 531 | | | | | | | 531 | | | | | | | | | | | | 0 | 531 | 531 |
| PLANNING, ENVIRONMENT & ECONOMY | | | | | | | | | | | | | | | | | | | | | | |
| Bailey Hill | 271 | | | | | | | | | | | 271 | | | | | | | | 0 | 271 | 271 |
| Targeted Regeneration Investment | 474 | | | | | | | | | 474 | | | | | | | | | | 0 | 474 | 474 |
| SOCIAL CARE | | | | | | | | | | | | | | | | | | | | | | |
| Llanidloes Day Care Facility | 1,016 | | | | | | | | | | | | 1,016 | | | | | | | 0 | 1,016 | 1,016 |
| Maneyfield EPH | 595 | | 595 | | | | | | | | | | | | | | | | | 0 | 595 | 595 |
| STREETSCENE & TRANSPORTION | | | | | | | | | | | | | | | | | | | | | | |
| Bridges | 59 | | | 50 | 9 | | | | | | | | | | | | | | | 50 | 9 | 59 |
| Highways Maintenance | 2,349 | 112 | 269 | 26 | 100 | 46 | 174 | 119 | 447 | 86 | 324 | 24 | 89 | 52 | 197 | 60 | 224 | | 525 | 1,824 | 2,349 | |
| Transport Grant | 3,769 | | | | | | 103 | 62 | 274 | | 201 | | 2,663 | | 22 | | 444 | | 62 | 3,707 | 3,769 | |
| STRATEGIC PROGRAMMES | | | | | | | | | | | | | | | | | | | | | | |
| Theatr Clwyd - Redevelopment | 1,135 | | | | | | | | | 284 | 851 | | | | | | | | | 284 | 851 | 1,135 |
| HOUSING & ASSETS | | | | | | | | | | | | | | | | | | | | | | |
| Affordable Housing | 3,623 | 1,662 | 509 | | | | | 294 | 235 | 923 | | | | | | | | | | 2,879 | 744 | 3,623 |
| | 28,719 | 5,883 | 1,846 | 1,520 | 2,324 | 1,073 | 1,975 | 1,860 | 1,431 | 1,759 | 1,647 | 392 | 5,533 | 529 | 219 | 60 | 668 | | 13,076 | 15,643 | 28,719 | |

AREA TOTAL

7,729

3,844

3,048

3,291

3,406

5,925

748

728

| TOWN FUNDING | ACTUAL TO DATE £000 | BUCKLEY | | CONNAH'S QUAY | | FLINT | | HOLYWELL | | MOLD | | QUEENSFERRY | | SALTNEY | | UNALLOCATED | | TOTALS | | | |
|--|------------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|---------------|--------|
| | | Internal £000 | External £000 | Internal £000 | External £000 | Internal £000 | External £000 | Internal £000 | External £000 | Internal £000 | External £000 | Internal £000 | External £000 | Internal £000 | External £000 | Internal £000 | External £000 | Internal £000 | External £000 | Total £000 | |
| EXPENDITURE | | | | | | | | | | | | | | | | | | | | | |
| HOUSING - HRA | | | | | | | | | | | | | | | | | | | | | |
| SHARP | 681 | 83 | | | | | | 125 | | 173 | | 299 | | | | 1 | | | 681 | 0 | 681 |
| EDUCATION & YOUTH | | | | | | | | | | | | | | | | | | | | | |
| Connah's Quay High School | 17 | | | | 17 | | | | | | | | | | | | | | 0 | 17 | 17 |
| Queensferry Campus | 202 | | | | | | | | | | | 202 | | | | | | | 0 | 202 | 202 |
| Castell Alun High School | 148 | | | | | | | | | | | | 148 | | | | | | 148 | 0 | 148 |
| SOCIAL CARE | | | | | | | | | | | | | | | | | | | | | |
| Marleyfield EPH | 3,952 | 172 | 3,780 | | | | | | | | | | | | | | | | 172 | 3,780 | 3,952 |
| PLANNING, ENVIRONMENT & ECONOMY | | | | | | | | | | | | | | | | | | | | | |
| Solar PV Farms | 88 | | | | | | 88 | | | | | | | | | | | | 88 | 0 | 88 |
| STREETSCENE & TRANSPORTION | | | | | | | | | | | | | | | | | | | | | |
| Highways Maintenance | 250 | | | | | | | | 42 | | 25 | | | | 175 | | 8 | | 0 | 250 | 250 |
| Transport Grant | 5,777 | | | | 8 | | 254 | 89 | 365 | | | | 4,512 | | 282 | | 267 | | 89 | 5,688 | 5,777 |
| STRATEGIC PROGRAMMES | | | | | | | | | | | | | | | | | | | | | |
| Theatr Clwyd - Redevelopment | 39 | | | | | | | | | 10 | 29 | | | | | | | | 10 | 29 | 39 |
| HOUSING & ASSETS | | | | | | | | | | | | | | | | | | | | | |
| County Hall Demolition | 868 | | | | | | | | | 868 | | | | | | | | | 868 | 0 | 868 |
| Affordable Housing | 1,765 | 1,065 | | | | | | | | 700 | | | | | | | | | 1,765 | 0 | 1,765 |
| | 13,787 | 1,320 | 3,780 | 0 | 25 | 88 | 254 | 214 | 407 | 1,751 | 54 | 299 | 4,714 | 148 | 457 | 1 | 275 | | 3,821 | 9,966 | 13,787 |
| AREAS TOTAL | | | 5,100 | | 25 | | 342 | | 621 | | 1,805 | | 5,013 | | 605 | | 276 | | | | |

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INVESTMENT IN COUNTY TOWNS - 2021- 2023 BUDGET

APPENDIX C (Cont)

| TOWN FUNDING | FUTURE BUDGET £000 | BUCKLEY | | CONNAH'S QUAY | | FLINT | | HOLYWELL | | MOLD | | QUEENSFERRY | | SALTNEY | | UNALLOCATED | | TOTALS | | | |
|--|--------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|------------|--------|--------|--------|
| | | Internal £000 | External £000 | Internal £000 | External £000 | Internal £000 | External £000 | Internal £000 | External £000 | Internal £000 | External £000 | Internal £000 | External £000 | Internal £000 | External £000 | Internal £000 | External £000 | Total £000 | | | |
| EXPENDITURE | | | | | | | | | | | | | | | | | | | | | |
| HOUSING - HRA | | | | | | | | | | | | | | | | | | | | | |
| SHARP | 15,048 | | | | | | | 1,916 | | 10 | | 31 | | | | | 13,091 | | 15,048 | 0 | 15,048 |
| EDUCATION & YOUTH | | | | | | | | | | | | | | | | | | | | | |
| Queensferry Campus | 2,825 | | | | | | | | | | | 1,020 | 1,805 | | | | | | 1,020 | 1,805 | 2,825 |
| Brynford CP | 1,040 | | | | | | | 1,040 | | | | | | | | | | | 1,040 | 0 | 1,040 |
| Castell Alun High School | 4,222 | | | | | | | | | | | | | 4,222 | | | | | 4,222 | 0 | 4,222 |
| Joint Archive Facility, FCC and DCC | 3,028 | | | | | | | | | 3,028 | | | | | | | | | 3,028 | 0 | 3,028 |
| SOCIAL CARE | | | | | | | | | | | | | | | | | | | | | |
| Marleyfield EPH | 656 | 656 | | | | | | | | | | | | | | | | | 656 | 0 | 656 |
| Foster Care Homes Adaptations | 120 | | | | | | | | | | | | | | | | 120 | | 120 | 0 | 120 |
| Mockingbird | 688 | | | | | | | | | | | | | | | | | 688 | 0 | 688 | 688 |
| PLANNING, ENVIRONMENT & ECONOMY | | | | | | | | | | | | | | | | | | | | | |
| Solar PV Farms | 339 | | | 170 | | 169 | | | | | | | | | | | | | 339 | 0 | 339 |
| STREETSCENE & TRANSPORTION | | | | | | | | | | | | | | | | | | | | | |
| Highways Asset Management Plan:- | 1,200 | | | | | | | | | | | | | | | | 1,200 | | 1,200 | 0 | 1,200 |
| HOUSING & ASSETS | | | | | | | | | | | | | | | | | | | | | |
| Affordable Housing | 18,821 | | | | | | | | | | | | | | | | 18,821 | | 18,821 | 0 | 18,821 |
| | 47,987 | 656 | 0 | 170 | 0 | 169 | 0 | 2,956 | 0 | 3,038 | 0 | 1,051 | 1,805 | 4,222 | 0 | 33,232 | 688 | 45,494 | 2,493 | 47,987 | |
| AREA TOTAL | | | 656 | 170 | 0 | 169 | 0 | 2,956 | 0 | 3,038 | 0 | 2,856 | 4,222 | | | 33,920 | | | | | |

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CORPORATE RESOURCES OVERVIEW AND SCRUTINY COMMITTEE

| | |
|------------------------|--|
| Date of Meeting | Thursday, 12 th November 2020 |
| Report Subject | Capital Programme 2021/22 – 2023/24 |
| Cabinet Member | Cabinet Member for Finance |
| Report Author | Chief Executive Chief Officer (Housing and Assets) Corporate Finance Manager |
| Report Type | Strategic |

EXECUTIVE SUMMARY

This report presents the proposed Capital Programme for the period 2021/22 – 2023/24.

The Council's Capital Programme covers investment in assets for the long term to enable the delivery of high quality and value for money public services. Assets include buildings (such as schools and care homes), infrastructure (such as highways, IT networks, and waste transfer stations) and assets not owned by the Council (such as works to improve and adapt private sector homes). The proposed capital investments outlined within this report are closely aligned to portfolio service business plans and the Council Plan.

The Council has limited capital resources from Welsh Government to support Council priorities, needs and liabilities. However, it has the powers to fund Capital schemes by borrowing - this is temporary and ultimately, the cost and repayment of any borrowing is charged to the Council's revenue budget. Schemes funded by borrowing are carefully considered due to the long-term impacts on the Council's revenue budget.

The report divides the Council Fund Capital Programme into three sections:-

1. Statutory / Regulatory - allocations to cover regulatory and statutory works.
2. Retained Assets - allocations to fund infrastructure works necessary to ensure service and business continuity.

3. Investment - allocations to fund works necessary to remodel services to deliver efficiencies outlined in Portfolio business plans and invest in services as outlined in the Council Plan.

Historically, much of the Council's programme has been funded from capital receipts and grants. The Council's ability to generate significant capital receipts is challenging as the assets the Council has available for disposal diminish. Wherever possible every opportunity to identify assets for sale and other sources of funding such as specific grants and revenue contributions will be explored. However, the Council will need to use prudential borrowing to finance more of the programme going forward. In particular, the 21st Century Schools Band B programme, and other schemes included within the investment programme will need to be funded through prudential borrowing.

The Capital Strategy has been updated and is presented separately on the agenda.

The information in this report refers to the Council Fund (CF) programme only, not the housing programme which is funded from the Housing Revenue Account (HRA) and which is reported separately.

RECOMMENDATIONS

| | |
|---|---|
| 1 | To consider and support the allocations and schemes in Table 3 (paragraph 1.09) for the Statutory/Regulatory and Retained Assets sections of the Council Fund Capital Programme 2021/22 - 2023/24. |
| 2 | To consider and support the schemes included in Table 4 (paragraph 1.27) for the Investment section of the Council Fund Capital Programme 2021/22 - 2023/24. |
| 3 | To note that the shortfall in funding of schemes in 2021/22 in Table 5 (paragraph 1.36) at this point in the approval process allows flexibility. Options including a combination of future capital receipts, alternative grants (if available), prudential borrowing or the re-phasing of schemes will be considered during 2021/22, and included in future Capital Programme reports. |
| 4 | To consider and support the schemes included in Table 6 (paragraph 1.40) for the specifically funded section of the Council Fund Capital Programme which will be funded in part through borrowing. |
| 5 | To consider the report and feedback any comments for Cabinet to consider before the Capital Programme 2021/22 – 2023/24 report is considered by Council. |

REPORT DETAILS

| | |
|------|--|
| 1.00 | EXPLAINING THE CAPITAL PROGRAMME 2021/22 – 2023/24 |
| 1.01 | <p>The Council's Capital Programme encompasses investing significant resources in assets for the long term to enable the delivery of high quality, value for money public services. Assets include buildings (such as schools and care homes), infrastructure (such as highways, IT networks, and waste transfer stations), and assets not owned by the Council (such as works to improve and adapt private sector homes). The proposed capital investments outlined within this report are closely aligned to portfolio service business plans and the Council Plan.</p> <p>The Council has limited capital resources from Welsh Government (WG) to support Council priorities, needs and liabilities; however, it has the powers to fund Capital schemes by borrowing, but this is temporary and ultimately the cost and repayment of any borrowing is charged to the Council's revenue budget. Schemes funded by borrowing are carefully considered due to the long term impacts on the Council's revenue budget.</p> <p>The first half of this report covers parts of the Capital Programme where the Council invests in local infrastructure, facilities and assets, which will be funded from general capital resources (General Capital Grant, Unhypothecated Supported Borrowing and Capital Receipts). Regional programmes such as the Growth Deal for North Wales which will draw on national funds, and the Housing Revenue Account (HRA) Capital Programme which is separate and includes the Welsh Housing Quality Standard (WHQS) work programme and Social Housing and Regeneration Programme (SHARP), supplement the Council funded Capital Programme.</p> <p>The second half of the report covers parts of the Capital Programme which includes specific grants as far as information is available at the time of writing, and borrowing. This includes the 21st Century Schools Programme, delivered in partnership between the Council and WG.</p> |
| 1.02 | <p>General Capital Programme 2020/21 – 2022/23 Update</p> <p>The Council's Capital Strategy divides the Capital Programme into three parts as follows.</p> <ol style="list-style-type: none"><li data-bbox="392 1581 1412 1765">1. Statutory / Regulatory section – to cover regulatory and statutory works. Examples include providing support to improve and adapt private sector homes (Disabled Facilities Grants), adaptations to schools for children with disabilities and any works required to keep buildings open by meeting Health and Safety requirements.<li data-bbox="392 1805 1412 1989">2. Retained Assets section – to ensure service and business continuity. This includes schemes that enhance and improve retained assets and infrastructure to deliver services and meets significant need identified by service plans or through condition surveys etc.<li data-bbox="392 2029 1412 2087">3. Investment section – to fund costs incurred when remodelling and investing in services. This includes new schemes arising from |

Portfolio business plans, the Council Plan, other relevant and emerging plans, and other strategies or emerging Council priorities approved through a selection process based on the provision of a business case.

1.03 Table 1 below summarises the updated Council funded Capital Programme for 2020/21 – 2022/23 as reported at Month 6 2020/21:

Table 1

| ESTIMATED FUNDING 2020/21 - 2022/23 | | | | |
|--|----------------|----------------|----------------|---------------|
| | 2020/21 | 2021/22 | 2022/23 | Total |
| | £m | £m | £m | £m |
| Funding | | | | |
| Un-hypothecated Supported Borrowing (USB) ¹ | 4.073 | 4.073 | 4.073 | 12.219 |
| General Capital Grant (GCG) ¹ | 2.492 | 2.492 | 2.492 | 7.476 |
| Additional General Capital Grant (GCG) ¹ | 1.591 | 0.000 | 0.000 | 1.591 |
| Surplus B/Fwd | 2.667 | 0.000 | 0.000 | 2.667 |
| Total Funding | 10.823 | 6.565 | 6.565 | 23.953 |
| Expenditure | | | | |
| Total Capital Programme 2020/21 - 2022/23 | 10.206 | 7.138 | 6.207 | 23.551 |
| | 10.206 | 7.138 | 6.207 | 23.551 |
| Surplus / (Shortfall) | 0.617 | (0.573) | 0.358 | 0.402 |
| 1 As per 20/21 Final Settlement | | | | |

1.04 Table 1 shows the current position of the Capital Programme 2020/21 – 2022/23 as reported at Month 6 to Cabinet and Corporate Resources Overview and Scrutiny Committee an overall surplus in funding of £0.402m, with a surplus in 2020/21 of £0.617m.

When the budget was set in January 2020, there was a shortfall in funding of schemes in 2020/21, 2021/22 and surplus in 2022/23. At that point in the approval process the position was kept flexible and this was explained in the report to Council at that time. Options included a combination of future capital receipts, alternative grants, prudential borrowing or scheme phasing over several years which would be considered during 2020/21.

1.05 The Council is currently awaiting confirmation around the award of funding from various grants ranging from £0.700m to £0.900m. Should the Council be successful in receiving these grants this would replace the core funding currently allocated in the programme and reduce the deficit.

Given the current position in setting the Capital Programme for the next 3 years 2021/22 – 2023/24, careful consideration has been given to new schemes proposed for inclusion as, should other sources of funding not materialise, the Council will need to use prudential borrowing to finance the remainder of the programme going forward.

1.06

Projected General Funding Available 2021/22 - 2023/24

Table 2 below shows the general capital funding currently projected to be available to fund the Capital Programme over the next 3 years (2021/22 - 2023/24).

Table 2

| ESTIMATED AVAILABLE FUNDING 2021/22 - 2023/24 | | | | |
|--|----------------|----------------|----------------|---------------|
| | 2021/22 | 2022/23 | 2023/24 | Total |
| | £m | £m | £m | £m |
| Funding (Excluding Specific Funding) | | | | |
| Un-hypothecated Supported Borrowing (USB) ¹ | 4.073 | 4.073 | 4.073 | 12.219 |
| General Capital Grant (GCG) ¹ | 2.492 | 2.492 | 2.492 | 7.476 |
| Total | 6.565 | 6.565 | 6.565 | 19.695 |
| 1 As per 20/21 Final Settlement | | | | |

1.07

Table 2 assumes that the Un-hypothecated Supported Borrowing allocation and the General Capital Grant received from WG in the years 2021/22 to 2023/24 remains the same as included in the information provided in the 2020/21 final Financial Settlement for Welsh local government. The 2021/22 Provisional Settlement for Welsh local government announcement has been provisionally set for the 8th December.

The table includes the additional General Capital Grant agreed by WG in the 2020/21 Financial Settlement.

1.08

The figures in Table 2 relate to the Council Fund (CF) only with the HRA Capital Programme being reported separately.

General Capital Programme 2021/22 – 2023/24

1.09

Statutory / Regulatory and Retained Asset Allocations – 2021/22 – 2023/24

Table 3 shows the proposed allocations for the period 2021/22 - 2023/24 for the Statutory / Regulatory and Retained Asset sections of the Capital Programme.

Table 3

| PROPOSED ALLOCATIONS 2021/22 - 2023/24 | | | | |
|---|----------------|----------------|----------------|---------------|
| | 2021/22 | 2022/23 | 2023/24 | Total |
| | £m | £m | £m | £m |
| Statutory / Regulatory Section | | | | |
| Equalities Act - Individual pupils | 0.300 | 0.300 | 0.300 | 0.900 |
| Disabled Facilities Grants | 1.660 | 1.660 | 1.660 | 4.980 |
| Private Sector Housing Renewal | 0.040 | 0.040 | 0.040 | 0.120 |
| School building works | 0.100 | 0.100 | 0.100 | 0.300 |
| Corporate property works | 0.300 | 0.300 | 0.300 | 0.900 |
| Upgrade of Kitchen Equipment in schools | 0.100 | 0.050 | 0.050 | 0.200 |
| Total Statutory / Regulatory | 2.500 | 2.450 | 2.450 | 7.400 |
| Retained Assets Section | | | | |
| School building works | 1.400 | 1.400 | 1.400 | 4.200 |
| Corporate property works | 0.300 | 0.300 | 0.300 | 0.900 |
| Highways asset management plan | 0.600 | 0.600 | 0.600 | 1.800 |
| Playareas | 0.200 | 0.200 | 0.200 | 0.600 |
| ICT - Equipment at Datacentres | 0.000 | 0.170 | 0.000 | 0.170 |
| ICT - Server Technology | 0.200 | 0.210 | 0.000 | 0.410 |
| ICT - Laptop / PC Replacements | 0.222 | 0.129 | 0.150 | 0.501 |
| Works to the Greenfield Valley Reservoirs | 0.038 | 0.038 | 0.000 | 0.076 |
| Bridges in Wepre Park | 0.040 | 0.000 | 0.000 | 0.040 |
| Cemetery Extension | 0.265 | 0.000 | 0.000 | 0.265 |
| Base Provision for Leisure and Libraries Estate | 0.200 | 0.200 | 0.200 | 0.600 |
| All Weather Pitches | 0.050 | 0.300 | 0.195 | 0.545 |
| Public Space CCTV Upgrades | 0.044 | 0.045 | 0.033 | 0.122 |
| 'Headroom' | 0.350 | 0.350 | 0.350 | 1.050 |
| Total Retained Assets Section | 3.909 | 3.942 | 3.428 | 11.279 |

1.10 The information in Table 3 in relation to the new and previously approved schemes is explained in more detail in paragraphs 1.11 to 1.26 below.

1.11 Equalities Act – Individual pupils

An annual allocation to adapt and modify schools for children who have disabilities to support and create increasingly inclusive school environments. These works help the Council to meet its obligations under disability legislation, and reduce the potential costs and disruption associated with transporting pupils to alternative sites.

The budget as it currently stands does not meet the demands for the physical adaptations required. It is proposed to increase the allocation by £0.050m, to £0.300m, for 2021/22 to 2023/24 to enable continued delivery of school adaptation works, to meet the needs of pupils with disabilities.

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| 1.12 | <p><u>Disabled Facilities Grants (DFG)</u></p> <p>An annual allocation to improve and adapt private sector homes comprising:</p> <ul style="list-style-type: none"> • Disabled Facilities Grants – adaptations enabling residents to continue to live independently in their own homes • Partnership working with Care and Repair to support vulnerable residents <p>No changes are proposed for 2021/22 to 2023/24.</p> |
| 1.13 | <p><u>Private Sector Housing Renewal</u></p> <p>An annual allocation for private sector housing renewal and improvement loan management and administration. This had previously been reported under the DFG section before the service were disaggregated across Portfolios.</p> <p>No changes are proposed for 2021/22 to 2023/24.</p> |
| 1.14 | <p><u>School building work</u></p> <p>An annual allocation to fund the most urgent property works required at schools split across the regulatory / statutory and retained assets sections of the Capital Programme.</p> <p>A programme of toilet upgrades in both primary and secondary schools to ensure compliance with Education (School Premises) Regulations 1999 and Department for Education and Skills document "Toilets in Schools". There is currently a backlog of such works estimated to be in the region of £1.5m which is often reflected as a Health and Safety issue in Estyn inspections of schools. £0.100m per annum.</p> <p>Works to upgrade ventilation systems at school kitchens which are failing building regulations and gas safety legislation and are at risk of closure. £0.200m per annum.</p> <p>Fire Inspection Works at schools which are the responsibility of the Local Authority and have been identified during statutory fire risk assessments. £0.200m per annum.</p> <p>No changes are proposed for 2021/22 to 2023/24.</p> |
| 1.15 | <p><u>Corporate property works</u></p> <p>An annual allocation to fund the most urgent property works required at non-school premises split across the regulatory / statutory and retained assets sections of the Capital Programme, including managing risks from legionella, fire safety, asbestos, accessibility and health and safety.</p> <p>No changes are proposed for 2021/22 to 2023/24.</p> |

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| 1.16 | <p><u>Upgrade of Kitchen Equipment in schools</u></p> <p>The equipment in many of the school kitchens is currently very old and inefficient. Investment in new equipment will produce efficiency savings and will also better ensure the health and safety of NEWydd catering staff.</p> <p>New scheme included in 2021/21 – 2023/24</p> |
| 1.17 | <p><u>Highways Asset Management Plan (HAMP)</u></p> <p>An annual allocation of £0.600m to fund the HAMP which includes resurfacing of the classified Highway Network, replacement programme for street lighting columns and structural maintenance.</p> <p>Whilst the Council has a statutory duty to maintain the Highways Network in a safe condition for travel, how the Council does this is not defined. WG set targets for road condition indices, and at present Flintshire is performing better than the target set as a result of significant additional investment from WG in recent years (£0.959m in 2018/19, £0.954m in 2019/20 and £0.950m in 2020/21).</p> <p>See paragraph 1.54 for more detail in regard to the position on the potential development of the HAMP, but no changes are proposed for 2021/22 to 2023/24 at this stage.</p> |
| 1.18 | <p><u>Play areas</u></p> <p>An annual allocation of £0.200m to fund the most urgent requirements to replace play equipment that has reached the end of its useful life at play areas, as well as upgrades to play areas. This will be delivered by Aura as the Council's management partner.</p> <p>No changes are proposed for 2021/22 to 2023/24.</p> |
| 1.19 | <p><u>IT Infrastructure</u></p> <p>Various schemes required to maintain service and business continuity;</p> <ul style="list-style-type: none"> • ICT Equipment at Datacentres - Replacement of equipment including High Volume Air Conditioning units, batteries that ensure the power supply to data centres is not interrupted, back up tape technologies, equipment that monitors the conditions in the datacentres and alerts if there are issues and networking equipment to the datacentres. Additions have been made to replace equipment in 2022/23 that has reached the end of its useable life. <p>No changes are proposed for 2021/22 – 2023/24.</p> <ul style="list-style-type: none"> • ICT Server Technologies (including Citrix and Business Systems) - £0.410m proposed in the programme for the provision of replacement server technologies to ensure adequate resources to provide the capacity required for the delivery of existing IT Business systems and |

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| | <p>services used across the whole of the Council. Funding is required over two years, 2021/22 (£0.200m) and 2022/23 (£0.210m).</p> <p>The operating lives of server technology was extended from 3 to 5 years to maximise the length from investments. Reliable IT server hardware is key to enabling IT infrastructure that supports the delivery of IT business systems that can cope with the demands of an organisation highly reliant on IT systems to deliver effective and efficient services.</p> <ul style="list-style-type: none"> • ICT - Laptop / PC Replacements - The project will deliver a programme of device replacement based on the “just in time” principle of replacement to ensure the Council maximises the useable life of its laptop estate. It will ensure that the devices used by members of staff are fit for purpose and can deliver the required level of service, and can support the latest operating systems and security software. <p>The absence of a replacement budget for replacement devices will result in devices that perform poorly and will not be able to accommodate the operating system and security software require to ensure the required level of performance. The inability to operate up to date security software poses a significant cyber security risk.</p> <p>Capital funding is required over a five year programme, with the majority of spend in 2021/22 and 2022/23.</p> |
| 1.20 | <p><u>Works to the Greenfield Valley Reservoirs</u></p> <p>The Reservoirs Act 1975 allocates responsibility for reservoir safety and maintenance to Flintshire County Council as ‘undertaker’ to the series reservoirs located within Greenfield Valley Park.</p> <p>In recent years the annual inspections have identified works required across all six of the reservoirs within the park. There is increased public safety risk from failure to manage impounding raised reservoirs of water. The condition of the reservoirs infrastructure is likely to deteriorate further and the associated costs to remedy increase.</p> <p>Unlike Flood Alleviation schemes, Welsh Government Flood Defence Grant in Aid (FDGiA) is not available to fund works on reservoirs as this is considered to be a duty on the Council as a statutory ‘undertaker’.</p> <p>No changes are proposed for 2021/22 to 2022/23.</p> |
| 1.21 | <p><u>Bridges in Wepre Park</u></p> <p>The three main bridges over Wepre Brook at Wepre Country Park are in a very poor condition. They were installed in the 1980’s when Wepre Country Park was created, and they have now exceeded their life expectancy. Despite regular maintenance, the bridges are now no longer economical to repair and are a safety risk.</p> <p>This funding will replace the two worst bridges as they exhibit significant structural problems. The timber supports of the bridges have deteriorated,</p> |

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| | <p>making the bridges unstable. The Ranger Team have undertaken temporary repairs, however, a long-term sustainable solution is required to make these bridges safe. The third bridge is a different construction and the supports are in a satisfactory condition, however the wooden treads are of poor quality and need replacing. The Countryside staff will work with volunteers to install the new bridge tread boards.</p> <p>No changes are proposed for 2021/22</p> |
| 1.22 | <p><u>Cemetery Extensions</u></p> <p>A number of Council owned cemeteries will approach capacity in the next ten years. A programme of cemetery extensions is required to extend / create new cemeteries to ensure residents can be buried in their locality.</p> <p>Local Churchyard provision throughout the county is also extremely limited, again meaning that residents may not be able to be buried in their locality. Once the Churchyards reach their existing maximum capacity there will be an increased demand for burials within Flintshire Cemeteries impacting on remaining capacity levels.</p> <p>No changes are proposed for 2021/22.</p> |
| 1.23 | <p><u>Base Provision for Leisure and Libraries Estate</u></p> <p>An annual allocation to fund the most urgent property works required across the Leisure and Libraries estate. The Council recognises its landlord responsibilities, it has retained ownership of all buildings from which Aura, its strategic Leisure and Libraries partner, delivers its business plan and operates these facilities in accordance with the service contract.</p> <p>No changes are proposed for 2021/22 to 2023/24.</p> |
| 1.24 | <p><u>All Weather Pitches</u></p> <p>Replace the playing surface of all weather sport pitches which are in poor condition and have reached the end of their useful lives.</p> <p>A forward work plan has been put together of pitches the Council are responsible for maintaining, to ensure that their life cycle costs are captured and to put a replacement programme into place.</p> <p>The multi-use games area at Holywell Leisure Centre will require resurfacing in 2021/22. Pitches at Holywell High School and Deeside Leisure Centre will require resurfacing in 2022/23 and 2023/24 respectively, based on the outcome of condition surveys that will be completed.</p> |
| 1.25 | <p><u>Public Space CCTV Upgrades</u></p> <p>The upgrade of the public space CCTV cameras and associated control equipment has come through necessity, due to its age and a strong desire to reduce the increasing annual operational costs. Most of the existing</p> |

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| | <p>analogue cameras have been declared obsolete “end of life”, meaning they are no longer supported by manufacturer(s) which makes it increasingly difficult to carry out repairs as faults arise. The provision of a public space CCTV scheme forms part of the Councils commitment to the Community Safety Partnership initiative.</p> <p>This project will provide the opportunity to upgrade the existing CCTV cameras to state of the art and “future proofed” technologies.</p> <p>Investment in the upgrade of an outdated CCTV system, the infrastructure and camera stock will reduce annual operational costs through projected savings on annual transmission costs and maintenance charges.</p> |
| 1.26 | <p><u>Funding ‘Headroom’</u></p> <p>‘Headroom’ has been built in to the Capital Programme to enable the programme to be more flexible so that funding can be allocated to small schemes as they present in year either as a result of opportunities or unforeseen circumstances (£0.350m per annum). An example would be the need to complete further highways works as a result of an exceptionally severe winter over and above any planned works funded from the annual allocation.</p> <p>No changes are proposed for 2021/22 to 2023/24.</p> |
| 1.27 | <p>Investment Section of the Capital Programme 2021/22 – 2023/24</p> <p>Table 4 below shows the proposed schemes for the period 2021/22 - 2023/24 for the Investment section of the Capital Programme. Details are provided in paragraphs 1.28 to 1.35.</p> |

Table 4

| PROPOSED INVESTMENT SCHEMES 2021/22 - 2023/24 | | | | |
|--|----------------|----------------|----------------|--------------|
| | 2021/22 | 2022/23 | 2023/24 | Total |
| | £m | £m | £m | £m |
| Investment Section | | | | |
| <u>Previously Approved</u> | | | | |
| Castell Alun High School - Hope | 0.207 | 0.000 | 0.000 | 0.207 |
| Marleyfield Residential Home - Buckley | 0.656 | 0.000 | 0.000 | 0.656 |
| Historic Building Conservation | 0.050 | 0.050 | 0.000 | 0.100 |
| Foster carers home adaptations | 0.060 | 0.060 | 0.000 | 0.120 |
| Joint Archive Facility, FCC and DCC | 0.245 | 1.419 | 1.364 | 3.028 |
| | 1.218 | 1.529 | 1.364 | 4.111 |
| <u>New Schemes for Approval</u> | | | | |
| Theatr Clwyd Redevelopment | 0.100 | 0.000 | 0.000 | 0.100 |
| Improvements to Standard Yard Waste Transfer Station | 0.700 | 0.000 | 0.000 | 0.700 |
| Greenfield Waste Management Infrastructure | 0.450 | 0.000 | 0.000 | 0.450 |
| | 1.250 | 0.000 | 0.000 | 1.250 |
| Total Investment Section | 2.468 | 1.529 | 1.364 | 5.361 |

1.28

Castell Alun High School - Hope

This scheme brings the school building up to current standards providing facilities that are fit for purpose and suitable for delivering the future curriculum. The school is being extended with the provision of a new three storey Art and Design Technology block and remodelled in other areas. This will remove the need for mobile classrooms currently on site which are nearing the end of their economic working life (and will need replacing at significant cost), help increase capacity to meet current and future demand and create specialist teaching accommodation.

The Council have entered into a contract for the construction phase of the capital improvement project at the school. Cost certainty for the project has been achieved and full planning permission has been granted. Works started on the school site in October 2020.

There is a shortfall in funding of £0.600m to complete all required aspects of the scheme. To protect the integrity of the new build extension, and also deal with urgent infrastructure issues, the following elements have been removed from the project to bring it within the budget available:

- All Terrain Pitch works
- Existing toilet refurbishment
- Music Classroom Refurbishment

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| | <p>These items will remain as options in the contract, should additional funding become available during the contract period.</p> <p>The costs and benefits of the scheme are:</p> <p>Direct Costs:</p> <ul style="list-style-type: none"> • Capital investment of £7.646m required with £4.807m core Council funding, £0.989m Section 106 developer contributions and £1.850m WG grant. <p>Direct Benefits:</p> <ul style="list-style-type: none"> • Addresses a sustained shortfall in the number of pupil places over a number of years. The school is the most oversubscribed secondary school in the County. • Enables the removal of mobile classrooms. The shortfall in pupil places is partly being met by the provision of mobile classrooms. • Addresses shortfalls in size, provision, location and standards of unsuitable specialist and general teaching accommodation, and address deficiencies identified by the school's suitability survey. • Modernisation of specialist provision to support a suitable school environment for national curriculum delivery. <p>Indirect Benefits:</p> <ul style="list-style-type: none"> • Reduction in backlog maintenance costs. • Reduction in fixed costs associated with buildings and mobile classrooms and leadership focuses investment on learners. • Address non-compliance issues with the Equalities Act. |
| 1.29 | <p><u>Extension to Residential Care Home, Marleyfield – Buckley</u></p> <p>Following a comprehensive review of the residential care market in Flintshire, the Council approved a capital scheme to extend Marleyfield House in Buckley by an additional 32 beds to bring total provision up to 64 beds. The new facility is being developed through the joint Integrated Care Fund (ICF) budget arrangement with Betsi Cadwaladr University Health Board (BCUHB) to provide additional services, beds and multidisciplinary support in a community setting. This provides permanent residential beds, as well as beds which prevent hospital admissions, expedites hospital discharges and allows appropriate assessment to reduce care packages to support people in the long term.</p> <p>The Council is working with WG as the scheme is partly funded by ICF grant, which has gained formal approval. Along with the ICF grant, the Council has been granted additional funding for the scheme from the Innovation Housing Programme (IHP).</p> <p>The Council entered into a contract in March 2020. Following a period of preparation work on site, works commenced in April 2020. The construction has been delivered at pace and there have been no delays as a result of the pandemic. The construction work is on schedule for completion in May 2021, with a view to welcoming residents in June 2021.</p> |

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| | <p>The costs and benefits of the scheme are:</p> <p>Direct Costs:</p> <ul style="list-style-type: none"> • Capital investment of £8.62m required with £2.382m core Council funding, and the remainder funded by WG grant. • There is a revenue pressure being developed associated with this project which will result in the year the facility becomes operational, currently estimated at £0.529m per year. This pressure would have occurred in any case as demand grows and residential beds from the private sector would need to be funded. <p>Direct Benefits:</p> <ul style="list-style-type: none"> • Additional provision of residential care beds and through release of beds in other locations across Flintshire currently using step-up/step-down beds. • Additional provision of short term beds in a community setting to allow for more appropriate assessment of need for individual and as a viable alternative to a hospital admission/delayed discharge. • Purpose built accommodation and bespoke service provision to maximise independence and support reablement. <p>Indirect Benefits:</p> <ul style="list-style-type: none"> • Integrated provision of multi-professional support needed to reduce organisational boundaries and improve outcomes for individuals. • Discharge to Assess ethos/environment to support improved longer term planning within an enabling environment. • Free up bed space within independent sector care homes, where existing fragilities and lack of capacity are a significant factor and ongoing risk. • At a population level, the equivalent number of beds are available within the care sector to promote choice when long term care is the most appropriate option. • Reduction in risks associated with long term hospital stay. • Potential avoidance of people entering into long term care where this may be unnecessary. |
| 1.30 | <p><u>Historic Building Conservation</u></p> <p>This allocation grants funding to the owners of historical buildings on a match funding basis to preserve buildings in need of capital works across the County for future generations.</p> <p>Direct Cost:</p> <ul style="list-style-type: none"> • £0.050m per annum is utilised from the Council's capital programme budget. <p>Direct Benefits:</p> <ul style="list-style-type: none"> • Encourages listed building owners to seek advice and guidance in relation to the repair of their listed buildings. • Provides a simple incentive for the owners to seek advice on the right process for repair as well as providing the means to prompt them to invest in essential repairs to their buildings, hence improving and enhancing the long term conservation status of the buildings. |

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| | <ul style="list-style-type: none"> • Supports the policy intentions within the Local Built Heritage Strategy and allow the team to work more on a proactive basis, rather than, as is more the case at present, a reactive service. • Potential to attract funding from other sources (e.g. Cadw) which would further enhance the remit of the service and the ability to reach as many listed buildings as possible that are in need of repair. It would also facilitate the opportunity to carry out repairs at an earlier stage, which may be less of an impact on the original fabric of the listed building, thereby reducing scope for more complex and costly repairs if left to a later stage of deterioration. • Provides the opportunity for the service to step in in exceptional circumstances to secure the structure of a building to prevent imminent damage or collapse, and place a charge on the building that is recoverable on resale. • There has been no funding available in the Built Conservation Budget for 10 years or more, and the number of listed buildings at risk on the Council's register is as high as ever. The funding will help reduce the number of buildings on the risk register. <p>Indirect Benefits:</p> <ul style="list-style-type: none"> • Lessens the need to take negative enforcement action where unauthorised works are found, or neglect of a building has taken place. This allows a more proactive dialogue to take place between the Council and owners. • Reduction in officer time spent on enforcement matters relating to historic buildings. <p>No changes are proposed for 2021/22 to 2022/23.</p> |
| 1.31 | <p><u>Adaptations to Foster Carers' Homes</u></p> <p>This will enable foster carers to carry out adaptations or improvements to their homes to provide a suitable environment to support a child. This will help the increase placements across the County and reduce the annual burden on the Out of County revenue budget.</p> <p>Payments made to foster carers will subject to 'clawback' should they cease being a foster carer within a set period of time.</p> <p>Direct Costs:</p> <ul style="list-style-type: none"> • £0.060m per annum is utilised from the Council's capital programme budget. Capital funding will be used for individual projects costing over £0.020m. Funding for projects below £0.020m will be sought from other funding streams including the Integrated Care Fund (ICF), and other grant opportunities. Funding for projects under £0.020m would be the responsibility of Social Services. • No direct revenue or human resource implications for the approved revenue budget/workforce structures or roles for this service for the current financial year. Any grant applied for will have its own business case considering the individual circumstance and context and may have an impact on future revenue budgets. |

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| | <p>Direct Benefits:</p> <ul style="list-style-type: none"> • Increase the range and choice of available placements for children who require a home outside of their birth family, locally. • Enable skilled and able foster carers to extend the number of places they are able to offer, or to maintain existing placements as circumstances or needs change. • Seek best value for money from the range of placements available by using them in the most efficient and effective way. • Any placements made are first and foremost in the best interests of the children. • Secure stability or permanence for a children. <p>Indirect Benefits:</p> <ul style="list-style-type: none"> • Enables the Council to seek better value for money in comparison to alternative Out of County or high cost placement options. • Offers the Councils more cost effective options for placements for children in its care as well as having a robust and transparent process for doing so. <p>No changes are proposed for 2021/22 to 2022/23.</p> |
| 1.32 | <p><u>Joint Archive Facility, Flintshire and Denbighshire Councils</u></p> <p>This scheme recognises and responds to the need and demand of the two Councils' archive services. Both services occupy old buildings, unfit for purpose. They lack suitable public spaces and appropriate storage, are too full to accept new collections and are listed buildings lacking scope for adaptation, requiring expensive maintenance. The proposal is to construct a new building adjacent to Theatr Clwyd, Mold, to house both the physical archives and the new service operations.</p> <p>Due to the COVID-19 pandemic, the application submission date for Round 1 has been pushed back from November 2020 to February 2021. Feedback on whether the submission has been successful or not, will not be until June 2021. If successful, below are indicative key milestones for the project:</p> <ul style="list-style-type: none"> • July 2021 to December 2022 – Development Phase of project. • January 2023 – Application submission date for Round 2. • March 2023 – Round 2 sign off by National Lottery Heritage Fund. • April 2023 to January 2025 – Delivery Phase of Construction Project. • January 2025 – New building to be opened. <p>Direct Costs:</p> <ul style="list-style-type: none"> • Estimated cost of delivering this project is £16.651m, with £11.588m from the National Lottery Heritage Fund (NLHF) (70%), £3.028m from Flintshire County Council (18%) and £2.035m from Denbighshire County Council (12%). • It has been assumed that borrowing will be required to fund this project. The estimated revenue costs associated with borrowing £3.028m over 50 years (@ 3.5%) totals £8.327m. In year 1 revenue debt costs are estimated to be £0.142m, rising to £0.200m in year 50, with an average of £0.167m over 50 years. |

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| | <p>Direct Benefits:</p> <ul style="list-style-type: none"> • Sustainable and improved archive service for Denbighshire and Flintshire via the creation of a single shared service. • The construction of a new purpose built Passivhaus building adjacent to Theatr Clwyd, Mold, to house both the physical archives and the new service operations. Provide a sustainable archive repository for the region for the foreseeable future from the perspective of storage space and building maintenance and management. • An associated 3-year activity plan which will deliver a revolutionary and radical archive offer to the public. • The overall revenue impact is an estimated saving of £11,647 per annum once the new building is open (2025/26) with a potential further revenue saving once the joint service is running. <p>Indirect Benefits:</p> <ul style="list-style-type: none"> • Share knowledge and skills between the workforce of both Councils • Sphere of health, education and wellbeing (connectivity, involvement, identity) can be achieved. • The transferrable skills of our volunteers will develop will contribute to increasing their employability. • Deliver the long-term development of a resilient, relevant service: inspiring communities in North East Wales and enacting the Wellbeing of Future Generations Act; securing historic collections, diversifying audiences, volunteers and depositors. • Cost avoidance of £10,000 per annum additional revenue storage costs, and in excess of £0.718m to address the need for environmental management equipment, compliant storage areas and upgrading public facilities and access. |
| 1.33 | <p><u>Theatr Clwyd Redevelopment</u></p> <p>The Theatr Clwyd building is nearing the end of its life and needs updating to ensure it is safe for public and employment use. The scope of the project has been reduced in line with agreed key business plan objectives, with estimated construction costs of £33m excluding fees and contingencies.</p> <p>In September 2020, the Council received confirmation of award of funding for the project of £3m. This funding will support the completion of the design phase of the scheme in readiness for the project to reach 'shovel ready' status. With award of this funding, the Council are required to make a contribution towards the costs of £0.100m. The Council are awaiting final confirmation from WG in relation to the total grant funding to be awarded for the scheme for the construction work, with discussions remaining positive.</p> <p>Following the completion of the design development stage and clarity on funding, all partners will need to make a decision on next steps. There may be a need to consider low and sustainable levels of long term borrowing to ensure the scheme is delivered, but options will need to be outlined for revenue when WG confirm their level of support.</p> |

The planned construction start date for the project is April 2022.

Current financial commitments from Council will be carried forward. Should the project not go ahead then the Council's share of the design development costs cannot be capitalised and would be a charge to the Council's revenue account.

Direct Costs:

- Capital investment of £33m+ required with funding commitments shared between the Council, Arts Council of Wales and WG as detailed above.

Direct Benefits:

- Development to improve and increase the biggest and a highly regarded Welsh theatre.
- A better facility for Flintshire communities, a base for increased community engagement, and multi-use spaces to be used for community needs.
- Improved facilities to increase secondary revenue generation restaurant, bars, event spaces, etc.
- Reduced revenue and capital maintenance costs.

Indirect Benefits:

- A base for young people to gather, learn and develop (currently 30,000 young people per year engaged with).
- Specific spaces for Health and Wellbeing user groups.
- More facilities for work placed training in building (woodwork, carpentry) and other transferable theatre making crafts as well as hospitality, marketing, IT, arts management.
- Increase local footfall and marketing of Flintshire across the UK (In 2016 over 200,000 people visited work at Theatr Clwyd and another 220,000 people saw a Theatr Clwyd production elsewhere in the UK).
- Improvement of working conditions for employees and protection, and growth, of work for local people (In 2016 nearly 200 local people were directly employed by TC, not including impact of trade with other local suppliers).
- Development of economic contribution (currently 46% of Theatr Clwyd's audiences visit Flintshire from elsewhere in the UK).

The Council will retain ownership of the theatre and is responsible for all of its infrastructure, external envelope and grounds. These assets are specialised and expensive to replace, which is one of the reasons why such major investment is required. However, on the lead up to the major refurbishment scheme and post refurbishment, there will be a need to fund landlord retained service and equipment proportionally, and in line with agreed responsibilities that may be set out in any future management agreement. This is no different than those that exist for the libraries and leisure centres.

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| 1.34 | <p><u>Improvements to Standard Yard Waste Transfer Station</u></p> <p>Infrastructure improvements, renewal and upgrade of large plant, equipment and welfare facilities at Standard Yard Waste Transfer Station (WTS) in Buckley to accommodate growth in recycling rates and an increase in resilience and processing capacity for future waste streams.</p> <p>Approval for capital funding of £1.230m was given in the 2020/21 – 2022/23 Capital Programme, however, this was subject to receipt of WG 'Invest to Save' funding which is, unfortunately, no longer available due to COVID-19.</p> <p>Given that replacing Standard is a critical element of the Streetscene Service, it was necessary for the service to submit a bid for a second element of funding of £0.700m.</p> <p>The total cost of the scheme is estimated to be £3.2m. The remaining funds are being applied for from WG grants.</p> <p>Direct Benefits:</p> <ul style="list-style-type: none"> • Proposals are part of the Council’s Plan under the theme ‘Green Council’ for sustainable development and environmental management, which has a sub-priority of affordable and sustainable collection and treatment services for recyclable, compostable and residual waste. The scheme will increase the rates and quality of recyclable and compostable waste whilst reducing residual waste. • The proposed improvements would ensure that the site, plant and equipment are more efficient and cost effective to operate, and it would enable the service to increase its resilience and capacity for processing more recyclable materials on site, which in turn would ensure that the recovery and rates of recyclable, re-usable and compostable waste are maximised, and reduce landfilled waste. • Renewal and upgrade of plant and equipment to increase productivity and reduce downtime. • Improved welfare facilities for operatives – increased job satisfaction, value of employees, which contributes to their well-being. • Separate access for hauliers from the processing operations, to reduce downtime when haulage companies collect baled materials and increase productivity for processing operators. • Reduced revenue costs for repairs and maintenance at Standard Yard WTS, increased capacity and resilience resulting in increased productivity and reduced downtime plus increased rates and quality of recyclable and compostable waste whilst reducing residual waste, thereby reducing costs. • It is proposed that an Educational Visitor Centre would be incorporated into the design of the new site, which would enable schools and other groups to conduct educational visits to the site to learn about recycling and waste management. |
| 1.35 | <p><u>Greenfield Waste Management Infrastructure</u></p> <p>The site requires modifications and improved safety works to the entrance, a new weighbridge and welfare facilities. The service will also be re-housing</p> |

and refurbishing the balers from Standard Yard WTS, to provide service resilience.

Direct Costs:

- Capital investment of £0.450m in 2021/22.

Direct Benefits:

- Improved welfare facilities arrangements for staff – The existing arrangements have been condemned and are un-usable. Improved welfare facilities for the workforce on site, would lead to increased job satisfaction, reduced sickness absence levels and staff retentions.
- Replacement weighbridge and software system – The existing system is unreliable and creates increased workloads for staff, and income levels from third parties are at risk.
- Improvements to the current exit from the Household Recycling Centre (HRC) site – To provide separation from large waste vehicles accessing the site. This will improve the safety for both the HRC users and staff entering the new facility.

The expected spend period for the work is July to September 2021.

1.36

Summary (Generally funded) Capital Programme 2021/22 – 2023/24

Table 5 below summarises the generally funded Capital Programme and available funding.

Table 5

| SUMMARY (GENERALLY FUNDED) CAPITAL PROGRAMME 2021/22 - 2023/24 | | | | |
|---|----------------|----------------|----------------|----------------|
| | 2021/22 | 2022/23 | 2023/24 | Total |
| | £m | £m | £m | £m |
| Statutory / Regulatory Section | 2.500 | 2.450 | 2.450 | 7.400 |
| Retained Assets Section | 3.909 | 3.942 | 3.428 | 11.279 |
| Investment Section | 2.468 | 1.529 | 1.364 | 5.361 |
| Total (All Sections) | 8.877 | 7.921 | 7.242 | 24.040 |
| Estimated available general funding ¹ | 6.565 | 6.565 | 6.565 | 19.695 |
| Total | 6.565 | 6.565 | 6.565 | 19.695 |
| Surplus / (Shortfall) - no borrowing | (2.312) | (1.356) | (0.677) | (4.345) |
| Schemes requiring funding by borrowing: | | | | |
| Joint Archive Facility, FCC and DCC | 0.245 | 1.419 | 1.364 | 3.028 |
| Total | 0.245 | 1.419 | 1.364 | 3.028 |
| Surplus / (Shortfall) - with borrowing | (2.067) | 0.063 | 0.687 | (1.317) |

¹ As per 20/21 Final Settlement

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| 1.37 | <p>Table 5 shows that after prudential borrowing is considered there is an overall shortfall in projected funding of £1.317m over the 3 year period, with an estimated shortfall of £2.067m in 2021/22.</p> <p>The Council has developed a prudent policy of allocating its own capital receipts to fund capital projects only when receipts are actually received rather than when it is anticipated the receipt will be received, and this position continues to be the case.</p> <p>In recent years, much of the Council's programme has been funded from capital receipts. However, the Council's ability to generate significant capital receipts is getting harder and is almost exhausted. Although the Council will, wherever possible, seek to identify assets for sale (as appropriate) to fund the Capital Programme.</p> <p>The current projection for capital receipts is expected to cover the shortfall of the three year programme. There is risk relating to these due to their size and complexity. The timing of these receipts are also subject to market forces outside of the Council's control. In line with current policy no allowance can be made for these receipts in funding the deficit above.</p> <p>Options to fund the shortfall include a combination of future capital receipts, alternative grants, and scheme phasing as the expenditure profile of large complex projects such as those included in the investment section of the programme could change. Every effort will be made to ensure that other sources of funding are utilised to fund the programme.</p> <p>Ultimately should other sources of funding not materialise the Council will need to use prudential borrowing to finance the shortfall. This could be short term during 2021/22 as there is a potential surplus in 2022/23 of £0.063m and 2023/24 of £0.687m, or, if necessary, long term to fund the overall shortfall.</p> |
| 1.38 | <p>Specific Grants and Borrowing</p> <p>21st Century Schools Band B</p> <p>WG has approved the Council's in principle submission for 21st Century Schools Band B. The programme is to be funded from specific grant from WG at an agreed intervention rate, with the Council's contribution to be funded by prudential borrowing. The WG intervention rate for funding the 21st Century Band B programme has increased from 50% to 65% for schools, 75% for Pupil Referral Units (PRUs) and 81% for Mutual Investment Models (MIM).</p> <p>At this present time, the current revised financial forecast for the Band B programme is projecting a total cost of £103m against the approved funding envelope from WG of £85m. Initial discussions have taken place with WG and the national picture is that other Councils are in the same position. WG's position is that they cannot commit to individual requests for funding currently, but wish to remain flexible with Councils as they work through their programmes.</p> |

Each of the projects is subject to individual approval to ensure that each meets the Council's continuing priorities and is affordable in the context of the Council's MTFS.

During 2018/19 and 2019/20 Cabinet approved three 21st Century Band B schemes for inclusion within the Capital Programme, those being at Connah's Quay High School, Queensferry CP/Plas Derwen PRU, and Ysgol Croes Atti, Shotton.

In recent months the Council have been reviewing the next batch of individual projects and/or area reviews for inclusion in the Band B tranche of funding. These include Ysgol Croes Atti, Flint, Saltney / Broughton Area and Mynydd Isa Area (MIM project).

Council have approved consultation to take place in these areas, however this has been delayed due to the COVID-19 pandemic.

The respective estimated costs of these schemes are outlined in the table below:

| Band B | Total Cost | WG funded | Council funded |
|----------------------------------|------------|-----------|----------------|
| | £m | £m | £m |
| Connah's Quay HS | 4.300 | 2.795 | 1.505 |
| Queensferry CP / Plas Derwen PRU | 8.000 | 5.700 | 2.300 |
| Ysgol Croes Atti, Shotton | 0.750 | 0.488 | 0.262 |
| Ysgol Croes Atti, Flint | 5.5 | 3.575 | 1.925 |
| Saltney / Broughton Area | 25 | 16.250 | 8.750 |
| Mynydd Isa Area* | 2.462 | 1.503 | 0.959 |
| Total | 46.012 | 30.311 | 15.701 |

* ICT & Fixtures, Fittings & Equipment funded through traditional capital.

WG have confirmed that proposed 3-16 campus project at Mynydd Isa is a national Pathfinder project. This provides the benefit of a WG funded technical team to support Officers with Flintshire through the MIM process. Councils who have nominated MIM within their strategic programme projects have recently signed the Strategic Partnering Agreements. The WEPco (Welsh Education Partnership Company), which is the vehicle being used by WG to deliver MIM projects will be available to LA's and FEI's on the 1st October 2020.

MIM enables WG to deliver infrastructure projects beyond that set by present UK Government borrowing limits. If WG do not use MIM, £500 million pounds of investment in the education estate will not be available to Councils within Wales and this would have implications on the Council's proposed programme locally.

A private sector contractor is appointed via a new WG framework and the contractor finances, constructs and provides a 25 year life-cycled building product. Responsibility for funding and constructing the building, and then repairing and maintaining the building for 25 years once built, remains with

the contractor. This results in buildings funded by MIM being maintained at a consistently high level for 25 years.

The Council pays an annual charge which is funded from revenue, similar to a rental payment, called the 'service payment'. Through this programme Councils will receive intervention rate funding at 81% from WG for a period of 25 years, thereafter the building is handed over to the Council. The funding from WG will be received in the form of a specific grant.

The capital works in MIM are managed and funded by the contractor so the Council won't borrow to fund the capital works and the associated risks are transferred to the contractor. Revenue payments will not start until the facilities have been built and become available for use, and will be paid for via a monthly revenue charge over a period of 25-years (the Service Payment).

The required accounting is that the asset remains on the LA balance sheet matched with the total liability to pay the unitary charge over 25 years. Revenue pressures relating to this scheme will need to be considered at the time of approval.

The Connah's Quay High School scheme has been completed. Queensferry CP/Plas Derwen PRU will commence in November 2020, with an anticipated completion date in 2022/23. Croes Atti, Shotton will commence in 2020/21 and is anticipated to be completed in 2021/22.

The benefits and costs of the school improvement programme scheme are:

Direct Benefits:

- Enabling 65%-81% external investment in schools.
- Continuing to raise educational standards.
- Reduction in backlog maintenance costs.
- Reduction in fixed costs associated with buildings and leadership focuses investment on learners.
- Reduction in split site arrangements in provision of PRU to improve efficiency, and reduce risk by increasing options to improve pupil outcomes.
- For Ysgol Croes Atti, Flint, Flintshire's first new build Welsh Medium primary school and is strategically linked to the Council's Welsh Education Strategic Plan (WESP).
- For Ysgol Croes Atti, Shotton, this supports the Council's WESP and enables continued support and potential growth for Welsh Medium provision.

Direct Costs:

- Part of bigger development programme in Band B, £85.4m.
- Estimated revenue borrowing costs associated (interest and minimum revenue provision) with each scheme are as follows:

| Band B | Year 1 | Year 50 | Average over 50 years |
|----------------------------------|--------------|--------------|-----------------------|
| | £m | £m | £m |
| Connah's Quay HS | 0.063 | 0.092 | 0.075 |
| Queensferry CP / Plas Derwen PRU | 0.096 | 0.141 | 0.115 |
| Ysgol Croes Atti, Shotton | 0.011 | 0.016 | 0.013 |
| Ysgol Croes Atti, Flint | 0.093 | 0.130 | 0.109 |
| Saltney / Broughton Area | 0.423 | 0.592 | 0.494 |
| Mynydd Isa Area | 0.046 | 0.065 | 0.054 |
| Total | 0.732 | 1.036 | 0.860 |

Indirect Benefits:

- Improving learner outcomes by ensuring that school buildings are effective in creating the conditions for learners to succeed.
- Alignment with the Council's School Modernisation Strategy to ensure schools are fit for purpose.
- A more secure school estate.
- A school estate with reduced vandalism.
- Upgrading ICT provision and enabling new methods of curriculum delivery.
- Provision of appropriate capacity of school network.

1.39

Mockingbird Family Model

The aim of the project is to transform the Fostering Service to meet the placement needs of looked after children and avoid the escalating costs of external care provision.

The Mockingbird Family Model (MFM) replicates an extended family and groups foster carers of 6-10 fostering households supported by a central foster carer (Hub Home Carer).

The number of looked after children has been increasing year on year with greater demand for suitable placements for our children and young people. Overall demand is not being met from in-house provision and reliance is being placed on the use of independent fostering agencies and residential placements which are costly.

Children and young people who are provided consistent and stable placements have better outcomes than those who move from placement to placement. Each change of placement, often further away from a child's home, brings a greater sense of detachment and loss and it is common for children's emotional investment in subsequent placements to reduce, perpetuating the cycle of placement breakdown and disconnection. The MFM creates an 'extended family' around our children and young people, promoting their sense of belonging.

A detailed business plan has been submitted to WG for an 'Innovate to Save' interest free loan. The intention is to set up the new service

gradually over 3 years funded from the interest free loan totalling £1.150m. The loan will be repaid from savings made in years 4 to 7 which are estimated to be £0.530 per annum, which after repaying the loan will be reduced to £0.243m. The project costs are revenue costs, and therefore ordinarily cannot be funded by loans or borrowing. The Welsh Government's 'Innovate to Save' programme requires the revenue costs to be treated as capital, and the only way to achieve this is to gain a Capitalisation Direction from WG Ministers as each year of the project passes. An indication will be given by WG officials if the Capitalisation Direction will be granted when the business plan is approved.

1.40 Details of schemes specifically funded by specific grant and borrowing is shown in Table 6 below:

Table 6

| SPECIFICALLY FUNDED SCHEMES 2021/22 - 2023/24 | | | | |
|--|----------------|----------------|----------------|---------------|
| | 2021/22 | 2022/23 | 2023/24 | Total |
| | £m | £m | £m | £m |
| Specifically Funded Schemes | | | | |
| 21st Century Schools - Band B | 3.525 | 6.489 | 24.975 | 34.989 |
| Mockingbird Family Model | 0.304 | 0.384 | 0.000 | 0.688 |
| Total Schemes | 3.829 | 6.873 | 24.975 | 35.677 |
| Funding | | | | |
| Specific Capital Grants | 2.163 | 4.219 | 16.234 | 22.616 |
| Unsupported (Prudential) Borrowing | 1.362 | 2.271 | 8.741 | 12.374 |
| Innovate to Save Loan | 0.304 | 0.384 | 0.000 | 0.688 |
| Total Schemes | 3.829 | 6.873 | 24.975 | 35.677 |

1.41 At the time of setting the budget the details of many capital grants have not been released by WG and so are not included in Table 6 above. As details become available they will be reported to Members via the quarterly 2021/22 Capital Programme monitoring reports.

1.42 All of the schemes proposed for inclusion within the Capital Programme invest in assets and / or reconfigure models of service provision. They are pivotal to support the delivery of the Council's strategic priorities outlined in portfolio business plans and the Council Plan.

1.43 **Summary Total Council Fund Capital Programme 2021/22 - 2023/24**
Table 7 summarises the total proposals for the 2021/22 - 2023/24 Capital Programme.

Table 7

| SUMMARY CAPITAL PROGRAMME 2021/22 - 2023/24 | | | | |
|--|----------------|---------------|---------------|----------------|
| | 2021/22 | 2022/23 | 2023/24 | Total |
| | £m | £m | £m | £m |
| Expenditure | | | | |
| Statutory / Regulatory Section | 2.500 | 2.450 | 2.450 | 7.400 |
| Retained Assets Section | 3.909 | 3.942 | 3.428 | 11.279 |
| Investment Section | 2.468 | 1.529 | 1.364 | 5.361 |
| Specific Section | 3.829 | 6.873 | 24.975 | 35.677 |
| Total Programme (All Sections) | 12.706 | 14.794 | 32.217 | 59.717 |
| Funding | | | | |
| General Funding ¹ | 6.565 | 6.565 | 6.565 | 19.695 |
| Grant Funding | 2.163 | 4.219 | 16.234 | 22.616 |
| Unsupported (Prudential) Borrowing | 1.607 | 3.690 | 10.105 | 15.402 |
| Innovate to Save Loan | 0.304 | 0.384 | 0.000 | 0.688 |
| Total Projected Funding | 10.639 | 14.857 | 32.904 | 58.400 |
| Surplus / (Shortfall) | (2.067) | 0.063 | 0.687 | (1.317) |
| ¹ As per 20/21 Provisional Settlement | | | | |

Potential future schemes

1.44 All capital schemes need to be considered in the context of the position of the Council's MTFs. All schemes which require prudential borrowing to fund them add revenue pressures in the form of interest charges and charges to the Minimum Revenue Provision (MRP).

1.45 21st Century Schools Band B

Paragraph 1.38 includes details of projects from the overall submission to WG for 21st Century Schools Band B.

The 21st Century Schools Band B programme is due to end by 2024/25. As each of the remaining schemes is proposed for approval, a decision will need to be made taking into account its affordability in the context of the position on the MTFs. The Flintshire element of the remaining 21st Century Schools Band B programme will need to be funded from prudential borrowing.

It is a complex investment programme over a long period of time and will always require a degree of flexibility around the size of projects, funding and time scales.

High level work is to begin on a potential Band C programme, which could start post 2025.

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| 1.46 | <p>Growth Deal</p> <p>Cabinet adopted the <i>Growth Vision for the Economy of North Wales</i> in September 2016. The vision set out a collective and strategic ambition for North Wales for infrastructure development, skills and employment, and business growth. The cabinets of the five partner councils in the region similarly adopted the strategy at that time.</p> <p>Cabinet was then advised in a further report in February 2017 that North Wales had been formally invited to open negotiations for a Growth Deal with both the UK and Welsh Governments: - for additional resources and powers to pursue the priorities set out in the <i>Growth Vision</i>. A number of City Deals and regional Growth Deals have been adopted across the UK.</p> <p>In June 2018 Cabinet and Council adopted a Governance Agreement for the planning and development phase of a Growth Deal. The Governance Agreement empowers and regulates the regional partnership between the six local authorities, the two universities, the two further education colleges and the North Wales Mersey Dee Business Council. The partnership operates through a joint committee called the North Wales Economic Ambition Board. All partners have similarly adopted the Governance Agreement.</p> <p>Heads of Terms are being finalised with Governments and it is anticipated that capital allocations will be drawn down in the final quarter of the 2020/21 financial year. A <i>Proposition Document</i>, which sets out the priority programmes of activity for the region and for which national funding is being sought through the Growth Deal, and has been approved by the North Wales Economic Ambition Board. The Growth Deal will fund selected programmes and projects from within the <i>Proposition Document</i>; ones that meet shared governmental objectives for economic growth. The document constitutes the regional bid which will lead to a deal.</p> <p>Some capital borrowing costs will be incurred by the partnership for advance capital access to ‘front-load’ investment for priority projects, noting that the Government grant is paid over to the partnership on an annualised bases over fifteen years. The detail of the Growth Deal is being finalised and the partnership aim to keep capital borrowing costs to the lowest possible level. Final cost estimates, and how they are to be shared, will be reported when available.</p> |
| 1.47 | <p>Croes Atti, Flint Residential Care Home Review / Expansion</p> <p>The care sector in Flintshire is working within an increasingly challenging environment as a result of a range of factors, including the complexity of need, an ageing population, rising costs, increasing expectations and regulation and difficulties with recruitment and retention of high quality staff. As a result of these pressures there is limited resilience and Flintshire is particularly challenged with only a small number of independent providers who are part of a reducing and fragile market. As a Council we are taking a positive approach to rebalancing the care home provision, taking a lead as a local authority to develop care homes that value older people and provide good quality support that would place the Council in a good position for the future.</p> |

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| | <p>Croes Atti is a single storey 31 bed care home purpose built for older people, which was refurbished in 2005. The 31 bedrooms are small and less than 12 square metres which makes it increasingly difficult to support people with complex physical care needs and there are only 3 bedrooms with an en-suite facility. The living and day time spaces are well used and whilst we have a number of assisted bathing / shower rooms they are not all DDA compliant. The existing accommodation does not meet new RISCA regulations in relation to bedrooms and living space and any capital investing into refurbishment or new build must take into account of the new regulatory requirements. The care home is popular locally, is always at capacity and often with a waiting list for support. The home is regulated by the Care Inspectorate Wales (CIW) and achieves good inspection reports. A feasibility report in relation to options for increasing capacity at Croes Atti to 55 beds has been undertaken, the options for a refurbishment and new build on the current site are also being considered.</p> |
| 1.48 | <p>Llys Gwenffrwd, Holywell Care Home Review</p> <p>Llys Gwenffrwd is a 31 bed three storey care home built in the 1970s which was refurbished in early 2000. There are challenges associated with the current building as it is built on a sloping site, as a result there are a number of levels requiring the need for ramps to access many areas both inside and outside. It includes the provision of a single undersized lift to reach the three stories which does not meet DDA requirements and there are a number of living and day spaces which are some distance from the bedroom areas. Outside space is difficult to access because of the site levels and parking can be difficult. The Holywell locality has the fewest number of care home placements available and would benefit from a new build facility on a different more accessible site which requires further consideration.</p> |
| 1.49 | <p>Children's in-house Residential Care Home</p> <p>Work is underway to develop the business case for an in house Residential Care Home for Children. The facility will provide short term assessment and support to children and young people with a view to supporting them to return to their family/carers where appropriate. The provision would form part of our strategy to reduce reliance on Residential care. Options are being considered to support the procurement of an appropriate building which include seeking capital funding from WG, leasing a property from a Registered Social Landlord or make a direct purchase using our capital. A bid for funding has been submitted to WG, which the Council is awaiting feedback on.</p> |
| 1.50 | <p>Additional Learning Needs Reform</p> <p>In previous Cabinet reports, the need for specialist Autism and Moderate Learning Difficulties facilities had been highlighted as short/medium term ambition. In reviewing the impact of Additional Learning Needs (ALN) transformation, extending existing ALN provision would also be a requirement along with consideration for a Secondary Phase Behaviour, Emotional & Social Difficulties (BESD) Resourced Unit, the County only has primary provision currently. A technical feasibility study would be</p> |

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| | <p>recommended to explore the most efficient building solutions. As an option to a Council funded solution, it would be prudent to consider whether ALN transformation could be included as a project (or series of projects) in the next phase of the WG 21st Century schools (Band C) investment programme, given that the current intervention rate in this programme for ALN provision is 75% WG funded, with the Councils contribution being 25%.</p> |
| 1.51 | <p>Penyffordd CP School</p> <p>The Education & Youth Portfolio are monitoring and reviewing pupil numbers at Penyffordd CP School. Should pupil numbers and local need continue to rise based on the current trend, an extension would be required to the school in future years and a business case would be submitted for two storey extension at the appropriate time.</p> <p>The Education & Youth Portfolio are monitoring and reviewing pupil numbers at Penyffordd CP School. Should pupil numbers and local need continue to rise based on the current trend, an extension would be required to the school in future years and a business case would be submitted for two storey extension at the appropriate time. There are Section 106 contributions due for Penyffordd to the value of £0.300m, should the full housing development/s be undertaken, and this would offset some of the Council's costs.</p> |
| 1.52 | <p>County Hall Campus</p> <p>The redevelopment of the County Hall campus site needs to be progressed through the formulation of a comprehensive and visionary masterplan which addresses the future needs to the Council and other public sector partners; linking this with an integrated approach around the Courts and theatre, together with a wider site development. This work has started with the demolition of phase 3 and 4 of County Hall which is due for completion in November 2020. The site has huge potential being framed within a mature semi-rural landscape; work on a comprehensive plan will need to commence in 2021/22.</p> |
| 1.53 | <p>Review of Industrial Estates</p> <p>The Council's industrial estates are widely dispersed throughout the County and provide much needed commercial accommodation to many local businesses, preventing them from leaving the County and maintaining local sources of employment. They also bring into the Council significant revenue through rental income but are of an age where they are now likely to require investment. This creates an opportunity to review the mix, size and type of our units and consider the potential of our portfolio. Work will therefore be undertaken to review our estates, on a site by site basis, to formulate a detailed strategy which considers each site's viability, whether to invest or dispose or seek an alternative use.</p> |
| 1.54 | <p>Highways Asset Management Plan</p> <p>The core Capital Programme includes £0.600m per annum for the HAMP. In 2020/21, as in previous years, this has been supplemented by additional</p> |

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| | <p>WG grant. It has been estimated that the investment required to maintain current network performance is £2.7m per annum, an increase of £2.1m per annum. The Council are awaiting an announcement from WG on the level of funding from the Public Highways Refurbishment Grant for the 2021/22 financial year.</p> |
| 1.55 | <p>Digital Strategy</p> <p>A planned programme of projects required to increase the number and range of services available digitally are under consideration. The projects have an impact across a range of services, rather than in a single specific service e.g. web payment portal that will be used for all payments to the council. These will be used to enhance the ability of customers to interact with the Council on line.</p> <p>The capital costs of purchasing new software will be calculated on a project by project basis at the time each project is ready to proceed in order to accurately capture not only the technical requirements for the software but also the costs prevailing at the time.</p> <p>The range of cross cutting projects under consideration include:</p> <ul style="list-style-type: none"> • Software that can automate answering simple telephone calls or email enquiries (so called "chat bots"). • A generic web booking system to allow customers to make appointments for services on line. • Integration of webchat and email into the Customer Relationship Manager application. • A generic facility for customers to upload and store commonly needed documents e.g. proof of entitlement to benefits. • Software to link information held in separate databases so that we can update them all at once in a single contact with the customer. |
| 1.56 | <p>Deeside Leisure Centre</p> <p>Deeside Leisure Centre (DLC) is 45 years old and is reaching the end of its economic useful life. It is the largest sports facility in the County at 15,000m² and is of strategic importance regionally and locally in terms of sports participation and health and wellbeing. It is an ageing building occupying too large a footprint with inefficient energy systems. The building is not sustainable beyond the medium term.</p> <p>DLC is currently acting as a temporary field hospital, in response to the COVID-19 pandemic. Once the emergency situation is over, it will be returned to full use. The Council is approaching WG for financial support to reinstate the facilities at DLC.</p> <p>In the medium term, the Council and its strategic partner Aura are looking at undertaking a feasibility study and business case of options for the Leisure Centre going forward, and will review the impact this may have on the Capital Programme and any future potential revenue savings</p> |

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| 1.57 | <p>Homelessness – Young Persons Hub</p> <p>Responding to the needs of young people and particularly those who may be at a risk of homelessness is a key focus for the Council. Consideration needs to be given to not only accommodation needs but also support to assist young people with the key life skills needed to live independently and reduce risks of homelessness. When looking at best practice in this area of work, there are a number of examples of positive practice which seek to not only provide accommodation, but also co-ordinate support and service delivery.</p> <p>Over the next 12 months the Housing & Prevention Service is to consider opportunities for the development of a Young Persons Hub which will seek to provide a number of units of self-contained accommodation with support onsite. This could potentially extend to provision of housing and homelessness advice and support and offered local facilities for co-location of services within a “housing hub”. A feasibility study will be considered to inform this approach which may provide office and community space to ensure a joined up approach within a multi-disciplinary team model.</p> <p>Subject to the outcome of feasibility works, capital funding may be required to deliver on this agenda. External funding streams will also be considered in order to maximise opportunities to develop the Young Persons Hub.</p> |
| 1.58 | <p>Homelessness – Emergency Bed Provision</p> <p>In late 2019, the Council undertook work to develop an Emergency Bed provision for people who are homeless and may otherwise face the prospect of sleeping rough. Significant works were completed within the Glanrafon Resource Centre in Queensferry to transform the building into a Night Shelter offering up to 12 Emergency Beds. The Council, as the owner of the building, completed refurbishment works and then partnered with The Wallich, to deliver the support required to safely operate the Night Shelter.</p> <p>Following the COVID-19 pandemic, further guidance has been issued by WG regarding the future direction of homelessness service. In the guidance there is a particular focus on “night shelters” and “bed spaces” with a clear steer on moving away from shared housing models with communal spaces and offering self-contained accommodation for people experiencing homelessness.</p> <p>The Glanrafon Night Shelter was always a medium term solution for rough sleeping in Flintshire with other approaches to be developed in future years with a commitment to develop more support to prevent rough sleeping and ensuring a self-contained accommodation offer. Funding has been secured through WG (Phase 2 Homelessness Funding) which will assist with the immediate pressures on our homeless cohort, but additional capacity and revised models of emergency accommodation will need to be explored and may require capital funding in future years.</p> |

| 2.00 | RESOURCE IMPLICATIONS | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
|--|--|---------------------|-------------------------|---------------------|-------------------------|--|----|----|----|--|-------|-------|-------|------------------------|-------|-------|-------|------------------|-------|-------|-------|------------------------------|-------|-------|-------|---------------------------|-------|-------|-------|-------------------------|-------|-------|-------|--------------------------|-------|-------|-------|-----------------|-------|-------|-------|--------------|--------------|--------------|--------------|
| 2.01 | Financial consequences for capital resources are as set out within the report. | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 2.02 | <p>As previously stated there are revenue consequences of borrowing in interest costs and revenue provision for debt repayment which will bear on the MTFS as new pressures.</p> <p>Assuming the shortfall is as estimated (£1.317m), and that the asset life of schemes is 50 years the pressures on the revenue budget are shown in the table below. The pressures for previously approved school building works and Joint Archive Facility have been built into the current MTFS. Pressures for the shortfall in Council Funding and new school schemes will be built into future MTFS calculations as necessary.</p> <table border="1"> <thead> <tr> <th></th> <th>Pressure in Year 1</th> <th>Pressure in Year 50</th> <th>Average Annual Pressure</th> </tr> <tr> <th></th> <th>£m</th> <th>£m</th> <th>£m</th> </tr> </thead> <tbody> <tr> <td>Shortfall in Council Funding (£1.317m)</td> <td>0.064</td> <td>0.089</td> <td>0.074</td> </tr> <tr> <td>Joint Archive Facility</td> <td>0.142</td> <td>0.200</td> <td>0.167</td> </tr> <tr> <td>Connah's Quay HS</td> <td>0.063</td> <td>0.092</td> <td>0.075</td> </tr> <tr> <td>Queensferry CP / Plas Derwen</td> <td>0.096</td> <td>0.141</td> <td>0.115</td> </tr> <tr> <td>Ysgol Croes Atti, Shotton</td> <td>0.011</td> <td>0.016</td> <td>0.013</td> </tr> <tr> <td>Ysgol Croes Atti, Flint</td> <td>0.093</td> <td>0.130</td> <td>0.109</td> </tr> <tr> <td>Saltney / Broughton Area</td> <td>0.423</td> <td>0.592</td> <td>0.494</td> </tr> <tr> <td>Mynydd Isa Area</td> <td>0.046</td> <td>0.065</td> <td>0.054</td> </tr> <tr> <td>Total</td> <td>0.938</td> <td>1.325</td> <td>1.101</td> </tr> </tbody> </table> <p>The table does not include the Mockingbird Family Model as the loan will be repaid from revenue savings generated as a result.</p> | | Pressure in Year 1 | Pressure in Year 50 | Average Annual Pressure | | £m | £m | £m | Shortfall in Council Funding (£1.317m) | 0.064 | 0.089 | 0.074 | Joint Archive Facility | 0.142 | 0.200 | 0.167 | Connah's Quay HS | 0.063 | 0.092 | 0.075 | Queensferry CP / Plas Derwen | 0.096 | 0.141 | 0.115 | Ysgol Croes Atti, Shotton | 0.011 | 0.016 | 0.013 | Ysgol Croes Atti, Flint | 0.093 | 0.130 | 0.109 | Saltney / Broughton Area | 0.423 | 0.592 | 0.494 | Mynydd Isa Area | 0.046 | 0.065 | 0.054 | Total | 0.938 | 1.325 | 1.101 |
| | Pressure in Year 1 | Pressure in Year 50 | Average Annual Pressure | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | £m | £m | £m | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Shortfall in Council Funding (£1.317m) | 0.064 | 0.089 | 0.074 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
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| Connah's Quay HS | 0.063 | 0.092 | 0.075 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Queensferry CP / Plas Derwen | 0.096 | 0.141 | 0.115 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Ysgol Croes Atti, Shotton | 0.011 | 0.016 | 0.013 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Ysgol Croes Atti, Flint | 0.093 | 0.130 | 0.109 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Saltney / Broughton Area | 0.423 | 0.592 | 0.494 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Mynydd Isa Area | 0.046 | 0.065 | 0.054 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
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| 3.00 | IMPACT ASSESSMENT AND RISK MANAGEMENT |
| 3.01 | Any decisions made which involve the Council's assets and its Capital Programme often have very large and long term financial implications. As it seeks approval for its Capital Programme, the Council is required to produce indicators assessing the affordability, prudence and sustainability of the capital plans. These are called the Prudential Indicators and are included in the Capital Strategy report. |
| 3.02 | Ways of Working (Sustainable Development) Principles Impact |

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| | <p>Long-term</p> | <p>The development a new facility Joint Archive Facility will provide a sustainable archive repository for the region along with providing annual revenue savings once the service is running.</p> <p>The Theatr Clwyd building is nearing the end of its life. Investment in the building will allow long term sustainability which will support the local economy.</p> <p>The Standard Waste Transfer Station facility is at a critical point and significant investment is required to ensure the continued viability of the site and accommodate future growth in processing capacity and increasing amounts of high-quality recycling which can help stimulate domestic reprocessing and remanufacture necessary for the circular economy – bringing associated environmental impacts and helping develop the domestic green economy.</p> <p>Capital funding assists in securing the future of schools in their local communities.</p> |
| | <p>Prevention</p> | <p>Works to be completed on the reservoirs at Greenfield Valley to ensure there is no increased risk to public safety and that reservoir maintenance is carried out before further deteriorating.</p> <p>Investment in bridges at Wepre Park to reduce safety risk to the public and to ensure that there is a long-term sustainable solution to maintenance to allow visitors access to the park.</p> <p>With a number of Council owned cemeteries approaching capacity in the medium term, a programme of cemetery extensions is being put together, before sites reach full capacity, to ensure residents can be buried in their locality.</p> <p>At Marleyfield House, the collation and centralisation of step-up, step-down beds will ensure that there is a greater efficiency in services. This approach should support local hospitals with issues around bed blocking and reduce the likelihood of this happening in future.</p> |

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| <p>Integration</p> | <p>The investment on the Highway Network is required to enable maintenance of good transportation infrastructure to support the local economy and public transport links for commuters. This includes school pupils attending schools where the Council is also investing in order to improve the quality of education being delivered. Investment in IT infrastructure supports the Council to deliver these changes along with school digital connectivity and broadband improvements.</p> <p>The extension of Marleyfield House is a joint venture with close working required from both Flintshire County Council and Betsi Cadwaladr University Health Board. The success of the project and operational model will be essential to achieving both bodies' well-being goals.</p> |
| <p>Collaboration</p> | <p>The Joint Archive Facility identifies collaboration between both Flintshire County Council and Denbighshire County Council to meet the need and demand of the two local Councils archive services. This will allow a sustainable and improved service via the creation of a single shared service and it will improve knowledge and skill sharing between both.</p> <p>The Council have worked closely with WRAP for many months to develop our waste rounds to maximise efficiency and recycling performance levels. This work has been extended to the facility to ensure the project at the Waste Transfer Station meets criteria and expectations of the Collaborative Change Programme.</p> <p>At Marleyfield House, the operation of the building will require close working between social services departments, the home itself, the health board as well as residents and their family members. The collaboration between health services and social services will result in a greater achievement of well-being outcomes for residents at the home.</p> |

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| <p>Involvement</p> | <p>The Joint Archive Facility will deliver a revolutionary archive offer to the public, which will deliver long-term development of a resilient, relevant service, inspiring communities in North East Wales. The facility will secure historic collections, diversify audiences, volunteers and depositors.</p> <p>The proposed schools projects will help promote greater community integration/use/involvement.</p> |
| <p>Well-being Goals Impact</p> | |
| <p>Prosperous Wales</p> | <p>Investment in schools will improve learner outcomes by ensuring that school buildings are effective in creating the conditions for learners to succeed which develops a skilled and well-educated population in the economy.</p> <p>Capital investment directly benefits local supply chain/economy. A percentage of local expenditure is a requirement of the grant funding for school investment.</p> |
| <p>Resilient Wales</p> | <p>Use of sustainable and recycled materials during construction, more energy efficient, potential reduction in carbon emissions.</p> |
| <p>Healthier Wales</p> | <p>The Council is investing to extend the residential care home, Marleyfield House to provide additional services, beds and multidisciplinary support in a community setting. This provides permanent residential beds, as well as beds which prevent hospital admissions, expedites hospital discharges and allows appropriate assessment to reduce care packages to support people in the long term.</p> <p>Improved physical infrastructure and facilities at schools will positively impact on the wellbeing of the school and its community.</p> |
| <p>More equal Wales</p> | <p>Upgrading ICT provision in schools and thus enabling new methods of curriculum delivery to all pupils across the County.</p> |

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| Cohesive Wales | <p>Allocation to the Highways Network includes resurfacing, street lighting improvements and structural maintenance which allows residents in the County to travel in safe conditions.</p> <p>Investment in foster care home adaptations will help to provide security and stability for children in a safe environment.</p> |
| Vibrant Wales | <p>Investment in Welsh Medium schools that supports the Council's Welsh Education Strategic Plan (WESP) and enables continued support and potential growth for Welsh Medium provision.</p> <p>Investment in historic building conservation to ensure the Council promotes and protects the heritage within the County and preserves it for future generations.</p> |
| Globally responsible Wales | <p>Development of the waste transfer station to accommodate the growth in recycling rates, achieved through the Council educating the public around the importance of recycling. This will help to ensure statutory recycling targets are achieved, along with an increased resilience and processing capacity, for future waste streams.</p> <p>Schools capital investment, delivers a more sustainable product, local spend and added benefits for apprenticeships, work experience in construction.</p> |
| <p>The impacts above include a range across several of the schemes the Council are looking at investing in over the next three years. The main body of the report breaks down the benefit for each scheme separately.</p> | |

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| 4.00 | CONSULTATIONS REQUIRED / CARRIED OUT |
| 4.01 | <p>Any comments from Corporate Resources Overview and Scrutiny Committee on the proposed Capital Programme will be referred back to the November 2020 meeting of the Cabinet for consideration before the final Capital Programme for 2021/22 – 2023/24 is considered and approved by County Council in December 2020.</p> |

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| 5.00 | APPENDICES |
| 5.01 | None. |

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| 6.00 | LIST OF ACCESSIBLE BACKGROUND DOCUMENTS |
| 6.01 | Business Case forms completed by Portfolios. |

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| 7.00 | CONTACT OFFICER DETAILS |
| 7.01 | <p>Contact Officer: Chris Taylor, Principal Accountant Telephone: 01352 703309 E-mail: christopher.taylor@flintshire.gov.uk</p> |

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| 8.00 | GLOSSARY OF TERMS |
| 8.01 | <p>Asset Management Plan - A plan maintained by an authority of the condition and suitability of its assets, updated regularly and utilised to assess future capital needs</p> <p>Capital Expenditure - Expenditure on the acquisition of Non-current Assets or expenditure that extends the life or value of an existing asset</p> <p>Capital Programme - The Council's financial plan covering capital schemes and expenditure proposals for the current year and a number of future years. It also includes estimates of the capital resources available to finance the programme</p> <p>Capital Receipt - Receipts (in excess of £10,000) from the disposal of an asset</p> <p>Capital Scheme - An individual capital project which is monitored and managed in isolation. The aggregate of all schemes comprises the Capital Programme</p> <p>Capital Strategy - A corporate document providing clear strategic guidance about an authority's objectives, priorities and spending plans, demonstrating the link to key corporate and service objectives. May be combined with the Asset Management Plan (AMP) to form a single document</p> <p>Council Fund - The fund to which all the Council's revenue and capital expenditure is charged</p> <p>Disposal - The decommissioning or transfer of an asset to another party</p> <p>Non-current Asset - A resource controlled (but not necessarily owned) by the Council, from which economic benefits or service potential are expected to flow to the Council for more than 12 months.</p> |

Prudential Code - The Code of Practice drawn up by the Chartered Institute of Public Finance and Accountancy (CIPFA) to underpin the requirements of the Local Government Act 2003 in respect of an authority's duty to determine the affordability, prudence and sustainability of its capital investment needs

Prudential Indicators - Required by the **Prudential Code**, these take the form of limits, estimates or actual figures used to support the local decision making process for capital investment

Unsupported Prudential Borrowing - Borrowing administered under the **Prudential Code**, whereby authorities can set their own policies on acceptable levels and types of borrowing. The Prudential Framework allows authorities to take out loans in response to overall cash flow forecasts and other factors provided they can show that the borrowing is to meet planned capital expenditure in the current year or the next three years.



CORPORATE RESOURCES OVERVIEW AND SCRUTINY COMMITTEE

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|------------------------|---|
| Date of Meeting | Thursday, 12 th November 2020 |
| Report Subject | Capital Strategy Including Prudential Indicators 2021/22 to 2023/24 |
| Cabinet Member | Cabinet Member for Finance |
| Report Author | Corporate Finance Manager |
| Type of Report | Strategic |

EXECUTIVE SUMMARY

This report updates the Council's Capital Strategy and seeks the Committee's recommendation to Cabinet.

The report explains the need for the Strategy, its key aims, and the content of each of its sections.

Under the Prudential Code for Capital Finance in Local Authorities (the Prudential Code), authorities are required to set a range of Prudential Indicators (PI's). The Capital Strategy includes details of the Council's Prudential Indicators for 2021/22 – 2023/24.

RECOMMENDATIONS

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| 1 | To consider and recommend the Capital Strategy to Cabinet. |
| 2 | <p>To consider and recommend to Cabinet:-</p> <ul style="list-style-type: none"> • The Prudential Indicators for 2021/22 - 2023/24 as detailed within Tables 1, and 4 – 7 inclusive of the Capital Strategy. • Delegated authority for the Corporate Finance Manager to effect movements between the separately agreed limits within the authorised limit for external debt and the operational boundary for external debt (Table 6 of the Capital Strategy). |

REPORT DETAILS

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| 1.00 | CAPITAL STRATEGY 2021 – 2024 |
| 1.01 | The Chartered Institute of Public Finance and Accountancy's Treasury Management in the Public Services: Code of Practice 2017 Edition (the Code), requires that the Council has in place a Capital Strategy (the Strategy). The guidance to the Code defines the specific requirements of the Strategy. This report updates the Strategy for Council's consideration. |
| 1.02 | The key aims of the Strategy are to explain the ways in which the capital programme is developed and funded, the potential impact it has on the Council's Medium Term Financial Strategy (MTFS) and the way in which it relates to the Council's Treasury Management Strategy. The Strategy is an overarching document and refers to other documents such as the Capital Programme, the Treasury Management Strategy and the Minimum Revenue Provision Policy. The Strategy is split into a number of sections as described below. The Strategy is enclosed as Appendix 1. |
| 1.03 | Capital Expenditure This section defines Capital Expenditure and that there is some limited local discretion in the definition as reflected in the Council's accounting policies. |
| 1.04 | Resources This section explains the way in which the Capital Programme is funded. The Council has a number of funding sources but these sources are limited and in some cases, particularly capital receipts, diminishing. Some of those sources, particularly prudential borrowing, add pressure to the Council's MTFS. |
| 1.05 | Prioritisation of Capital Expenditure This section explains the way in which the Capital Programme is divided into three sections and how decisions are made as to which schemes to include in each section in each year. |
| 1.06 | Governance This section explains the governance arrangements in place in the development and monitoring of the capital programme. |
| 1.07 | Capital Expenditure Plans This section refers to the Council's capital expenditure plans as agreed in its capital programme. It covers: |

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| | <ul style="list-style-type: none"> • Capital expenditure plans • The way in which those plans are expected to be financed • Minimum Revenue Provision • Estimates of the Capital Financing Requirement, a measure of unfinanced expenditure |
| 1.08 | <p>Treasury Management</p> <p>This section covers the way in which the Strategy relates to the Council's treasury management activity. It covers:</p> <ul style="list-style-type: none"> • The Council's Borrowing Strategy • The relationship between the Council's debt portfolio and its Capital Financing Requirement • The Authorised Limit and Operational Debt Limits for borrowing, ensuring the limits on the Council's exposure to debt are set • The Council's Investment Strategy • Treasury Management governance. |
| 1.09 | <p>Commercial activities</p> <p>This section reports that the Council has limited commercial activity, having a limited portfolio of investment properties (agricultural properties and industrial units).</p> |
| 1.10 | <p>Liabilities</p> <p>This section explains the liabilities which the Council has, in particular the deficit on its pension fund, and links with the Council's Statement of Accounts.</p> |
| 1.11 | <p>Revenue budget implications</p> <p>This section shows the impact of the capital financing costs on the revenue stream of the Council's budget.</p> |
| 1.12 | <p>Knowledge and skills</p> <p>This section details the skills of officers involved in developing and managing the capital programme and treasury management activity, and explains that the Council makes use of external advisers to assist with this activity.</p> |
| 1.13 | <p>Prudential Indicators</p> <p>The Council is required by the Code to develop and monitor Prudential Indicators. These are contained within the various sections of the Strategy, and are indicated as such.</p> |

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| 2.00 | RESOURCE IMPLICATIONS |
| 2.01 | Financial consequences for capital resources are as set out within the report and appendix. |
| 2.02 | Financial consequences for revenue resources are as set out within the report and appendix. |

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| 3.00 | IMPACT ASSESSMENT AND RISK MANAGEMENT | | | | | | | | |
| 3.01 | Decisions made which involve the Council's assets and its Capital Programme often have very large and long term financial implications. The purpose of the Capital Strategy includes setting a clear framework within which such decisions can be made mitigating the risks involved. | | | | | | | | |
| 3.02 | <p>Ways of Working (Sustainable Development) Principles Impact</p> <table border="1"> <tr> <td>Long-term</td> <td rowspan="5">The impacts upon sustainable development principles of the Capital Programme which influences the Capital Strategy are listed in the Capital Programme 2021/22 – 2023/24 report included elsewhere on this agenda.</td> </tr> <tr> <td>Prevention</td> </tr> <tr> <td>Integration</td> </tr> <tr> <td>Collaboration</td> </tr> <tr> <td>Involvement</td> </tr> </table> | Long-term | The impacts upon sustainable development principles of the Capital Programme which influences the Capital Strategy are listed in the Capital Programme 2021/22 – 2023/24 report included elsewhere on this agenda. | Prevention | Integration | Collaboration | Involvement | | |
| Long-term | The impacts upon sustainable development principles of the Capital Programme which influences the Capital Strategy are listed in the Capital Programme 2021/22 – 2023/24 report included elsewhere on this agenda. | | | | | | | | |
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| Integration | | | | | | | | | |
| Collaboration | | | | | | | | | |
| Involvement | | | | | | | | | |
| 3.03 | <p>Well-being Goals Impact</p> <table border="1"> <tr> <td>Prosperous Wales</td> <td rowspan="7">The impacts upon the well-being goals of the Capital Programme which influences the Capital Strategy are listed in the Capital Programme 2021/22 – 2023/24 report included elsewhere on this agenda.</td> </tr> <tr> <td>Resilient Wales</td> </tr> <tr> <td>Healthier Wales</td> </tr> <tr> <td>More equal Wales</td> </tr> <tr> <td>Cohesive Wales</td> </tr> <tr> <td>Vibrant Wales</td> </tr> <tr> <td>Globally responsible Wales</td> </tr> </table> | Prosperous Wales | The impacts upon the well-being goals of the Capital Programme which influences the Capital Strategy are listed in the Capital Programme 2021/22 – 2023/24 report included elsewhere on this agenda. | Resilient Wales | Healthier Wales | More equal Wales | Cohesive Wales | Vibrant Wales | Globally responsible Wales |
| Prosperous Wales | The impacts upon the well-being goals of the Capital Programme which influences the Capital Strategy are listed in the Capital Programme 2021/22 – 2023/24 report included elsewhere on this agenda. | | | | | | | | |
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| Healthier Wales | | | | | | | | | |
| More equal Wales | | | | | | | | | |
| Cohesive Wales | | | | | | | | | |
| Vibrant Wales | | | | | | | | | |
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| 4.00 | CONSULTATIONS REQUIRED / CARRIED OUT |
| 4.01 | Any comments from Corporate Resources Overview and Scrutiny Committee on the proposed Capital Strategy will be referred back to the November 2020 meeting of the Cabinet for consideration before the final Capital Strategy for 2021-2024 is considered and approved by County Council in December 2020. |

| | |
|-------------|-------------------------------|
| 5.00 | APPENDICES |
| 5.01 | Appendix 1 – Capital Strategy |

| | |
|-------------|--|
| 6.00 | LIST OF ACCESSIBLE BACKGROUND DOCUMENTS |
| 6.01 | None |

| | |
|-------------|---|
| 7.00 | CONTACT OFFICER DETAILS |
| 7.01 | Contact Officer: Chris Taylor, Principal Accountant Telephone: 01352 703309 E-mail: Christopher.taylor@flintshire.gov.uk |

| | |
|-------------|---|
| 8.00 | GLOSSARY OF TERMS |
| 8.01 | <p>Capital Expenditure - Expenditure on the acquisition of Non-current Assets or expenditure that extends the life or value of an existing asset</p> <p>Capital Programme - The Council’s financial plan covering capital schemes and expenditure proposals for the current year and a number of future years. It also includes estimates of the capital resources available to finance the programme</p> <p>Capital Receipt - Receipts (in excess of £10,000) from the disposal of an asset</p> <p>Capital Scheme - An individual capital project which is monitored and managed in isolation. The aggregate of all schemes comprises the Capital Programme</p> <p>Capital Strategy - A corporate document providing clear strategic guidance about an authority’s objectives, priorities and spending plans, demonstrating the link to key corporate and service objectives.</p> <p>Council Fund - The fund to which all the Council’s revenue and capital expenditure is charged</p> <p>Disposal - The decommissioning or transfer of an asset to another party</p> <p>Non-current Asset - A resource controlled (but not necessarily owned) by the Council, from which economic benefits or service potential are expected to flow to the Council for more than 12 months.</p> <p>Prudential Code - The Code of Practice drawn up by the Chartered Institute of Public Finance and Accountancy (CIPFA) to underpin the requirements of the Local Government Act 2003 in respect of an authority’s duty to determine the affordability, prudence and sustainability of its capital investment needs</p> |

Prudential Indicators - Required by the **Prudential Code**, these take the form of limits, estimates or actual figures used to support the local decision making process for capital investment

Unsupported Prudential Borrowing - Borrowing administered under the **Prudential Code**, whereby authorities can set their own policies on acceptable levels and types of borrowing. The Prudential Framework allows authorities to take out loans in response to overall cash flow forecasts and other factors provided they can show that the borrowing is to meet planned capital expenditure in the current year or the next three years.

CAPITAL STRATEGY

2021/22 TO 2023/24

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CAPITAL STRATEGY REPORT 2021/22

1. INTRODUCTION

The creation and approval of a capital strategy is now a requirement of the Chartered Institute of Public Finance and Accountancy's Treasury Management in the Public Services: Code of Practice 2017 Edition (the CIPFA Code).

The code requires the Council to set Prudential Indicators in relation to its capital programme. This document includes those Prudential Indicators and these are included in tables 1, 4 - 7 clearly marked as such.

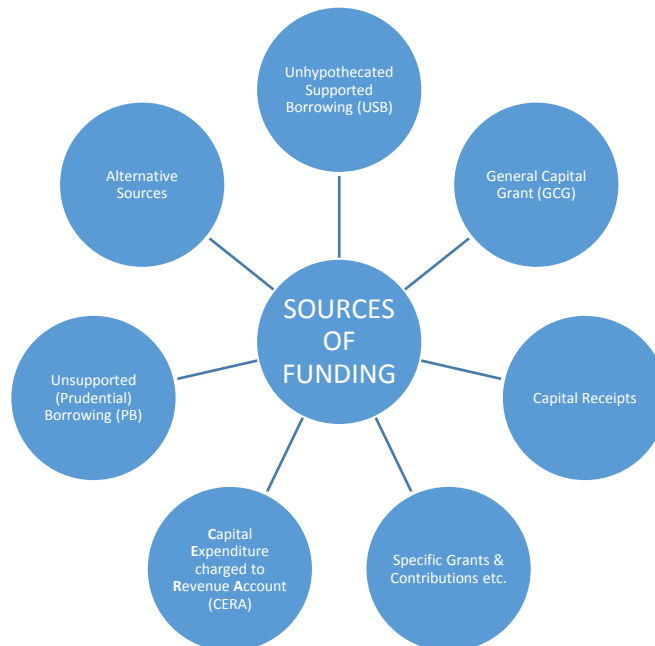
This document updates the capital strategy approved by Council in January 2020. It gives a high-level overview of how capital expenditure, capital financing and treasury management activity contribute to the provision of local public services along with an overview of how associated risk is managed and the implications for future financial sustainability.

2. CAPITAL EXPENDITURE

Capital expenditure occurs when the Council spends money on assets, such as property or vehicles, which will be used for more than one year. In local government this includes spending on assets owned by other bodies, and loans and grants to other bodies enabling them to buy assets. The Council has some limited discretion on what counts as capital expenditure, as assets costing below £20k are not capitalised and are charged to revenue in year. Details of the Council's policy on capitalisation may be found in the Accounting Policy section of the Council's Statement of Accounts.

3. RESOURCES

The sources of funding available to the Council are described below:



Unhypothesized Supported Borrowing (USB), commonly referred to as Supported Borrowing

Each year Welsh Government provides councils with a Supported Borrowing capital allocation. Councils can then borrow to fund capital expenditure up to that annual allocation, and Welsh Government will include funding to cover the revenue costs associated with that level of borrowing in future years within the Revenue Support Grant. The Council decides how this funding is spent.

General Capital Grant (GCG)

This is the annual capital grant from Welsh Government. The Council decides how this funding is spent.

Supported borrowing and general capital grant will be used to fund capital schemes which:

- invest in, or maintain the life of, existing assets which will be retained for future service delivery
- are statutory / regulatory in nature

The Housing Revenue Account (HRA) equivalent is known as the Major Repairs Allowance (MRA).

Capital Receipts

These are funds raised from the sale of council assets, usually, but not restricted to, land and buildings. Other examples include repayments of loans for capital purposes and release of restrictive covenants.

Capital finance regulations dictate that capital receipts can only be used to fund capital expenditure or repay debt. In the past regulations required a proportion of all receipts be set aside to repay debt, but this was removed some time ago for the Council Fund and was removed for the HRA with the introduction of self-financing. The Council's policy is to use capital receipts to fund capital expenditure rather than voluntarily set aside to repay debt. The Council sets a Minimum Revenue Provision policy each year which sets out our prudent methods for repayment of debt.

The current policy of pooling all capital receipts to allocate to capital schemes in accordance with the Council's strategic aims and priorities will continue. Capital receipts will not be ring-fenced to fund schemes in the same service or geographical areas (with the exception of the HRA). Capital receipts represent a finite funding source based on a planned approach to asset disposals in support of the Council's priorities. They will be used to fund new capital investment schemes.

Generation of capital receipts depends on our ability to identify assets that are surplus to requirements, and to sell them at an appropriate time which will be subject to local economic factors. In recent years this has been challenging, and will continue to be so. Careful and prudent planning around the timing of capital receipts is needed to ensure schemes funded by capital receipts don't begin until we have received the receipt.

Capital receipts will be generated by continuing with our agricultural disposal policy, our policy to reduce the number of assets that we have and the forthcoming review of the commercial estate.

Our assets are also supporting the Strategic Housing and Regeneration Programme (SHARP) in innovative ways. We have identified surplus Council owned sites which will be used to develop new housing. This input will need to continue throughout the life of the programme. The impact of this on the generation of capital receipts will need to be carefully mapped and reflected within the wider Capital Programme.

Specific Grants and Contributions etc.

Specific Grants

These are grant allocations received from a range of sponsoring bodies including Welsh Government, Lottery, etc. for associated specific programmes and projects with limited local discretion on how the funding is spent. Often the terms and conditions of such funding will require unused funding to be returned, and can require the Council to match fund. In times where capital resources are declining the Council will seek to maximise such funding streams, subject to the initiative/scheme reflecting both the third party's agenda and the Council's priorities.

Specific Contributions

These are contributions from developers towards the provision of public assets or facilities. Sometimes these are to mitigate the impact of their development on communities and often referred to as section 106 contributions. Contributions are earmarked for specific purposes in planning agreements and often relate to infrastructure projects including play areas, open spaces, and schools, but also includes affordable housing. Developers also contribute to highways infrastructure developments through section 38 and 278 agreements.

Specific Capital Loans

Increasingly as Welsh Government's funding comes under pressure, capital funding that was previously issued as a specific capital grant is converted into a repayable loan, Examples include the Home Improvement Loans fund, and Vibrant and Viable Places funding. Grant funding will always be preferable to loan funding as it does not require repayment, however loan funding does have benefits. Its use to date has been to provide recyclable loan funding for regeneration purposes. The benefit is that rather than being used to fund a single project, the funding can be recycled and used to fund a number of projects over the term of the loan.

Capital Loans are also available, and have been used, from other sources such as Salix in relation to energy saving projects.

As with grants the Council will seek to maximise such developments that are in line with its priorities, whilst carefully considering the additional administrative burden in issuing and collecting loans, and the risk it carries from loan defaults.

Local Government Borrowing Initiative (LGBI)

In recent years as Welsh Government funding has been under pressure, schemes that would have been funded by capital grant have been funded by LGBI. Welsh Government provides the revenue support for borrowing costs incurred by the Council in borrowing to fund capital schemes (the difference with supported borrowing being that it's for a specific purpose aligned to Welsh Government priorities). LGBI has recently been used for highways maintenance and used to part fund the Welsh Government element of the 21st Century Schools programme – 'Band A'.

Capital Expenditure charged to Revenue Account (CERA)

Capital expenditure can be funded via a direct contribution from revenue funding (note capital financing regulations mean it is not possible to use capital funding to fund revenue expenditure). This method of funding is extensively used by the HRA and will continue to be in the future. Its use for Council Fund activity is generally quite limited as this would add pressure to the revenue budget as forecast in the Medium Term Financial Strategy.

Unsupported Prudential Borrowing (commonly referred to as Prudential Borrowing)

The Prudential Code for Capital Finance in Local Authorities supports local authorities in determining their programmes for capital investment in assets (we are required by regulation to follow its requirements). The Prudential Code gives Councils discretion to undertake borrowing to fund capital projects with the full cost of borrowing funded from future council revenue resources subject to the Council demonstrating, within a clear framework, that the capital investment plans are affordable, prudent and sustainable. A range of prudential indicators must be produced and approved demonstrating the impact of the programme. The option for funding additional capital developments is one which is funded from within existing revenue budgets or from generating additional and ongoing income streams, there is no support from any external funding and is a major constraint on its use as any scheme funded by prudential borrowing will add to the forecast budget deficit in the MTFS.

To date limited use has been made of the option following cautious and prudent consideration of long term impacts. This approach will continue to be used with schemes that have a clear financial benefit such as 'invest to save', 'spend to earn', and those that generate returns over and above the costs of debt. The focus will be to fund schemes that are the Council's priorities, attract third party funding and generate revenue benefits in future financial years in the form of revenue savings, income generation or increasing Council Tax yield. In addition, prudential borrowing will be used to fund the Council element of 21st Century Schools – 'Band B' and the HRA SHARP and Welsh Housing Quality Standard (WHQS) schemes.

Alternative Sources

There are a number of other alternative sources of capital funding which the Council could make use of, depending on circumstances and cost:-

- Finance Leases - Leases that transfers substantially (to the lessee) all the risks and rewards of ownership of an asset, even though ownership may not be transferred. This method was used for the equipment at Deeside Leisure Centre and the Jade Jones Pavilion, Flint.
- Public Private Partnerships (PPPs) - This is a broad term for various arrangements in which the Council has a longer and more intensive relationship with a private sector supplier than it does under a traditional contract. It includes:-
 - PFI contracts;
 - Local Asset Backed Vehicles (LABVs);
 - Strategic partnering;
 - Sale and Lease back;
 - Joint Ventures; and
 - Deferred Purchase
 - Mutual Investment Model (MIM)

To date the Council has made very limited use of alternative funding options listed above. In future all options along with any new initiatives will be explored and used carefully. Capital schemes funded from alternative sources are likely to increase the Council's debt liability therefore use will be restricted and considered in the same way as prudential borrowing.

4. PRIORITISATION OF CAPITAL EXPENDITURE

The purpose of the Capital Programme is to optimise the Council’s use of capital resources by allocation to those areas identified as representing the strategic priorities of the Council. The Programme is split into 3 sections;

- Statutory / Regulatory Programme consisting of an annual allocation to fund schemes of a statutory / regulatory nature. Examples include providing financial support to repair, improve and adapt private sector homes, and adapting schools for disabled children. Service areas will be required to submit plans for approval before the start of each financial year.
- Retained Asset Programme consisting of an annual allocation to fund schemes that maintain, improve or lengthen the economic life of the assets that we retain to use in delivering services where there is already a significant amount of capital work needed, identified by service plans / condition surveys etc. Service areas identified are; schools, highways, and corporate office accommodation. Service areas are required to submit plans for approval before the start of each financial year.
- Investment Programme consisting of allocations to fund new schemes arising from Portfolio Business Plans. Such schemes will be necessary to achieve revenue efficiencies included within Portfolio Business Plans and the MTFS and our strategic priorities as included in the Council Plan. Approval of such schemes will be through the submission of a full business case identifying the source of capital funding and the assets lifetime costs going forward.

Funding of schemes will be allocated as shown below:

| | | | |
|----------------------------------|--------------------------|----------------------|---|
| Statutory / Regulatory Programme | Retained Asset Programme | Investment Programme | |
| General Capital Grant | Supported Borrowing | Capital Receipts | Debt and Alternative Sources of Funding |

Capital Programmes will be set every year covering a timeframe of the next 3 financial years on a rolling basis, reflecting that capital schemes don’t match financial years and span more than 1 financial year. Schemes starting in that first financial year will be approved along with any costs and funding required in the subsequent 2 financial years. Schemes starting later than the first financial year will be given indicative support to enable services to plan, but will ultimately require formal approval through the process of approving the subsequent years’ capital programme.

Sufficient headroom will be built into the Capital Programme to facilitate more flexibility thus allowing smaller schemes to be presented, considered and approved by Cabinet in year. Such schemes arise in year due to, for example grants that require an element of match funding or unforeseen events such as regulatory works etc.

The development of the capital programme will be considered in the context of its impact on the Council’s MTFS and in particular the added pressure the capital programme may bring to the revenue budget.

5. GOVERNANCE

Planning for the Capital Programme is determined in parallel with service and revenue budget planning process within the framework of the MTFS.

New investment capital schemes will be rigorously appraised through submission of full business cases which will include schemes funded by grants or contributions from 3rd parties. Large schemes which are programmes in their own right will be subject to gateway reviews at stages during the programme, for example 21st Century Schools and SHARP. This ensures that the evidence and the case for change when the scheme was initially approved is still valid, and that lessons learned from early stages can be applied to future stages.

Those portfolios with core allocations will submit annual plans for assessment and challenge by the Capital and Assets Programme Board to ensure compliance with the Capital Strategy and the Asset Management Plan.

The Capital Programme where possible will be set for each coming financial year before the annual budget, and will include indicative figures spanning the same time frame as the MTFS.

Monitoring of the annual Capital Programme will be undertaken at a Portfolio level by the Capital Team within Technical Accounting, with progress updates given to the Capital and Assets Programme Board. Reporting to Members will take place quarterly to Cabinet and Corporate Resources Overview and Scrutiny Committee including:

- New schemes or additions to existing schemes
- Removal of or reductions to schemes
- Slippage on schemes, and impact on future years capital programme
- Funding virements between schemes
- Other necessary revisions to the scheme

The Capital and Assets Programme Board will develop processes for monitoring the outcomes of capital schemes and measures to monitor the performance of assets.

Capital expenditure plans

The Council's planned capital expenditure for the period 2021/22 to 2023/24 is summarised below:

Table 1: Prudential Indicator: Estimates of Capital Expenditure in £ millions

| | 2021/22 Estimate | 2022/23 Estimate | 2023/24 Estimate |
|-------------------------|-----------------------------|-----------------------------|-----------------------------|
| Council Fund | 12.706 | 14.794 | 32.217 |
| Housing Revenue Account | 28.288 | 28.607 | 30.870 |
| Total | 40.994 | 43.401 | 63.087 |

The Council's Capital Programme is due to be approved by Council in December 2020, and details can be found on the Council's website.

The Council is planning a number of significant investments during the period of this strategy. In particular, it is investing substantially in its schools in conjunction with Welsh Government through the 21st Century Schools programme; is extending its residential care home at Marleyfield in Buckley; is making infrastructure improvements at Standard Yard Waste Transfer Station (WTS) in Buckley to accommodate growth in recycling rates and an increase in resilience and processing capacity for future waste streams; and has plans, in conjunction with its partners, to create a new archive building to deliver a single archive service for North East Wales. More detail is available in the Capital Programme 2021/22 – 2023/24 report.

The Housing Revenue Account (HRA) is a ring-fenced account which ensures that council housing does not subsidise, or is itself subsidised, by other local services. HRA capital expenditure is therefore recorded separately. The Council has plans to invest significantly in housing assets over the period of the strategy, including the building of new homes as part of the Strategic Housing and Regeneration Programme (SHARP), as well as bringing its stock into line with the Wales Quality Housing Standard.

In addition, part of SHARP is to build new homes for rent at intermediate rent levels (between social housing rents and market rents). This is achieved by making capital loans to the Council’s wholly owned subsidiary, North East Wales Homes (NEW Homes) to build affordable homes.

All capital expenditure must be financed, either from external sources (government grants and other contributions), the Council’s own resources (revenue, reserves and capital receipts) or debt (borrowing, leasing etc.). The planned financing of the above expenditure is as follows, broken down into the sources detailed above in ‘Resources’:

Table 2: Capital Financing in £ millions

| | 2021/22 Estimate | 2022/23 Estimate | 2023/24 Estimate |
|---------------------------------|-----------------------------|-----------------------------|-----------------------------|
| Council Fund | | | |
| <u>External Sources</u> | | | |
| USB | 4.073 | 4.073 | 4.073 |
| GCG | 2.492 | 2.492 | 2.492 |
| Specific Grants/Contrib's/Loans | 2.467 | 4.603 | 16.234 |
| <u>Own Resources</u> | | | |
| Capital Receipts | 0.000 | 0.000 | 0.000 |
| CERA | 0.000 | 0.000 | 0.000 |
| <u>Debt</u> | | | |
| Prudential Borrowing | 3.674 | 3.626 | 9.418 |
| Sub Total - Council Fund | 12.706 | 14.794 | 32.217 |

| | | | |
|---------------------------------|---------------|---------------|---------------|
| Housing Revenue Account | | | |
| <u>External Sources</u> | | | |
| MRA | 5.065 | 5.065 | 5.065 |
| Specific Grants/Contrib's/Loans | 0.275 | 0.275 | 0.275 |
| <u>Own Resources</u> | | | |
| Capital Receipts | 0.000 | 0.000 | 0.000 |
| CERA | 14.101 | 13.412 | 13.722 |
| Othe contns | 0.000 | 0.000 | 0.000 |
| <u>Debt</u> | | | |
| Prudential Borrowing | 8.847 | 9.855 | 11.808 |
| | | | |
| Sub Total - HRA | 28.288 | 28.607 | 30.870 |
| | | | |
| TOTAL | 40.994 | 43.401 | 63.087 |

Debt is only a temporary source of finance, as any loans or leases must be repaid. Local Authorities are required each year under Regulations, to set aside some of their revenue resources as provision for the repayment of debt. The annual charge to the revenue account for repaying debt is known as the Minimum Revenue Provision (MRP). Planned MRP is as follows:

Table 3: Minimum Revenue Provision in £ millions

| | 2021/22 Estimate | 2022/23 Estimate | 2023/24 Estimate |
|-------------------------|-----------------------------|-----------------------------|-----------------------------|
| Council Fund | 4.818 | 5.247 | 5.493 |
| Housing Revenue Account | 1.609 | 1.641 | 1.674 |

Local Authorities are required to set a policy for MRP each financial year. The Council's sets its annual MRP policy in February each year and is available on its website.

Alternatively, capital receipts may be used to repay debt by applying capital receipts to the Capital Financing Requirement (CFR).

The Council's cumulative outstanding amount of capital expenditure financed by debt is measured by the Capital Financing Requirement (CFR). This increases with new debt-financed capital expenditure and reduces with MRP and any capital receipts used to repay debt. Based on the above figures for expenditure and financing, the Council's estimated CFR is as follows:

Table 4: Prudential Indicator: Estimates of Capital Financing Requirement in £ millions

| | 2021/22 Estimate | 2022/23 Estimate | 2023/24 Estimate |
|-------------------------|-----------------------------|-----------------------------|-----------------------------|
| Council Fund | 234.156 | 246.527 | 257.803 |
| Housing Revenue Account | 139.098 | 147.162 | 157.143 |
| | | | |
| Total | 373.254 | 393.689 | 414.946 |

6. TREASURY MANAGEMENT

Treasury Management is concerned with keeping sufficient but not excessive cash available to meet the Council's spending needs as they fall due, while managing the risks involved. Surplus cash is invested until required, while a shortage of cash will be met by borrowing, to avoid excessive credit balances or overdrafts in the bank current account. The Council is typically cash rich in the short-term as revenue income is received before it is spent, but cash poor in the long-term as capital expenditure is incurred before being financed. The revenue cash surpluses are offset against capital cash shortfalls to reduce overall borrowing.

Due mainly to decisions taken in the past, the Council currently (30th September 2020) has £281m long term borrowing at an average interest rate of 4.70%, and £30m short term borrowing at an average interest rate at 0.47%. It also had £24.5m treasury investments at an average interest rate of 0.046%.

Borrowing strategy: The Council's main objectives when borrowing are to achieve a low but certain cost of finance while retaining flexibility should plans change in future. These objectives are often conflicting, and the Council therefore seeks to strike a balance between cheap short-term loans (currently available at around 0.05%) and long-term fixed rate loans where the future cost is known but higher (currently 2.42% to 2.73%).

Projected levels of the Council's total outstanding debt (which comprises borrowing and leases) are shown below, compared with the capital financing requirement (see above).

Table 5: Prudential Indicator: Gross Debt & the Capital Financing Requirement in £ millions

| | 2021/22 Estimate | 2022/23 Estimate | 2023/24 Estimate |
|-------------------------------|-----------------------------|-----------------------------|-----------------------------|
| Debt (Incl Leases) | 365.150 | 392.462 | 396.910 |
| Capital Financing Requirement | 373.254 | 393.689 | 414.946 |

Statutory guidance is that debt should remain below the capital financing requirement, except in the short-term. As can be seen from Table 5, the Council expects to comply with this in the medium term.

Affordable borrowing limit: The Council is legally obliged to set an affordable borrowing limit (also termed the authorised limit for external debt) each year and to keep it under review. In line with statutory guidance, a lower “operational boundary” is also set as a warning level should debt approach the limit.

Table 6: Prudential Indicators: Authorised Limit & Operational Boundary for external debt in £m

| | 2021/22 Limit | 2022/23 Limit | 2023/24 Limit |
|--|------------------|------------------|------------------|
| Authorised Limit - Borrowing | 390 | 411 | 433 |
| Authorised Limit - Other long term liabilities | 35 | 35 | 35 |
| Authorised Limit - Total External Debt | 425 | 446 | 468 |
| Operational Boundary - Borrowing | 370 | 391 | 413 |
| Operational Boundary - Other long term liabilities | 20 | 20 | 20 |
| Operational Boundary - Total External Debt | 390 | 411 | 433 |

Investment strategy: Treasury investments arise from receiving cash before it is paid out again. Investments made for service reasons or for pure financial gain are not generally considered to be part of Treasury Management.

The Council’s policy on treasury investments is to prioritise security and liquidity over yield that is to focus on minimising risk rather than maximising returns. Cash that is likely to be spent in the near term is invested securely, for example with the government, other local authorities or selected high-quality banks, to minimise the risk of loss. Money that will be held for longer terms is invested more widely, including in bonds, shares and property, to balance the risk of loss against the risk of receiving returns below inflation. Both near-term and longer-term investments may be held in pooled funds, where an external fund manager makes decisions on which particular investments to buy and the Council may request its money back at short notice.

Governance: Decisions on Treasury Management investment and borrowing are made daily and are therefore delegated to the Corporate Finance Manager and the Treasury Management team, who must act in line with the Treasury Management Strategy approved annually by the Council in February. Quarterly reports on Treasury Management activity are presented to the Audit Committee. The Audit Committee is responsible for scrutinising Treasury Management decisions.

The Council sets a Treasury Management Policy Statement, an annual Treasury Management Strategy and Treasury Management Schedules and Practices which contain further details on the Council’s borrowing strategy, investment strategy and treasury management governance which are available on its website.

7. COMMERCIAL ACTIVITIES

The Council has a portfolio of investment properties, in the form of agricultural property and industrial units. Although these are classified as investment properties, they are legacy assets and the Council is managing down its agricultural portfolio and is reviewing its position in regard to industrial units.

8. LIABILITIES

In addition to debt of £281m detailed above, the Council is committed to making future payments to cover its pension fund deficit (valued at £399m). It has also set aside £1m to cover the risks associated with the aftercare of former landfill sites, and £2.7m as a provision against bad debts.

The Council is also at risk of having to pay for any additional works necessary at landfill sites, payments in respect of historic insurance, abuse and housing disrepair claims, costs involved in some employment tribunal cases, and has given pension guarantees on behalf of various alternative service delivery models. The Council has not set aside any funds because of a lack of certainty in estimating the size and timing of these liabilities.

Governance: Decisions on incurring new discretionary liabilities are taken by Chief Officers in consultation with the Corporate Finance Manager. The risk of liabilities crystallising and requiring payment is monitored by corporate finance and reported as required to Cabinet.

Further details on liabilities and guarantees are in the contingent liability section in note 33 of the Council's 2019/20 Statement of Accounts available on its website.

9. REVENUE BUDGET IMPLICATIONS

Although capital expenditure is not charged directly to the revenue budget, interest payable on loans and MRP are charged to revenue, offset by any investment income receivable. The net annual charge is known as financing costs; this is compared to the net revenue stream i.e. the amount funded from Revenue Support Grant, Council Tax and business rates (NNDR) for the Council Fund, and the HRA equivalent is the amount to be met from WG grants and rent payers.

Table 7: Prudential Indicator: Proportion of Financing Costs to Net Revenue Stream

| | 2021/22 Estimate | 2022/23 Estimate | 2023/24 Estimate |
|--------------|-----------------------------|-----------------------------|-----------------------------|
| Council Fund | 4.63% | 4.74% | 4.91% |
| HRA | 20.84% | 20.91% | 20.97% |

Sustainability: Due to the very long-term nature of capital expenditure and financing, the revenue budget implications of expenditure incurred in the next few years will extend for up to 50 years into the future. The Corporate Finance Manager is satisfied that the proposed capital programme is prudent, affordable and sustainable because the impact of the existing capital programme on the MTFS has been considered, and the revenue implications of future capital schemes are included when considering the approval of the capital budget.

Other revenue implications of capital expenditure are included in business cases and are factored into the MTFS.

10. KNOWLEDGE AND SKILLS

The Council employs professionally qualified and experienced staff in senior positions with responsibility for making capital expenditure, borrowing and investment decisions. For example, the Corporate Finance Manager is a qualified accountant with significant experience. The Council pays for junior staff to study towards relevant professional qualifications, including CIPFA and AAT.

Where Council staff do not have the knowledge and skills required, use is made of external advisers and consultants that are specialists in their field. The Council currently employs Arlingclose Limited as treasury management advisers. This approach is more cost effective than employing such staff directly, and ensures that the Council has access to knowledge and skills commensurate with its risk appetite.