

Pecyn Dogfen Gyhoeddus

Gareth Owens LL.B Barrister/Bargyfreithiwr
Chief Officer (Governance)
Prif Swyddog (Llywodraethu)



Swyddog Cyswllt:
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At: Cyng Clive Carver (Cadeirydd)

Y Cynghorwyr: Haydn Bateman, Sean Bibby, Geoff Collett, Mared Eastwood,
Patrick Heesom, Richard Jones, Richard Lloyd, Kevin Rush, Paul Shotton,
Andy Williams ac Arnold Woolley

10 Medi 2021

Annwyl Gynghorydd,

RHYBUDD O GYFARFOD ANGHYSBELL
PWYLLGOR TROSOLWG A CHRAFFU ADNODDAU CORFFORAETHOL
DYDD IAU, 16EG MEDI, 2021 10.00 AM

Yn gywir

Robert Robins
Rheolwr Gwasanaethau Democrataidd

Sylwch: Bydd hwn yn gyfarfod dros y we a bydd 'presenoldeb' wedi'i gyfyngu i Aelodau'r Pwyllgor a'r Aelodau hynny o'r Cyngor sydd wedi gofyn i Bennaeth y Gwasanaethau Democrataidd am wahoddiad. Y Cadeirydd fydd yn penderfynu a yw'r rhain yn cael siarad ai peidio.

Bydd y cyfarfod yn cael ei ffrydio'n fyw ar wefan y Cyngor. Bydd recordiad o'r cyfarfod ar gael yn fuan ar ôl y cyfarfod ar <https://flintshire.publici.tv/core/portal/home>

Os oes gennych unrhyw ymholiadau, cysylltwch ag aelod o'r Tîm Gwasanaethau Democrataidd ar 01352 702345.

R H A G L E N

1 YMDDIHEURIADAU

Pwrpas: I dderbyn unrhyw ymddiheuriadau.

2 DATGAN CYSYLLTIAD (GAN GYNNWYS DATGANIADAU CHWIPIO)

Pwrpas: I dderbyn unrhyw ddatganiad o gysylltiad a chynghori'r Aelodau yn unol a hynny.

3 COFNODION (Tudalennau 5 - 20)

Pwrpas: I gadarnhau, fel cofnod cywir gofnodion y cyfarfodydd ar 8 a 29 Gorffennaf 2021.

4 OLRHAIN GWEITHRED (Tudalennau 21 - 24)

Adroddiad Pennaeth Gwaesanaethau Democrataidd -

Pwrpas: Rhoi gwybod i'r Pwyllgor o'r cynnydd yn erbyn camau gweithredu o'r cyfarfod blaenorol.

5 RHAGLEN GWAITH I'R DYFODOL (Tudalennau 25 - 32)

Adroddiad Pennaeth Gwaesanaethau Democrataidd -

Pwrpas: Ystyried y flaenraglen waith Pwyllgor Craffu & Trosolwg adnoddau corfforaethol.

6 ADRODDIAD BLYNYDDOL Y BARTNERIAETH DIOGELWCH CYMUNEDOL (Tudalennau 33 - 42)

Adroddiad Prif Weithredwr - Aelod Cabinet dros Gynllunio a Diogelu'r Cyhoedd

Pwrpas: Darparu sicrwydd a throsolwg i'r Aelodau o weithgareddau a chynnydd y Bartneriaeth yn 2020/21.

7 BWRDD UCHELGAIS ECONOMAIDD GOGLEDD CYMRU - ADRODDIAD BLYNYDDOL (Tudalennau 43 - 76)

Adroddiad Prif Swyddog (Cynllunio, Amgylchedd ac Economi) - Aelod Cabinet Datblygu Economaidd

Pwrpas: Derbyn Adroddiad Blynyddol y Swyddfa Rheoli Portffolios ar Fwrdd Uchelgais Economaidd Gogledd Cymru ar gyfer 2020-21.

8 PECYN YSGOGI ECONOMAIDD CYNGHRAIR MERSI A'R DDYFRDWY (Tudalennau 77 - 174)

Adroddiad Prif Swyddog (Cynllunio, Amgylchedd ac Economi) - Aelod Cabinet Datblygu Economaidd

Pwrpas: Ceisio cefnogaeth Pecyn Ysgogi Economaidd Cynghrai Mersi a'r Ddyfrdwy.

9 CYLLIDEB 2022/23 - CAM 2 TROSOLWG (Tudalennau 175 - 182)

Adroddiad Prif Weithredwr, Rheolwr Cyllid Corfforaethol - Aelod Cabinet dros Gyllid, Gwerth Cymdeithasol a Chaffael

Pwrpas: Pennu'r dull gweithredu ar gyfer llunio cyllideb 2022/23.

10 CYLLIDEB 2022/23 - CAM 2 (Tudalennau 183 - 190)

Adroddiad Prif Weithredwr, Rheolwr Cyllid Corfforaethol - Aelod Cabinet dros Gyllid, Gwerth Cymdeithasol a Chaffael

Pwrpas: Bod y Pwyllgor yn adolygu ac yn gwneud sylw am bwysau ariannol y Gwasanaethau Corfforaethol a Chyllid Corfforaethol a strategaeth gyffredinol y gyllideb ac yn rhoi cyngor am unrhyw feysydd o effeithlonrwydd costau yr hoffai weld yn cael eu harchwilio ymhellach.

11 ADRODDIAD TERFYNOL ASESIAD CYNALIADWYEDD ARIANNOL SIR Y FFLINT (Tudalennau 191 - 212)

Adroddiad Rheolwr Cyllid Corfforaethol, Prif Weithredwr - Aelod Cabinet dros Gyllid, Gwerth Cymdeithasol a Chaffael

Pwrpas: Rhannu adroddiad asesu cynaliadwyedd ariannol gan Archwilio Cymru gydag aelodau.

12 MONITRO CYLLIDEB REFENIW 2020/21(MIS 4) A RHAGLEN GYFALAF (MIS 4) (Tudalennau 213 - 262)

Adroddiad Rheolwr Cyllid Corfforaethol - Aelod Cabinet dros Gyllid, Gwerth Cymdeithasol a Chaffael

Pwrpas: Pwrpas yr adroddiad hwn yw darparu Adroddiad Monitro Cyllideb Refeniw 2020/21 (Mis 4) ac Adroddiad Rhaglen Gyfalaf 2020/21 (Mis 4) ac amrywedd sylweddol i'r Aelodau.

13 DIWEDDARIAD CHWARTEROL CYFLOGAETH A'R GWEITHLU (Tudalennau 263 - 286)

Adroddiad Uwch Reolwr, Adnoddau Dynol a Datblygu Sefydliadol - Dirprwy Arweinydd y Cyngor (Llywodraethu) ac Aelod Cabinet dros Reolaeth Gorfforaethol ac Asedau

Pwrpas: Mae'r adroddiad hwn yn cynnwys diweddariadau strategol yn ogystal ag ystadegau chwarterol y gweithlu a dadansoddiad ohonynt.

Sylwch, efallai y bydd egwyl o 10 munud os yw'r cyfarfod yn para'n hirach na dwy awr.

Nodyn Gweithdrefnol ar redeg cyfarfodydd

Bydd y Cadeirydd yn agor y cyfarfodydd ac yn cyflwyno eu hunain.

Bydd nifer o Gynghorwyr yn mynychu cyfarfodydd. Bydd swyddogion hefyd yn mynychu cyfarfodydd i gyflwyno adroddiadau, gyda swyddogion Gwasanaethau Democrataidd yn trefnu a chynnal y cyfarfodydd.

Gofynnir i bawb sy'n mynychu i sicrhau bod eu ffonau symudol wedi diffodd a bod unrhyw sain gefndirol yn cael ei gadw mor dawel â phosib.

Dylai'r holl feicroffonau gael eu rhoi "ar miwt" yn ystod y cyfarfod a dim ond pan fyddwch yn cael eich gwahodd i siarad gan y Cadeirydd y dylid eu rhoi ymlaen. Pan fydd gwahoddedigion wedi gorffen siarad dylen nhw roi eu hunain yn ôl "ar miwt".

Er mwyn mynegi eu bod nhw eisiau siarad bydd Cynghorwyr yn defnyddio'r cyfleuster 'chat' neu yn defnyddio'r swyddogaeth 'raise hand' sy'n dangos eicon codi llaw electronig. Mae'r swyddogaeth 'chat' hefyd yn gallu cael ei ddefnyddio i ofyn cwestiynau, i wneud sylwadau perthnasol ac yn gyfle i'r swyddog gynghori neu ddiweddarau'r cynghorwyr.

Bydd y Cadeirydd yn galw ar y siaradwyr, gan gyfeirio at aelod etholedig fel 'Cynghorydd' a swyddogion yn ôl eu teitl swydd h.y. Prif Weithredwr neu enw. O bryd i'w gilydd mae'r swyddog sy'n cynghori'r Cadeirydd yn egluro pwyntiau gweithdrefnol neu'n awgrymu geiriad arall ar gyfer cynigion er mwyn cynorthwyo'r Pwyllgor.

Os, a phan y cynhelir pleidlais, mi fydd y Cadeirydd yn egluro mai dim ond y rheiny sy'n gwrthwynebu'r cynnig/cynigion, neu sy'n dymuno ymatal a fydd angen mynegi hynny drwy ddefnyddio'r swyddogaeth 'chat'. Bydd y swyddog sy'n cynghori'r Cadeirydd yn mynegi os bydd y cynigion yn cael eu derbyn.

Os oes angen pleidlais fwy ffurfiol, bydd hynny yn ôl galwad enwau – lle gofynnir i bob Cynghorydd yn ei dro (yn nhrefn yr wyddor) sut mae ef / hi yn dymuno pleidleisio.

Yng nghyfarfodydd Pwyllgorau Cynllunio a Chyngor Sir mae amseroedd siaradwyr yn gyfyngedig. Bydd cloch yn cael ei chanu i roi gwybod i'r siaradwyr bod ganddyn nhw funud ar ôl.

Bydd y cyfarfod yn cael ei ffrydio'n fyw ar wefan y Cyngor. Bydd recordiad o'r cyfarfod ar gael yn fuan ar ôl y cyfarfod ar <https://flintshire.publici.tv/core/portal/home>

Eitem ar gyfer y Rhaglen 3

CORPORATE RESOURCES OVERVIEW & SCRUTINY COMMITTEE **8 JULY 2021**

Minutes of the remote attendance meeting of the Corporate Resources Overview & Scrutiny Committee of Flintshire County Council held on Thursday, 8 July 2021

PRESENT: Councillor Clive Carver (Chairman)

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

CONTRIBUTORS: Councillor Ian Roberts - Leader and Cabinet Member for Education, Councillor Billy Mullin - Deputy Leader (Governance) and Cabinet Member for Corporate Management and Assets, Councillor Paul Johnson - Cabinet Member for Finance, Social Value & Procurement, Chief Executive, Chief Officer (Governance), Chief Officer (Housing and Assets), Corporate Finance Manager, Senior Manager for Human Resources & Organisational Development, Strategic Finance Manager, Finance Manager and Finance Manager (Technical, Capital & Systems)

Chief Officer (Social Services) and Senior Manager (Safeguarding and Commissioning) - for minute number 16

IN ATTENDANCE: Head of Democratic Services, Civic & Member Services Officer and Democratic Services Officer

11. DECLARATIONS OF INTEREST

None.

12. MINUTES

The minutes of the meeting held on 10 June 2021 were approved, as moved and seconded by Councillors Paul Shotton and Kevin Rush.

RESOLVED:

That the minutes be approved as a correct record.

13. VARIATION IN ORDER OF BUSINESS

The Chairman advised of a change in the order of business to bring forward agenda item 9 (Joint Funded Care Packages) to enable officers to speak on the item. The remaining items would be considered in the order shown on the agenda.

14. ACTION TRACKING

The Head of Democratic Services presented the update report on progress with actions arising from previous meetings and advised that the evening briefing session on recycling had been moved.

The Chief Executive confirmed that the Audit Wales report on Financial Sustainability and the North Wales Economic Ambition Board item were both on track for September. On the latter, he thanked Members for their attendance at the recent joint Overview & Scrutiny meeting.

The recommendation was moved and seconded by Councillors Geoff Collett and Sean Bibby.

RESOLVED:

That the Committee notes the progress which has been made.

15. FORWARD WORK PROGRAMME

The Head of Democratic Services presented the current forward work programme for consideration.

Following a query by Councillor Richard Jones, it was agreed that an update on the Poverty theme would be included within the mid-year Council Plan monitoring report in December. On that basis, the recommendations were supported.

RESOLVED:

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

16. JOINT FUNDED CARE PACKAGES

The Chief Officer (Social Services) and Senior Manager (Safeguarding and Commissioning) presented a report on the processes for agreeing joint funded care packages between Health and Social Care, following Members' concerns about the implications of the lesser contribution by Betsi Cadwaladr University Health Board (BCUHB). The report had been well received by the Social & Health Care Overview & Scrutiny Committee.

The report set out the challenges involved in this complex issue and the need to maintain close working relationships with BCUHB colleagues to agree the most appropriate Continuing Health Care (CHC) package for an individual. Eligibility criteria for the delivery of these services was set out in the national

framework document (appended to the report) which was currently under review by Welsh Government. An update was given on the current outstanding debt owed by BCUHB.

In thanking officers for the detailed report, Councillor Richard Jones said that this did not address his original question about the reduced contribution of £0.133K from BCUHB for a Disability Service package reported in March.

The Chief Officer said that the process for managing disputed cases would benefit from the agreed appointment of a dedicated CHC Monitoring Officer for the Council. He gave assurance that disputed cases were appealed and challenged, and agreed to provide information on the specific case referred to by Councillor Jones.

The Chief Executive referenced CHC as a highly contested area wherein the creation of the new role would increase capacity. On Councillor Jones' question, he suggested that the amount may have been an indicative figure which was not achieved and that detailed analysis would be shared with the Committee privately to avoid open discussion on a particular case.

Councillor Jones asked that the information include the amount of money lost each year compared with what had been projected. Due to the resources required to collate this information, he asked that the analysis apply to a period of time which could be reasonably accommodated by the team.

Councillor Ian Roberts gave assurance of robust discussions with BCUHB on a number of occasions to resolve case disputes.

The Chief Executive said that whilst funding was eventually received from BCHUB for undisputed cases, an additional resolution should be that the level of ongoing debt with BCUHB was an unacceptable practice in need of further improvement - as recognised by the Governance & Audit Committee.

The recommendations, which were revised to reflect the debate, were moved and seconded by Councillors Richard Jones and Patrick Heesom.

The Chairman was given clarification on the dispute resolution process. He thanked the Chief Officer and Senior Manager for their attendance.

RESOLVED:

That the Committee:

- (a) Notes the robust and proactive budget management approach that the Council takes on joint funded care packages;
- (b) Welcomes the plan to introduce a Continuing Health Care Monitoring Officer post supported by 'Invest to Save' corporate funding;

- (c) Seeks an understanding of the amount of money lost to the Council over a reasonable amount of time and the reduced contribution of £0.133K reported in March; and
- (d) Suggests to the Betsi Cadwaladr University Health Board that their Audit Committee should review this situation.

17. MEDIUM TERM FINANCIAL STRATEGY AND BUDGET 2022/23

The Chief Executive and Corporate Finance Manager presented a report on the first stage of developing the Budget for 2022/23 alongside the Medium Term Financial Strategy (MTFS) following the recent Member briefing. A presentation covered the following:

- Financial Forecast for 2022/23 - 2024/25
- Cost Pressures
- Prior Year Decisions
- Loss of Income
- Legislative / Indexation
- National Resolution
- National Funding Requirements - Pay Awards - Non Schools/Schools
- Strategic Choices - Education/Social Care
- Other Choices
- Four Part Solutions
- Holding to our Position
- The 'bottom line'
- Efficiencies and Income to date
- National and Funding
- Next Steps and Timelines

The updated forecast indicated a minimum budget requirement of an additional £16.750m of revenue resources for 2022/23; this included the financial impact of cumulative pay award outcomes for 2021/22 and 2022/23 for school and non-school employees. The four part solutions were on service efficiencies, local taxation, Government funding and risk balance. Taking into account all cost estimates, budget options and limiting factors, a minimum 4.5% increase in Revenue Support Grant was required to recognise the cost of pay awards and support through a long recovery phase. All Councils in Wales were engaging with the Welsh Local Government Association (WLGA) and Welsh Government (WG) on these requirements.

Following consideration by Cabinet, Overview & Scrutiny Committees would be invited to review their respective cost pressures and efficiency proposals during September and October prior to reporting the overall position to this Committee.

Councillor Paul Johnson spoke about the importance of Member involvement throughout the budget process and the need for careful consideration of the aspirations set out.

In thanking officers for the report, Councillor Paul Shotton said that the analysis reinforced the need for a fairer funding settlement from WG to enable the Council to set a legal and balanced budget.

Councillor Richard Jones reiterated the point that any national decisions with a financial impact should be supplemented by the relevant funding. He noted that service balances had increased significantly and asked whether some of those amounts carried forward could be used to cover cost pressures for the year if not being used for the same purpose.

On the first point, the Chief Executive spoke about the increasing number of national pressures arising from legislative decisions which often had no specific funding allocated.

The Corporate Finance Manager said that all carry forward requests were approved by Cabinet and that the majority were committed for the original intended purpose during the start of the new financial year.

Councillor Jones proposed that officers re-review service balances to establish if any could be allocated elsewhere. The Corporate Finance Manager advised that any one-off amount identified could not fund recurring issues. The Chief Executive said that whilst balances were reviewed, a further rigorous review would be undertaken as requested.

The recommendations, which were revised to reflect the debate, were moved and seconded by Councillors Haydn Bateman and Geoff Collett.

RESOLVED:

- (a) That Committee advises the Cabinet that it supports the budget requirement estimate, and its rationale, and requests a review of service balances; and
- (b) That the Committee confirms that it will rigorously challenge the budget requirement estimates during September and October and will encourage the other four Overview & Scrutiny Committees to take a similar approach.

18. REVENUE BUDGET MONITORING 2020/21 (OUTTURN) AND CAPITAL PROGRAMME MONITORING 2020/21 (OUTTURN)

The Corporate Finance Manager and Finance Manager (Corporate Services) and Finance Manager (Technical, Capital & Systems) presented a report on the Revenue Budget Monitoring 2020/21 (Outturn) and the Capital Programme 2020/21 (Outturn) prior to consideration by Cabinet.

Revenue Budget Monitoring

The report took into account the latest position on claims made to the Welsh Government (WG) Hardship fund and Income Loss funding streams which had proved critical throughout the emergency period.

On the Council Fund, the final year-end position was an operating surplus of £2.185m (excluding the impact of the pay award which had been met from reserves) leaving a contingency reserve balance of £5.973m. Explanation was given on the reasons for the favourable net movement from the previous month, as set out in the report, which were mainly one-off benefits. An update was provided on the key financial risks, achievement of planned in-year efficiencies, and the position on reserves and balances as detailed in the report. On earmarked reserves and in response to earlier comments, the increase in service balances (requested for specific uses and split across portfolios) was mainly due to delays in spending due to the emergency situation.

On the Housing Revenue Account (HRA), an underspend of £2.866m would leave a closing un-earmarked balance of £4.875m, which was above the recommended guidelines on spend. The increased contribution to reserves in 2020/21 would fund the re-phased capital works now anticipated in 2021/22 and would offset future borrowing associated with these works.

In response to questions from Councillor Richard Jones, officers explained that a delay in the procurement of CCTV hardware upgrades within Streetscene & Transportation had caused an adverse movement and would be spent as a carry forward amount in this financial year. On the shortfall in Council Tax collection during the emergency, the financial contribution from Welsh Government had been set aside as a safeguard and would be reviewed against potential future bad debts, with any positive impact held in reserves.

Capital Programme

The revised programme for 2020/21 was £66.236m taking into account all carry forward sums and savings transferred back to the programme. Changes during the last quarter were mainly due to the introduction of grant funding streams and budget re-profiling. Actual expenditure for the year totalled £62.915m which was 94.99% of the budget, leaving a £3.321m underspend recommended to be carried forward for the completion of schemes in 2021/22. Also reported were details of savings identified during the last quarter and the overall surplus funding position of £1.968m for the three year programme which would lead to an opening balance of £2.112m in the 2021/22 programme.

Officers provided clarification to Councillors Patrick Heesom and Haydn Bateman on savings identified in the last quarter from the partial demolition of County Hall and the North Wales Residual Waste Treatment Project.

Councillor Richard Jones asked that the resolution reflect his previous request for the review of service balances. On that basis, the recommendations were moved and seconded by Councillors Paul Shotton and Sean Bibby.

RESOLVED:

- (a) That having considered the Revenue Budget Monitoring 2020/21 (Outturn) report, the Committee confirms that there are no specific issues to raise with Cabinet apart from the review of service balances; and
- (b) That having considered the Capital Programme Monitoring 2020/21 (Outturn) report, the Committee confirms that there are no specific issues to be raised with Cabinet.

At this point in the meeting, there was a brief adjournment prior to the next item.

19. REVENUE BUDGET MONITORING 2021/22 (INTERIM)

The Corporate Finance Manager introduced a report on the interim in-year budget monitoring position for 2021/22 for the Council Fund and Housing Revenue Account (HRA). This was an exception report on potential significant variances which may impact on the financial position in 2021/22 and progress in achieving planned efficiencies against targets set for the year.

Amongst the key considerations was the continuation of retrospective claims to the Welsh Government (WG) Hardship Fund up to September 2021, noting the uncertainty on whether this would be extended should restrictions continue. An update was given on open risks including the impact of the pay award, Out of County Placements and Contingence Reserves including ring-fenced amounts.

The Chief Executive said that although the overall summary reflected a positive interim position, there were a number of significant risks due to uncertainty on the continuation of WG funding and contributions to nationally agreed pay awards.

On Out of County Placements, Councillor Richard Jones suggested that the Committee could write to WG to reiterate the Council's lack of control over these cost pressures.

The Chief Executive said that all Councils in Wales were collectively engaging with WG on national or market-led cost pressures by sharing evidence and detailed analysis on the impact of key issues including Out of County Placements.

Councillor Ian Roberts said that the development of services within Flintshire would help to reduce the number of Out of County Placements. He said that robust discussions were taking place with WG on pay awards for teachers.

The recommendation was moved and seconded by Councillors Richard Jones and Geoff Collett.

RESOLVED:

That having considered the Revenue Budget Monitoring 2021/22 (Interim) report, the Committee confirms that there are no issues which it wishes to raise with Cabinet.

20. DIGITAL FLINTSHIRE

The Chief Officer (Governance) presented the report to review the Council's Digital Strategy 'Digital Flintshire' prior to submission to Cabinet. The Strategy had been updated to reflect long-term objectives and national changes, as discussed in recent Member briefings.

The recommendations were moved by Councillor Arnold Woolley and seconded by Councillor Patrick Heesom who commended the briefing sessions.

RESOLVED:

That the Committee:

- a) Welcomes the progress made in achieving the aims of Digital Flintshire;
- b) Agrees that the refreshed strategy sets the correct the aspirations for the further development of digital services; and
- c) Is assured that the revised strategy will help to ensure that everyone will have equal access to digital skills, devices and connectivity.

21. EMPLOYMENT AND WORKFORCE END OF YEAR UPDATE

The Senior Manager, Human Resources and Organisational Development presented a report on the year-end 2020/21 position on workforce statistics and their analysis. Figures for Test, Trace & Protect had not been included as this was a regional service.

In summarising the key areas, the Senior Manager spoke about the impact of the emergency situation on attendance figures and spend on agency workers.

Councillor Richard Jones praised the findings in light of the impact of the emergency. In response to questions, the Senior Manager spoke about changes to the appraisal process to adapt to the situation and positive feedback on the use of technology to maintain communications within teams.

Councillor Richard Lloyd asked about remote working in the future and was informed that work was taking place to establish long-term principles for each team to meet the needs of employees and their services.

In praising the report, Councillor Patrick Heesom highlighted the challenges for elected Members in working differently during the emergency.

The recommendations were moved and seconded by Councillors Paul Shotton and Patrick Heesom.

RESOLVED:

- (a) That the Committee notes the Year-End Workforce Information Report 2020/21 (October 2020 - March 2021); and
- (b) That the Committee expresses its appreciation of the Council's workforce in maintaining service delivery during the Covid-19 pandemic.

22. MEMBERS OF THE PRESS IN ATTENDANCE

There was one member of the press in attendance.

(The meeting started at 10am and ended at 1pm)

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Chairman

Mae'r dudalen hon yn wag yn bwrpasol

CORPORATE RESOURCES OVERVIEW & SCRUTINY COMMITTEE **THURSDAY 29 July 2021**

Minutes of the remote attendance meeting of the Corporate Resources Overview & Scrutiny Committee of Flintshire County Council held on Thursday, 29 July 2021.

PRESENT: Councillor Clive Carver (Chairman)

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

APOLOGY: Councillor Sean Bibby (had a clash of meetings but joined later)

CONTRIBUTORS:

Councillor Ian Roberts, Leader of the Council and Cabinet Member for Education, Councillor Billy Mullin, Deputy Leader (Governance) and Cabinet Member for Corporate Management and Assets, Councillor Paul Jonson, Cabinet Member for Finance, Social Value & Procurement, Chief Executive, Chief Officer (Education & Youth) Chief Officer (Housing & Assets), and Benefits Manger

IN ATTENDANCE: Head of Democratic Services, Overview & Scrutiny Facilitator and Democratic Services Support Officer

23. **DECLARATIONS OF INTEREST**

No Declarations were received

24. **POVERTY PRIORITY UPDATE REPORT**

The Chief Executive thanked Members for attending the special meeting to consider the Council Plan Poverty theme priorities. This had been remitted to this committee.

The Benefits Manager introduced the Poverty Priority Update Report. During and following the pandemic, tackling poverty and vulnerability in Flintshire had been critical and significant areas of work. She provided detailed information on how these were covered under the five key themes, which were:

- Income Poverty - which included information on the Benefits process, Discretionary Housing Payments Scheme (DHP), Clearing Rent Arrears, Tenancy Hardship Grant, Welfare Reform Team and Self Isolation payment.
- Child Poverty – which included information on Free School Meals, Uniform Grant Scheme and Direct Payments Process
- Food Poverty – which included information on Well-Fed Food Store, Well-Fed Mobile Shop and Holiday Hunger
- Fuel Poverty
- Digital Poverty – which included information on Digital Champion Scheme and Digital Exclusion

The Chair invited Members to ask questions. Councillor Paul Shotton referred to the £20 reduction in Universal Credit payments by the UK Government and asked if the impact on Flintshire families was known.

The Benefits Manager responded on the work her team had carried out and that Discretionary Housing Payments (DHP) were being used to support these families. Unfortunately, there would be an impact for those families where housing costs were not included in their Universal Credit as they would lose £20 per week. It was difficult to quantify the impacts as the Council did not administer Universal Credit payments but the Authority's support services were publicised as widely as possible to highlight the assistance available for these families.

Councillor Shotton then asked where the Well-Fed Mobile Store was based. It was confirmed that the Well-Fed Mobile Shop was based at Shotton Kitchen with the Well-Fed Food Store based at Woodside Community Centre.

Councillor Shotton then referred to School Uniforms costs and said the schools that he was involved with had a scheme to re-use uniforms donated by parents and asked if this scheme was rolled out across all Flintshire schools.

The Chief Officer (Education & Youth) reassured members that the Council encouraged schools to follow the Welsh Government guidance that uniforms should be accessible and affordable. Schools promoted the School Uniform Grant Scheme, which also assisted in the provision of sports kits, and of brownie, cubs and scouts uniforms. She commented that the mapping of school uniform supplies across all schools had been delayed because of the pandemic but would be discussed at the Head Teachers Federation meeting in early September. Once this information was available, a map of supplies and gaps in provision could be established and then work undertaken to develop a better model and highlight the schemes which were available for families.

The Chair referred point 1.06 of the report on the grant available for Year 7 pupils of £200. He sought clarification on the amount of grant for looked after children. The Chief Officer confirmed that through the regional consortium, the Local Authority received £125 for each looked after child in every year of compulsory education. There was an agreed regional approach to how this funding was used to support all looked after pupils.

Councillor Richard Jones asked how many families were in poverty in Flintshire and how many was the Council assisting. The Benefits Manager said that this was very difficult to calculate as all of the data was not held by Flintshire and that there were numerous elements to it. There was information on the number of people claiming Council Tax Reduction, Housing Benefit but no information was available on how many people claimed Universal Credit.

Following the reduction in Universal Grant with the Discretionary Housing Payments used to plug the shortfall, Councillor Jones asked what happened to unused grant. The Benefits Manager confirmed the DWP grant was paid to the Authority throughout the year with any unused grant being returned but that generally there was an overspend. With regard to the WG support, the Authority incurred the expenditure and claimed that back.

Councillor Jones sought clarification on how referrals were made to the Well-Fed Store and Emergency Food Support. The Benefits Manager explained that referrals were made via the internal supporting people gateway, Welfare Reform Team and Social Services but that as this was rolled out more widely more agencies would become involved. Any time lag point could be impacted by a range of reasons. This was why the council provided a subsidy for a short period, to enable engagement with support services.

With regard to energy efficiency at home, Councillor Jones asked how many residents had benefited so far. The Benefits Manager did not have that information to hand but agreed to circulate it to members.

On page 10 at point 1.09 Councillor Jones commented that the definition for Digital Poverty was different from the Council Plan which he felt was more appropriate.

Councillor Jones referred to the top of page 8 and asked for an update on the work with free access to books, ICT networks and devices. In response the Chief Officer (Education & Youth) referred to a report which had been presented to the Education Youth & Culture Overview & Scrutiny Committee earlier in the year and gave information on the National Strategy and the survey of devices in schools. When the pandemic started, these devices were circulated quickly to schools who were able to loan them to pupils who did not have their own devices at home. Licences for Mifi devices were purchased so parents without Wifi at home could use these and also re-purposed council laptops were used. The Council's own work, supplemented by the Neumark Foundation and local business donations ensured every child in every school had access to devices to support their learning.

On the Digital Champion Scheme Councillor Jones asked what this role entailed and who would benefit from it. The Benefits Manager confirmed that this be would going live in September/ October with the aim to encourage everyone to support neighbours and people in the community to feel confident using digital platforms.

On Apprenticeships, the Benefits Manager reported that the Corporate Training Officer was looking to develop and encourage them to become Digital Champions within the community. The aim was to inspire other local businesses to access the webpage which contained ample information and resources. Councillor Jones had not realised that it was the Authority's apprentices that would be involved and said the Digital Champion Scheme did not describe in a clear way that this was more community based. The Benefits Manager confirmed when the Scheme launched all information would be placed on the website and that this was a community approach for reaching and supporting as many people as possible.

The Leader commended officers of the Council involved in this strategy and said that during the pilot for Universal Credit, and the difficult times during the pandemic, this work had been at the forefront. He also thanked the officers' involved supporting homelessness. He referred to the 'roll out' of strategy for schools and the national funding which was held in school budgets to assist children with their missed education or identified deficits. The Leader thanked all officers reacting to the situation during the pandemic and praised the community support provided, supplementing and enhancing the work of the Council. At the start of the pandemic, volunteers had collected prescriptions, shopping and supplies for neighbours who

were shielding. He also commented said that the food parcels operation at County Hall had been impressive sight to see.

Responding to Councillor Richard Jones on the scale of poverty, the Chief Executive explained that there was not one single measure to identify this and that the national figures on the levels of children living below the poverty line were based on family income. However, there were many supporting and specific indices of poverty. This report addressed aspects of poverty over which the Council had some influence and where it could act with the support of partners such as DWP, FLVC and Citizen's Advice. It was not possible to take a universal responsibility for poverty. He referred to other services provided such as (SPOA) Single point of access, Social Isolation and Digital Poverty, acknowledging that this was a really complicated field. Bringing together the work streams from the Benefits Manager's role with areas such as Housing, Benefits and Food Poverty and Chief Officer's portfolio for education and schools was key to making an impact.

Councillor Haydn Bateman asked what the difference was between Well-Fed Mobile Shop and the Well-Fed Food Store. The Benefits Manager confirmed the mobile shop was not a free service but that with engagement with rural communities this would enable a variety of fresh food to be delivered at competitive prices to a wider network. This was a new initiative.

Councillor Jones then asked the Chair if timelines could be attached to this which would enable a better understanding and allow questions to be asked. The Benefits Manager clarified that this was not a performance report and that in September / October more detail on the work streams would follow for Quarter 1, including detailed information on progress against the timeline and targets that had been set. This report was provided to update the committee on the Poverty theme and enable Members to ask questions

Councillor Richard Lloyd asked where the mobile shop would visit, how it would be publicised and whether ward members would be able to provide recommendations. The Benefits Manager responded that some rural areas had already been identified but confirmed that all suggestions would be considered. The Holway, Holywell was being considered because it was isolated from mainstream supermarkets. She was happy to receive any suggestions from Members. Councillor Lloyd suggested Saltney Ferry Mold Junction because of the distance from both shops and bus stops to access shops.

Councillor Paul Johnson referred to Social Value, and the impact the Council's work was making.

The Chief Executive responded to Councillor Jones and suggested that the Council Plan quarterly reports could include a separate report or appendix on the Poverty theme, to enable members to see the impact made. The Chair agreed that this would be very useful

The Chief Officer (Housing & Assets) suggested that anonymised real life stories be included as these would provide powerful evidence of the positive interventions that were being delivering through the poverty work stream and highlight how these had changed people's lives in a positive way. He said putting some of these stories in future reports it would bring them to life

Councillor Jones referred to the recommendation saying that he was interested in the numbers; even statistics from other organisations would provide an estimate of what the poverty level was in Flintshire. This would enable the Authority to see how it was performing and that together with the real life stories provide reassurances that all the people in need were being reached.

The Chief Executive reported on national data which could be used and the Regional Well Being Self-Assessment as contributors to research on the scale of poverty.

At the end of the discussion, the Head of Democratic Services suggested that the recommendation be amended to better reflect the Committee's deliberations and appreciation. The amended recommendation was accepted and moved and seconded by Councillors Paul Shotton and Richard Lloyd

RESOLVED:

That the Committee expresses its appreciation of the work undertaken in each of the poverty priority areas and thanked all of those involved.

25. **MEMBERS OF THE PRESS IN ATTENDANCE**

There were no members of the press in attendance.

(The meeting started at 10am and ended at 11.00 am)

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Chairman

Mae'r dudalen hon yn wag yn bwrpasol

Eitem ar gyfer y Rhaglen 4



CORPORATE RESOURCES OVERVIEW & SCRUTINY COMMITTEE

Date of Meeting	Thursday, 16 September 2021
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

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

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	<p>This paper summarises those points and where appropriate provides an update on the actions resulting from them.</p> <p>The Action Tracking details are attached in appendix A.</p>
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2.00	RESOURCE IMPLICATIONS
2.01	The creation of the Action Tracking report increases work flow but should provide greater understanding and efficiency.

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

4.00	RISK MANAGEMENT
4.01	Not applicable.

5.00	APPENDICES
5.01	Appendix A – CRO&SC Action Points

6.00	LIST OF ACCESSIBLE BACKGROUND DOCUMENTS
6.01	<p>Minutes of previous meetings of the committee as identified in the report.</p> <p>Contact Officer: Robert Robins, Head of Democratic Services Telephone: 01352 702320 E-mail: robert.robins@flintshire.gov.uk</p>

7.00	GLOSSARY OF TERMS
7.01	None.

Action Tracking Appendix for September 2021 CRO&SC

Meeting	Agenda item	Action Required	Action taken and timescale
July 2021	5. FWP	Poverty theme update to added for the Mid-year Council Plan Monitoring report to be submitted to the December meeting.	FWP amended accordingly.
	9. Joint Funded Care Packages	Neil Ayling and Jane Davies to circulate an explanation of the specific case(s) resulting in the £133K deficit in funding to CRO&SC Members.	Information to be circulated before the September meeting

Mae'r dudalen hon yn wag yn bwrpasol

Eitem ar gyfer y Rhaglen 5



CORPORATE RESOURCES OVERVIEW & SCRUTINY COMMITTEE

Date of Meeting	Thursday, 16 September 2021
Report Subject	Forward Work Programme
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.

RECOMMENDATION

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	CONSULTATIONS REQUIRED / CARRIED OUT
3.01	Publication of this report constitutes consultation.
4.00	RISK MANAGEMENT
4.01	None as a result of this report.
5.00	APPENDICES
5.01	Appendix 1 – Draft Forward Work Programme
6.00	LIST OF ACCESSIBLE BACKGROUND DOCUMENTS
6.01	<p>None.</p> <p>Contact Officer: Robert Robins Head of Democratic Services</p> <p>Telephone: 01352 702320</p> <p>E-mail: robert.robins@flintshire.gov.uk</p>

7.00	GLOSSARY OF TERMS
7.01	Improvement 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 an Improvement Plan.

Mae'r dudalen hon yn wag yn bwrpasol

Corporate Resources Overview & Scrutiny Committee Forward Work Programme 2021- 2022

DATE	ISSUE	O&S FOCUS / PURPOSE	REPORT(S) FROM
Thursday 14th October 10.00	People Strategy Review and Returning to Work	Monitoring	Sharon Carney
	Work of the Coroner's Office	Information: this item has never been to committee before.	Chief Executive/ Gareth Owens
	Asset Strategy Review	Update	Neal Cockerton
	Poverty Priority Theme Overview	Review	Collective
	Revenue budget monitoring (Month 5)	Monitoring	
Thursday 11th November 10.00	Employment & Workforce Monitoring Quarter 2	Monitoring	Sharon Carney/ Andrew Adams
	Annual Improvement Letter from the Auditor General for Wales and Annual Audit Summary	Assurance	Jay Davies
	NWC-REPS Annual Report	Assurance	Helen Kilgannon
	North Wales Fire and Rescue Service – A Personal Perspective from the new Chief Fire Officer	Assurance	Robert Robins

Tudalen 29

Corporate Resources Overview & Scrutiny Committee Forward Work Programme 2021- 2022

	Revenue budget monitoring (Month 6) Capital Programme monitoring (Quarter 2)	Monitoring	Dave Ledsham Neal Cockerton/ Chris Taylor
Thursday 9th December 10.00	MTFS & Budget 2022/2 Consultation	Consultation	Gary Ferguson
	Revenue budget monitoring (month 7)	Monitoring	Dave Ledsham
	Mid-Year Council Plan Monitoring (to include Poverty Theme update)	Monitoring	Jay Davies
	Public Service Ombudsman for Wales Annual Report for 202/21	Monitoring & Assurance	Rebecca Jones
	Complaints	Monitoring	Rebecca Jones
Thursday 13th January 2022 10.00	Budget 2022/23 consultation?		
	Revenue Budget monitoring (Month 8)	Monitoring	Dave Ledsham
Thursday 10th February 10.00	Revenue Budget monitoring (Month 9) Capital Programme Monitoring (Third quarter)	Monitoring	Dave Ledsham

Tudalen 30

Corporate Resources Overview & Scrutiny Committee Forward Work Programme 2021- 2022

Thursday 10th March 10.00	Revenue Budget monitoring (Month 10)	Monitoring	Dave Ledsham
	Legacy items for after the elections	Opportunity for the committee to consider items to commend to the post election successor.	

Potential briefing topics

Clwyd Pension Fund update

Tudalen 31

Mae'r dudalen hon yn wag yn bwrpasol

Eitem ar gyfer y Rhaglen 6



CORPORATE RESOURCES OVERVIEW AND SCRUTINY COMMITTEE

Date of Meeting	Thursday, 16 th September 2021
Report Subject	Community Safety Partnership Annual Report
Cabinet Member	Cabinet Member for Planning and Public Protection
Report Author	Chief Executive
Type of Report	Strategic

EXECUTIVE SUMMARY

To provide Members with an overview of the Community Safety Partnership's activities and progress over the past 12 months.

RECOMMENDATIONS

1	To note and support the contents of the report.
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REPORT DETAILS

1.00	EXPLAINING THE BACKGROUND OF THE FLINTSHIRE COMMUNITY SAFETY PARTNERSHIP
1.01	The Flintshire Community Safety Partnership is required to formally report to this Committee on an annual basis to provide an overview of activities undertaken over the previous twelve months. This ensures that the Partnership meets its obligations under sections 19 and 20 of the Police and Criminal Justice Act 2006.
1.02	Flintshire County Council has a statutory duty under the Crime and Disorder Act 1998, and the subsequent amendments by the Police and

	Justice Act 2006, to work in partnership with the police, health service, probation and fire service as a Community Safety Partnership (CSP).
1.03	There has been a partnership in existence in Flintshire since 1999. The Partnership is supported by a small team of local authority and police officers who work on shared priorities, alongside the Neighbourhood Wardens.
1.04	Over the past decade there have been significant changes in the way the local CSP is governed. The Partnership now sits under the auspices of the Public Service Board, and discharges its duties through the People are Safe Board. The work of the board is underpinned through the implementation of a local delivery plan.
1.05	The work programme of the People Are Safe Board also reflects the recommendations contained within the regional Strategic Assessment (produced by North Wales Police), and takes into account the Police and Crime Plan and the work of the Substance Misuse Area Planning Board.
1.06	<p>Outlined below are the priorities for 2021/22, along with a summary of the actions to support their implementation:</p> <p><u>Priority 1: Violence Against Women, Domestic Abuse and Sexual Violence</u></p> <p>Impact</p> <ul style="list-style-type: none"> ▪ Raise people's confidence to report appropriately to partners. ▪ Recognition of the signs and symptoms of domestic abuse and sexual violence by public and voluntary sector agencies. ▪ Improved response from public services to Violence Against Women, Domestic Abuse and Sexual Violence (VAWDASV) should see an increase in reporting as individuals will be confident in coming forward. ▪ High risk cases of domestic abuse dealt with effectively. ▪ Improved sharing of intelligence across partner agencies ▪ Increase support to victims of VAWDASV. ▪ Reduce the number of repeat victims of VAWDASV. ▪ Reduce the number of repeat VAWDASV perpetrators ▪ Support victims within BAME communities in relation to VAWDASV related offences, <p>Specific actions in 2021/22 to support this priority:</p> <ol style="list-style-type: none"> 1. Roll-out of training of body worn worn videos for North Wales Police (NWP) officers when attending domestic incidents. 2. NWP to have a dedicated Domestic Abuse support vehicle to be staffed by dedicated officers who will obtain evidence, support the victim, arrest the perpetrator. 3. Continue to work with and develop relationships with the Domestic Abuse and Sexual Violence Regional Advisor to roll out Levels 2 and 3

of the National Training Framework, developing the “Ask and Act Training”. The main principles are based on an approach to targeted enquiry; it represents Groups 2 and 3 of the National Training Framework on Violence against Women, Domestic Abuse and Sexual Violence. Its aim is to increase identification and support for those who experience violence against women, domestic abuse and sexual violence.

4. Youth Justice Service (YJS) to actively be involved with the weekly MARAC meetings in Flintshire, to ensure an effective engagement of partners within the MARAC process.
5. Continue the focused customer visits from Flintshire County Council Housing Officers to affected tenants – will be completed at the request of / referral from MARAC.
6. Neighbourhood Wardens to continue with ‘Homesafe’ service for victims of domestic abuse.
7. North Wales Fire and Rescue Service (NWFRS) to ensure a consistent agency referral rate of 35% for Safe and Well Checks.
8. To receive direction and actions from the newly established Vulnerability and Exploitation Group.
9. Partnership to work with specialist sector to improve support for victims and survivors of VAWDASV.

Priority 2: Protecting Vulnerable Adults

Impact

- Vulnerable adults prevented from becoming victims of crime
- Substance misuse tackled collaboratively on a local and regional level
- Awareness of the impacts of Adverse Childhood Experiences (ACEs) amongst partners through the life course
- Committed regional partnership approach to addressing crime and disorder continued
- Better sharing of intelligence across partner agencies
- Increased partnership action to tackle Organised Crime Gangs
- Recognition of the signs and symptoms of Modern Day Slavery by public and voluntary sector agencies.
- Increased partnership action to tackle Modern Day Slavery

Specific actions in 2021/22 to support this priority:

1. To identify and support the vulnerable individuals in Flintshire County with complex substance misuse and mental health needs, particularly those who are homeless or rough sleeping.

2. Regular multi-agency working to respond to the emerging issues that place a demand on frontline services.
3. People Are Safe to lead on the '4P Plan' (Protect, Prepare, Prevent and Pursue) to implement the recommendations of NWP's Community Profiling assessment.
4. Effective use of powers under The Modern Slavery Act 2015 to include National Referral Mechanism (NRM) referrals
5. Make best use of multi-agency intelligence to identify and protect victims of crime and anti-social behaviour through the CDRP Group process – ongoing.
6. Victims identified by the National Scam Team are referred to Trading Standards on a monthly basis, visits to be completed by the T/S tea

Priority 3: Protecting Vulnerable Young People

Impact

- Awareness of the impacts of Adverse Childhood Experiences (ACEs) amongst partners.
- Earlier intervention in recognition of the above.
- Partnership action to tackle Child Sexual Exploitation.
- Vulnerable young people prevented from becoming victims of crime.

Specific actions in 2021/22 to support this priority:

1. NWP to increase the number of effective Risk Management Plans, (RMP), for persons identified as vulnerable, and ensure that they are regularly updated and multi-agency partnership working is in place to support the person.
2. To identify and support the 'visible vulnerable' with complex substance misuse and mental health needs, particularly those who are homeless or rough sleeping.
3. Multi-agency groups (such as the CDRP and MET) to undertake assessment of trends or emerging issues in relation to Child Criminal Exploitation, County Lines, Modern Day Slavery and Child Sexual Exploitation.
4. People Are Safe to lead on the '4P Plan' relating to Community Profiles recommendations and to deliver them across Flintshire, feeding into both the Regional and National Pictures
5. A review of the MET panel to be undertaken – ongoing.
6. YJS to explore possible diversionary schemes around exclusions linked to drugs / alcohol and knife related behaviour.

	<p>7. Set up a multi-agency Serious Youth Violence task and finish group, which will undertake an audit to ensure a multi-agency response to serious violence for young adults and those who are on the cusp of offending.</p> <p>8. NWFRS to identify any trends or spikes in incidents within Flintshire, e.g., FACE (Fire Awareness Child Education) referrals, deliberate fires, house fires.</p> <p><u>Priority 4: Protecting Our Communities</u></p> <p>Impact</p> <ul style="list-style-type: none"> ▪ Respond appropriately to intelligence gathered from our communities. ▪ Identify and deter those individuals who could cause our communities the most harm. <p>Specific actions in 2021/22 to support this priority:</p> <ol style="list-style-type: none"> 1. PAS to lead on the 4P Plan relating to Community Profiles recommendations and to deliver them across Flintshire, feeding into both the Regional and National Pictures 2. Understand community needs and tensions, through all available resources, and to feed into the 3 Counties Community Cohesion Group. 3. Flintshire County Council Housing Department to address anti-social behaviour reports at their properties, to work with other housing providers and partners to reduce demand. Ongoing – monthly housing meetings that specifically address anti-social behaviour and substance misuse.
1.08	The work that this undertaken locally is influenced and directed by regional trends and priorities. In recent years the North Wales Safer Communities Board (now known as the Safer North Wales Partnership) has facilitated a greater consistency of approach in terms of strategic and tactical working across the region.

2.00	RESOURCE IMPLICATIONS
2.01	None as a result of this report.

3.00	IMPACT ASSESSMENT AND RISK MANAGEMENT
3.01	Impact assessment is not required as this is a report on progress and is for information only.

	Risks are listed under each priority area of the People are Safe Plan.	
3.02	Ways of Working (Sustainable Development) Principles Impact, as outlined in the Flintshire Well-Being Plan	
	Long-term	<ul style="list-style-type: none"> • There is a vision to make the communities of Flintshire safer by working in partnership. • There is a clear focus on vulnerability and tackling organised crime.
	Prevention	<ul style="list-style-type: none"> • The early identification of victims by a wide range of agencies, the focus on victim support and pursuing those who cause harm will help make Flintshire a safer place to live and a hostile environment for criminals to operate. • Monthly multi-agency meetings to support this agenda.
	Integration	<ul style="list-style-type: none"> • The objectives of this group fit in well with the Well-Being Plan with a wide range of partners actively involved.
	Collaboration	<ul style="list-style-type: none"> • Working together as a partnership and with our communities is at the centre of this plan. • The sharing of intelligence and a joined-up response to incidents is critical to our success.
	Involvement	<ul style="list-style-type: none"> • Actions in this plan will lead to a greater understanding of community needs • Encouraging partners become the eyes and ears of local communities to enable us all to make people feel safe - both at home and elsewhere
	Well-being Goals Impact	
	Prosperous Wales	Positive: The aspiration of making the county a safer place to live, work and visit.
	Resilient Wales	Neutral

	Healthier Wales	Positive: Reduction in substance misuse, reduction in crime, reduction in incidents of domestic abuse, increased likelihood of physical activity outside of the home, improved mental health by tackling fear of crime
	More equal Wales	Positive: Promotion of community cohesion.
	Cohesive Wales	Positive: Promotion of community cohesion.
	Vibrant Wales	Neutral
	Globally responsible Wales	Neutral

4.00	CONSULTATIONS REQUIRED / CARRIED OUT
4.01	None as a result of this report.

5.00	RISK MANAGEMENT
5.01	None as a result of this report.

6.00	APPENDICES
6.01	None

7.00	CONTACT OFFICER DETAILS
7.01	Contact Officer: Sian Jones, Community and Business Protection Manager Telephone: 01352 702132 E-mail: sian-jones@flintshire.gov.uk

8.00	GLOSSARY OF TERMS
8.01	<u>MARAC (Multi Agency Risk Assessment Conference)</u> A MARAC, or multi-agency risk assessment conference, is a meeting where information is shared on the highest risk domestic abuse cases between representatives of local police, probation, health, child protection, housing practitioners, Independent Domestic Violence Advisors (IDVAs) and other specialists from the statutory and voluntary sectors.

	<p>After sharing all relevant information about a victim, representatives discuss options for increasing safety for the victim and turn these options into a co-ordinated action plan. The primary focus of the MARAC is to safeguard the adult victim.</p>
8.02	<p><u>National Training Framework</u></p> <p>The National Training Framework for violence against women, domestic abuse and sexual violence outlines the Welsh Government's requirements for training on these subjects across the public service and specialist third sector.</p> <p>The Framework is made up of six levels. Officers employed by the 'responsible authorities' (as defined by statute) will be required to undertake training in relation to domestic abuse and sexual violence.</p>
8.03	<p><u>Public Services Board (PSB)</u></p> <p>The Well-being of Future Generations (Wales) Act 2015 established statutory PSBs, which replaces the voluntary Local Service Boards in each local authority area. The role of the board is to:</p> <ul style="list-style-type: none"> • assess the state of economic, social, environmental and cultural well-being in its area • set objectives that are designed to maximise the PSBs contribution to the well-being goals. <p>Each PSB must prepare and publish a plan setting out its objectives and the steps it will take to meet them. This is called a Local Well-being Plan. It must state:</p> <ul style="list-style-type: none"> • why the PSB feels their objectives will contribute within their local area to achieving the well-being goals • how it has had regard to the assessment of Local Well-being in setting its objectives and steps to take.
8.04	<p><u>Safer Communities Board (now known as the Safer North Wales Partnership)</u></p> <p>The aim of the Safer North Wales Partnership is to provide strategic direction for the exercise of the Community Safety functions across the region. The Board promotes consistency of policy objectives, and the shared use of expertise and resources across the region.</p> <p>The objectives of the SCB include:-</p> <ul style="list-style-type: none"> • Reducing bureaucracy and formality through streamlining strategic and operational functions. • Identifying shared and/or common priorities • Acting as a lobbying group to influence the Welsh Government, Home Office and Local Policing Body.

	<ul style="list-style-type: none"> • Establishing a common and consistent framework for strategic, tactical and operational delivery at regional, sub-regional and local levels. • Facilitating and encouraging regional working in the interests of public value. <p>Providing a more efficient and consistent service in contributing to reducing crime and disorder and improving the criminal justice services in North Wales.</p>
8.05	<p><u>County Lines</u></p> <p>A law enforcement term used for the tactic Organised Crime Gangs have been using to operate their illegal business across the UK.</p>
8.06	<p><u>Onyx Team</u></p> <p>A specialist team tackling Child Sexual Exploitation.</p>

Mae'r dudalen hon yn wag yn bwrpasol

Eitem ar gyfer y Rhaglen 7



CORPORATE RESOURCES OVERVIEW AND SCRUTINY COMMITTEE

Date of Meeting	Thursday 16 th September 2021
Report Subject	North Wales Economic Ambition Board – Annual Report
Cabinet Member	Cabinet Member for Economic Development and Countryside
Report Author	Chief Officer (Planning, Environment and Economy)
Type of Report	Operational

EXECUTIVE SUMMARY

The purpose of the report is to present the Portfolio Management Office of the Economic Board's Annual Report for 2020-21.

Annual reporting on progress against the North Wales Growth Deal is a requirement of the Final Deal Agreement. Quarterly reporting is delivered to our Environment and Economy Overview and Scrutiny Committee. Following the consideration of the documents by the North Wales Economic Ambition Board it follows that the reports will be shared with Welsh Government, UK Government and each Local Authority Scrutiny Committee.

RECOMMENDATIONS

1	That Members consider and note the Portfolio Management Office Annual Report for 2020-21.
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REPORT DETAILS

1.00	BACKGROUND
1.01	In December 2020, the NWEAB and the Welsh and UK Governments agreed the Final Deal Agreement for the North Wales Growth Deal. Regular reporting on progress against the North Wales Growth Deal is a requirement of the Final Deal Agreement.
1.02	This report includes a single appendix:

	<ul style="list-style-type: none"> Portfolio Management Office Annual Report 2020-21.
1.03	<p><u>Portfolio Management Office Annual Report 2020-21 (Appendix 1)</u></p> <p>The annual report looks back on the progress made over the last financial year. It includes both the Growth Deal and other activities supported by the Portfolio Management Office.</p>
1.04	<p>2020-21 was a challenging year, with Covid-19 changing our lives and the way we work. Despite these challenges, the final deal agreement on the North Wales Growth Deal was signed during a virtual ceremony on the 17th December, 2020.</p>
1.05	<p>The Final Deal is the contract between the UK Government, Welsh Government and the North Wales Economic Ambition Board for the delivery of the Growth Deal. It was secured on the basis of a Portfolio Business Case and five Programme Business Cases outlining plans for the total investment of £240m (£120m by UK Government and £120m by Welsh Government).</p>
1.06	<p>In addition to achieving the Final Deal, a number of other significant milestones were achieved including:</p> <ul style="list-style-type: none"> Securing £2.9million in ESF funding to expand the Portfolio Management Office; Recruitment to the new staffing structure with only 2 posts vacant as of April 2021; Completion of Portfolio Assessment Review and first project Gateway Reviews; Completion of Better Business Case training for team members; Working closely with the six local authorities, UK and Welsh Governments and private sector representatives to co-ordinate the regional response to economic recovery.
1.07	<p>The Committee will receive a presentation which will summarise the work of the Programme Office over the last 12 months and supplement this report.</p>

2.00	RESOURCE IMPLICATIONS
2.01	<p>There are no direct financial implications arising from the report.</p> <p>The report provides an overview of the expected capital expenditure profile of Growth Deal funding. At this stage, no project business cases have been approved and therefore there is no expenditure to report on. Future iterations of the report will include reporting on financial expenditure following project business case approval.</p>

3.00	IMPACT ASSESSMENT AND RISK MANAGEMENT
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3.01	None for this particular report.
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4.00	CONSULTATIONS REQUIRED/CARRIED OUT
4.01	None.

5.00	APPENDICES
5.01	Appendix 1 – Portfolio Management Office Annual Report 2020 - 21

6.00	LIST OF ACCESSIBLE BACKGROUND DOCUMENTS
6.01	None.

7.00	CONTACT OFFICER DETAILS
7.01	Contact Officer: Andrew Farrow (Chief Officer, Planning, Environment and Economy) Telephone: 01352 703201 E-mail: andrew.farrow@flintshire.gov.uk

8.00	GLOSSARY OF TERMS
8.01	All terms are fully explained in the supporting papers.

Mae'r dudalen hon yn wag yn bwrpasol



Bwrdd Uchelgais Economaidd Gogledd Cymru
North Wales Economic Ambition Board

North Wales Economic Ambition Board Portfolio Management Office

2020-2021



Llywodraeth Cymru
Welsh Government



UK Government Wales
Llywodraeth y DU Cymru

Annual Report

Contents

Foreword	3
The Last 12 Months	4
The Growth Deal	6
Working with the Private Sector	7
Responding to Covid-19	8
Developing the Team	9
Digital	10
Low Carbon Energy	13
Agrifood and Tourism	16
Land and Property	19
Innovation in High Value Manufacturing	22
Added Value	25
Governance	25
Project Pipeline	27
The Next 12 Months	28
Contact Details	28

Alwen Williams

Foreword

The current economic position is unprecedented with the UK's exit from the European Union and the Covid-19 pandemic continuing to disrupt and impact the wellbeing of our economy and importantly, our people.

However, delivery of the North Wales Growth Deal is on the horizon and this investment will inject much needed vitality into our economy to deliver sustainable and inclusive growth needed over the next 15 years.

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.

The deal is a unique opportunity to invest in our future and is a key enabler to building a more vibrant, sustainable and inclusive economy for 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, helping to push the boundaries in high value manufacturing. Further investment will enhance our reputation and enable growth in this important industry.

We aim to make North Wales more investable by tackling known areas where long-term market failure has been a barrier to attracting commercial investment. This unlocks the potential to create

highly skilled job opportunities, ensuring that our young people and future generations can thrive and contribute to the local economy. We are also

addressing the shortage of suitable land and property

to facilitate business growth, and investing in commercial employment and housing sites to meet the region's needs.

Being connected as a region is one of our strengths. Our partnership across the six local authorities, universities, colleges and the private sector is well-established and growing in strength. We are driving a step change in connectivity through addressing those areas most in need of faster and more reliable broadband connections, and exploiting the potential of 5G and new innovation.

We are developing relationships across our borders, because we know that by working together, we can be stronger.

It's important to us that we keep building on our reputation as a cohesive region; fostering and leveraging partnerships to promote scalable, sustainable and inclusive economic growth. Our investment in low-carbon energy enables 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 valued economies in agriculture and tourism, where we will focus on enabling and encouraging diversification to improve the long-term future of these key industries, ensuring they have the opportunity to develop sustainably and flourish.

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.

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

We are privileged to lead this important investment in North Wales - our home and our region.



Alwen Williams
Portfolio Director



Councillor Dyfrig Siencyn
Chair of the North Wales Economic Ambition Board



Councillor Mark Pritchard
Vice-Chair of the North Wales Economic Ambition Board



The Last 12 Months

Alwen Williams Portfolio Director

The last 12 months have been unlike any other, with Covid-19 changing and challenging our lives and the way we work potentially forever.

The Portfolio Management Office was established in January

2020, with members including two Programme Managers, our Operations Manager and myself. We had a challenging remit to secure the Growth Deal funding for North Wales by December 2020. The pandemic meant we only had two and half months together in the office before everything changed.

In April, we were adjusting to the new normal of running a virtual office, engaging with our partners to map out the process to agreeing the final deal with the UK and Welsh Governments. We also focused on learning all about HM Treasury's Better Business Case methodology which provides the framework for construction of all our investment business cases.

In May, we secured £2.9 million in funding from the Welsh European Funding Office (WEFO) to expand the team to support the delivery of the Growth Deal. Growing and developing a new team virtually over the past 12 months has been both challenging and rewarding. We are a close knit, dynamic and collaborative team and I'm immensely proud of what we have achieved together, considering the majority of us have never met in person. Following our latest recruitment campaign in February 2021, at 18 members, we are close to completing the team, with only a couple of remaining vacancies to fill.

first Growth Deal project to undertake a gateway review ahead of the Outline Business Case being considered by the Economic Ambition Board later in the year.

In March 2021, having signed the Grant Award Letter and submitted the required documentation we received the first instalment of £16million from Welsh and UK Governments. This funding will enable project delivery to commence during the next financial year, when we expect to consider and make a decision on our first tranche of project business cases.

Looking back at the last 12 months, I am proud of the team and the significant progress made. Securing the Final Deal within our original timetable despite the challenges posed by Covid-19 was unquestionably down to the grit and determination by everyone involved. I'm now looking forward to delivering the deal, with the team and our partners over the next 12 months.

Snapshot Of The Last 12 Months

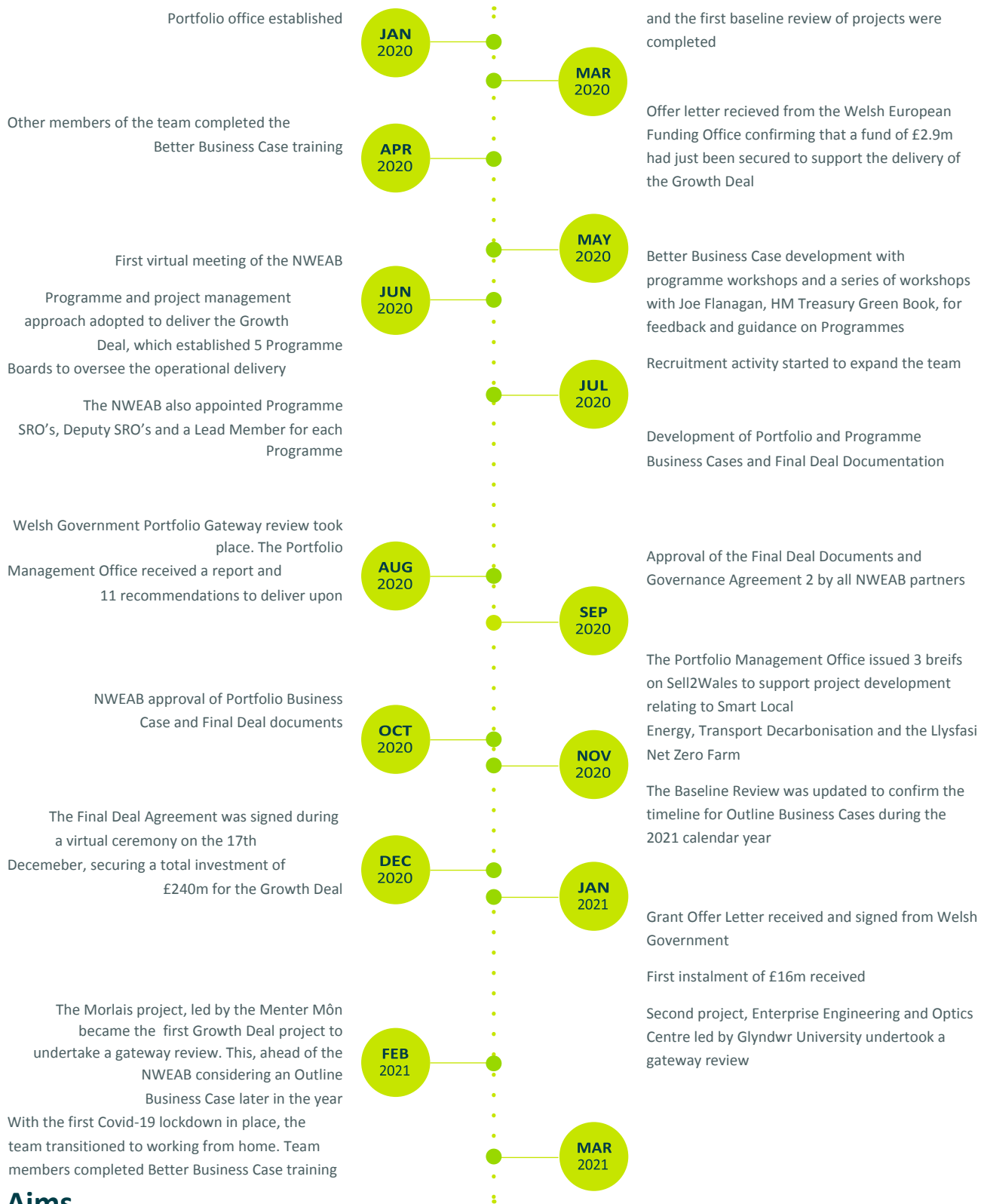
From June onwards our focus as a team was split between supporting the regional recovery work led by local authority partners and on preparing the business cases required to secure the Growth Deal. During June and July, we agreed our approach to programme and project management and began to put in place the structures we would need to deliver the deal. Our work to develop the portfolio and programme business cases continued through a series of workshops, with support provided from Joe Flanagan, co-author of the guidance document for HM Treasury's Better Business Case methodology. June also saw the first of many virtual meetings of the North Wales Economic Ambition Board.

In August, we commissioned a Gateway Review on the Growth Deal. This independent review, organised by Welsh Government's Assurance Hub, provided useful challenge and recommendations, in addition to endorsing the progress the team had made during the first half of the year.

By September, we had finalised our business cases and associated governance documents ready for the approval process - internally and with both Welsh and UK Governments. During November, our Economic Ambition Board partners approved the documents required for a final deal agreement and our governance arrangements to deliver the Growth Deal.

The final deal agreement was signed during a virtual ceremony on the 17th of December 2021. The Final Deal is the contract between the UK Government, Welsh Government and the North Wales Economic Ambition Board for the delivery of the Growth Deal and was secured on the basis of a Portfolio Business Case and five Programme Business Cases securing the total investment of £240m (£120m by UK Government and £120m by Welsh Government).

The first three months of 2020 have been focused on delivery and working with our project sponsors to progress the project business cases. In February, the Morlais project, led by Menter Môn became the



Aims

To build a more vibrant, sustainable and resilient economy in North Wales.

To build on our strengths, to boost productivity while tackling long-term challenges and economic barriers to deliver inclusive growth.

The Growth Deal

The approach is to promote growth in a scalable, inclusive and sustainable way, in line with the Wellbeing of Future Generations (Wales) Act 2015.

Investment

Growth Deal investment:

£240m

Private sector investment:

£722.1m

Public sector investment:

£184.3m

Total investment:

£1.1bn

Spending objectives

To create between 3,400 - 4,200 net additional jobs

Generate £2.0 - £2.5 billion net additional GVA

Programmes

Working with the Private Sector

The North Wales Growth Deal is a partnership between the public and the private sectors and our progress over the past 12 months would not have been possible without the support of key stakeholders from the private sector.



Low Carbon Energy



Digital



Agrifood & Tourism



Innovation in High Value manufacturing



Land & Property

Askar Sheibani, Comtek Network Systems and Chair of the Business Delivery Board, quotes

“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 Board have been working as united partners to make sure that the Growth Deal leverages a substantial return on investment.

Board members are predominately entrepreneurs, have an independent voice with well-established track records within their sectors and industries which is recognised internationally. They 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 across 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.

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”.

Jim Jones, Managing Director of North Wales Tourism and Chair of the North Wales Mersey Dee Business Council and Ashley Rogers, Commercial Director, North Wales Mersey Dee Business Council quotes

“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 Economic Ambition Board, 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 Economic Ambition Board on this key investment package.”



Askar Sheibani
Chair, Business Delivery Board



Ashley Rogers
Commercial Director, North Wales Mersey Dee Business Council



Jim Jones
Chair, North Wales Mersey Dee Business Council

Responding to Covid-19

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





Covid-19 has had an immense economic impact on North Wales as in other parts of the UK and globally. The Economic Ambition Board is working closely with the six local authorities, UK and Welsh Governments and private sector representatives to coordinate the regional response to economic recovery. The longterm effects of Covid-19 on the region's economy is still emerging but it is clear that some of our most significant and established economies have already been severely impacted, for example businesses in tourism, hospitality and leisure and those who rely on the visitor economy for trade.

The Growth Deal is designed to address structural, longterm barriers to economic growth. However, the Economic Ambition Board is fully aware that, in the short-term, a range of actions will be required to facilitate economic recovery and an approach that aligns these short to medium term recovery interventions with the longer term aims and measures to be delivered by the Growth Deal.

The Growth Deal on its own will not 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 local economy 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.

In March 2020 a regional tactical response group was established in response to Covid-19. Their remit was to assess the emerging impact of the pandemic on businesses and agree the key actions needed to address these. The group met weekly and included representatives from the Local Authorities, WLGA, Welsh Government, UK Government and the North Wales Mersey Dee Business Council. This enabled the coordination and compilation of regular insight briefings which were shared directly with Government Ministers to influence the decisions being made on fiscal recovery packages for the business community. Key themes started to emerge including, support for businesses, the visitor economy, town centres and regeneration, supply chains, people, skills and employment and public procurement.

During early May 2020 a joint press release was issued to highlight the collaboration across North Wales and between the Economic Ambition Board, the Regional Skills Partnership, Welsh Government,

and the DWP to help broker the connection between job seekers and available vacancies in the region.

Also during May, in collaboration with UK and Welsh Government, the Economic Ambition Board hosted a webinar for businesses which attracted over a hundred and fifty participants and gave the opportunity for businesses impacted by the pandemic to ask their questions directly to Government Ministers.

Early in summer 2020 a Regional Economy Recovery Group was established to work collaboratively on economic recovery on behalf of the region. The group commissioned a business impact survey, conducted over the summer, to which over 1,800 businesses responded. The data delivered valuable insights about the direct impact of Covid in different industries and sectors and allowed for breakdown view by local authority.

The Economic Ambition Board and Welsh Government also jointly commissioned research on the impact of Covid-19 on the economy in North Wales. This research, conducted by Hatch Regeneris, includes a proposed plan for recovery looking at immediate interventions, considerations for the Growth Deal and long term considerations, all of which are designed to foster the environment for resilience and Growth post Covid-19.

In addition, and cognisant of the impact to the tourism, hospitality and leisure industry, the Economic Ambition Board commissioned an independent piece of work led by Professors Nigel Morgan and Annette Pritchard, looking at the impact of Covid was having on the industry. The paper, presented to the board, sets out the situation and sets out considerations needed to reset, reignite and reimagine a sustainable and resilient visitor economy for North Wales.

The insights collated throughout the year validated the key priority themes emerging. The later part of the year has been focused on using existing regional structures and fora to develop recovery plans in response to each of the key themes emerging. For example, the Regional Skills Partnership has developed a proposed recovery plan focusing on people, skills and employment and the Regional Tourism Forum has aligned with the visitor economy theme. Work is underway to agree a comprehensive regional recovery plan to address each of these themes and with the aim of rebuilding a resilient and sustainable economy for North Wales.



The Portfolio Office Team

The portfolio management office, led by Alwen Williams, Portfolio Director was established in January 2020 and consisted of Hedd Vaughn-Evans, Operations Manager; Henry Aron, Low Carbon Energy Programme Manager and Stuart Whitfield, Digital Programme Manager. During the team's first few months in post, the team set up the Portfolio Office and associated working processes at the Conwy Business Centre, Llandudno Junction. From March 2020 onwards the team have been working virtually from home. In April, David Mathews joined the team, as Land and Property Programme Manager, followed by Nia Medi Williams as Senior Operations Officer in August, having previously supported the team from Gwynedd Council.

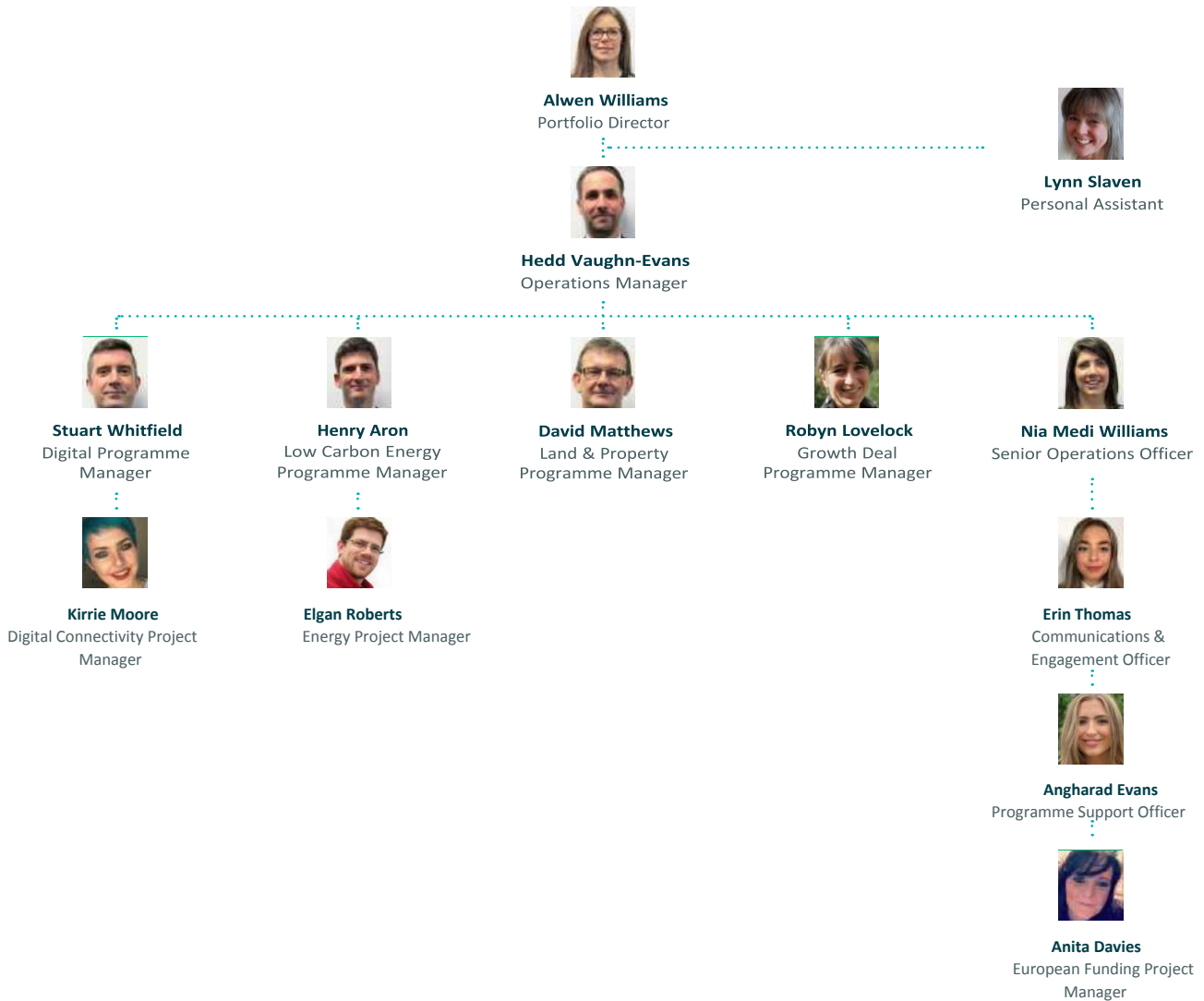
Growth Deal Programme Manager, responsible for leading on the Agri-food and Tourism Programme and the Innovation in High Value Manufacturing Programme. Erin Thomas joined as the Communications and Engagement Officer and Angharad Evans as Programme Support Officer. Shortly after Elgan Roberts, joined as Energy Project Manager.

In January 2021, Kirrie Moore joined the team as our Digital Project Manager, followed in March 2021 by Anita Davies as European Funding Project Manager. During March, Lynn Slaven formally joined the team as Alwen's PA having previously provided this support from Gwynedd Council.

Following a successful recruitment campaign in October, three new members joined the team including Robyn Lovelock as

Six new members are joining the team during April and May 2021, with two further vacancies left to fill.

Portfolio Management Office



Digital

Strategic Aim

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 the 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.

Investment

Growth Deal investment:	Private sector investment:	Public sector investment:	Total investment:
£37m	£1.6m	£3.1m	£41.7m

Spending objectives

Job creation

To create between 315 and 380 jobs.

Robust & competitive connectivity market at key sites

Robust and competitive connectivity market at 28 strategic key sites in step with or in advance of UK Government 2025 target for gigabit capability coverage.

Investment

High bandwidth mobile coverage transport networks

High bandwidth mobile coverage on transport networks (A55, A483, A5) with deployment in step with or in advance of UK Government 2027 target for 5G coverage.

Digital infrastructure innovation

Innovate and commercialise new digital infrastructure technology and embed the region in this strategically important industry for the long term.

Investment of between £37 - £46m.

GVA

Create net additional GVA of £130 - £158m.

Superfast digital connectivity everywhere

Ensure all premises have Superfast broadband connectivity by 2023 with Gigabit upgrade capability where possible.

The projects

Digital Signal Processing Centre (DSP)

The project brings 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.

Connected Campuses

By campuses we mean key sites of economic activity. The project will accelerate the development of infrastructure for 19 key regional economic sites. It is estimated some 2,600 business premises will have access to high bandwidth 5G and low power Wi-Fi services and therefore better connectivity once complete.

Total investment of £21m | Growth Deal £21m

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). 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. Up to 10,100 residential and 4,300 business premises will have access to superfast broadband once complete. **Total investment of £4m | Growth Deal £4m**

Total investment of £7.3m | Growth Deal £3m

Connected Corridor

This responds 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.

Total investment of £2.2m | Growth Deal £2.2m

Connecting the last few %

Full Fibre at key sites

This project will deliver full fibre connectivity (gigabit capable). That's fibre all the way from the exchange to the premises to 28 key business sites across North Wales.

Total investment of £7.2m | Growth Deal £6.8m



Last 12 Months

Stuart Whitfield Digital Programme Manager

Significant progress has been made on the Digital Programme over the past 12 months, with the development of the programme business case and the establishment of programme governance structures to support delivery.

The Digital Programme is unique within the Portfolio Management Office as the programme oversees the delivery of a non-Growth Deal project. The programme is currently delivering the UK DCMS funded North Wales Local Full Fibre Network Project and by the end of March 2021 this is expected to have delivered around 100 new full fibre broadband upgrades to a range of public sector sites around the region, bringing gigabit capable connectivity to support service delivery for the first time. A further 250 connections are due to be made before the end of 2021.

Benefits are already starting to be realised, associated with improved productivity and efficiency of service delivery and supporting new ways of working, particularly with GP surgeries affected by Covid-19 restrictions.

In November, the programme board selected the Digital Signal Processing Centre, the Last Few % and the Connected Corridors projects as priorities for business case development during 2021. All three projects now have established project boards and senior responsible owners in place to support delivery.

Much of the past 12 months have focused on developing the necessary partnerships to support the delivery of the programme, with a total of thirteen organisations now involved at either programme or project board level; Wrexham County Borough Council, Isle of Anglesey County Council, Gwynedd Council, Flintshire County Council, Denbighshire County Council, Conwy County Borough Council, Welsh Government, Transport for Wales, Network Rail, Betsi Cadwaladr University Health Board, NHS Wales Informatics Service, Bangor University and Menter Môn. Market engagement has also taken place with the private sector during 2020-21 with interest from potential delivery partners building as the project business cases take shape.

The programme is pursuing further activities to enhance digital connectivity in the region through improving the conditions for network operators to invest. Areas being investigated include development of common 'access agreements' for adoption by the wider public sector to facilitate the hosting of digital infrastructure at public sector premises. A common register of these assets is also being considered to streamline the process of site identification by network operators, rather than having to consult multiple sources. Both approaches will be informed by examples from across the UK and the UK Government's approach to so called 'barrier busting'.

Strategic Aim

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.

With a Digital Connectivity Project Manager in post from January 2021 and a new Digital Project Officer starting in post in May 2021, the programme is well positioned to deliver.



Low Carbon Energy

Investment

Growth Deal investment: £86.4m	Private sector investment: £441.7m	Public sector investment: £140.4m	Total investment: £668.5m
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Spending objectives

Job Creation

To create between 800 and 980 new jobs.

Low carbon energy generation

Enable the deployment of at least 314MW of new installed low generation capacity.

Carbon savings

To enable carbon savings of at least 2723 tonnes of CO2e.

Investment

Total investment of between £602m - £735m.

GVA

Create net additional GVA of £433m - £530m. carbon energy

The projects

Morlais

Investing in the infrastructure that connects the Morlais Zone with the electricity grid system, and preparing the site for private sector developers who will lease parts of the zone for deploying their tidal energy technologies. This would position the zone as the first consented, expandable and technology-agnostic site in the world with up to 240 MW of power generating potential.

Total Investment £36m | Growth Deal £9m

Low Carbon Centre of Excellence

Investing in the development of facilities 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.

Total Investment £97.7m | Growth Deal £21m

Transport Decarbonisation

Support delivery of a demonstrator project involving the production of green hydrogen from low carbon energy sources and its use within regional transport networks.

Total Investment £28.6m | Growth Deal £11.4m

Trawsfynydd Power Station

Smart Local Energy

To help achieve renewable energy, decarbonisation and local ownership targets, the project will support innovative enabling

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 public and private sector investment, the Growth Deal will contribute funding towards enabling infrastructure, 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.

Total Investment £400m | Growth Deal £20m

projects and demonstrators that overcome market failures and unlock private and community sector investments in smart local energy solutions.

Total Investment £106.2m | Growth Deal £25m



Last 12 Months

Henry Aron

Low Carbon Energy Programme Manager

Over the past 12 months, the Low Carbon Energy Programme has matured into a cohesive programme aimed at unlocking the economic benefits of transformational low carbon energy projects in North Wales.

The first half of the year was focused on the development of the programme business case, establishing programme delivery structures, training and recruitment. With these structures in place, the focus over the last six months has been to progress the project business cases. This included supporting Menter Môn to develop the Outline Business Case for Morlais, a transformational marine energy project in Anglesey. The Morlais project is scheduled to be the first project business case considered by the Economic Ambition Board in 2021.

The Low Carbon Energy Programme represents an opportunity for North Wales to establish itself as a leading UK location for low carbon energy generation, innovation and supply chain investment. Over the last year, we have taken part in a number of engagement events to promote the Growth Deal and the opportunities around the low carbon energy sector in North Wales. This has included presenting at the EGNi 2021 North Wales Energy Event (January 2021) and taking part in the Wales Week in London event in March 2021.

The programme has been successful in attracting additional funding from Welsh Government to support the development of projects business cases. £25k was secured from the Welsh Government Smart Living Programme to deliver a feasibility study into multi-vector energy systems on the Llyn Peninsula and £140k of grant funding secured to progress the business case for the Transport Decarbonisation Project.

Another significant milestone over the past 12 months has been working with Welsh Government and regional partners to develop the Regional Energy Strategy for North Wales, which received endorsement from the Economic Ambition Board in March 2021. The overall aim of the strategy is to illustrate a potential pathway for decarbonising the energy system whilst ensuring that the region maximises the economic benefits from the transition to a low carbon economy.

Two new project managers have been appointed with Elgan Roberts joining the team in November 2020 to lead on the Smart Local Energy project and Graham Williams will be joining the team in April to lead on the Transport Decarbonisation project. Over the next 12 months, we expect to see considerable progress as the programme moves into the delivery phase.

To create between 310 and 380 new jobs.

Innovation & productivity

Provide 4,000 – 6,000m2 of incubator, R&D and training floor space to encourage innovation, promote upskilling and support business growth in the sector.

Decarbonisation and sustainable business models

Educating businesses on the benefits of decarbonisation, diversification

Agrifood & Tourism

Strategic Aim

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

Investment

Growth Deal investment: £24.5m	Private sector investment: £4.4m	Public sector investment: £12.4m	Total investment: £41.3m
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Spending objectives

Job creation

and sustainable business models. 300-400 businesses diversifying from traditional core operation to adapting new practices in the first 5 years of programme.

Investment

Total investment of between £37m - £45m.

GVA

Create net additional GVA of £230m - £281m.

The projects

Llysfasi Net Zero Farm

Llysfasi Net Zero Farm 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.

This is all about future-proofing the pipeline of skills provision and increase commercial benefits from one of the most established sectors in the region. The sector is of course under huge pressure currently by Covid-19 so this must be monitored and evaluated as we move forward. The talent network will stimulate public-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.

Total Investment £12.9m | Growth Deal £4.5m



Last 12 Months

Robyn Lovelock Growth Deal Programme Manager

With no Programme Manager in place at the start of the year, there was a significant collaborative effort across the partnership to develop the Agrifood and Tourism Programme and to build a clear, cohesive narrative for the programme. This collaborative approach enabled the programme business case to be developed with a clear aim to build a more sustainable, vibrant and resilient foundation economy in the region by focusing on agriculture, food and drink and tourism.

In October, Robyn Lovelock joined the team as the Growth Deal Programme Manager with responsibility for this programme, providing much needed capacity to drive the programme forward.

The informal steering group supporting the programme transitioned into a programme board with focus on the development of projects in line with the Better Business Case guidance, benefits realisation and discussions about how the Growth Deal can best support knowledge

Total Investment £15.4m | Growth Deal £10m

Tourism TALENT Network

Glynllifon Rural Economy Hub

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. *Total Investment £13m | Growth Deal £10m*

transfer, innovation and business support to realise the planned benefits.

In December, the programme secured £100k from Welsh Government through the Whole System Business Research Innovation for Decarbonisation Scheme (WBRID). Four businesses have been working with Coleg Cambria as the project sponsors for the Llysfasi Net Zero farm project and the Economic Ambition Board to explore the feasibility of pioneering innovations that could help North Wales farms reduce its greenhouse gas emissions. This work will help shape the development of the business case for the Net Zero farm during 2021.

The Glynllifon Rural Economy Hub project is on track to be the first business case from the programme considered by the Economic Ambition Board. All business case development workshops have now been completed and the project will be undertaking an external assurance review (Gateway Review) in April 2021.

Land & Property

Strategic Aim

To address the shortage of suitable land and properties for business growth and to bring forward sites for housing development.

To deliver improvements that stimulate investment in sites and premises in the port of Holyhead and the wider region. To enable other programmes by ensuring the right land and property infrastructure is available.

Investment

Growth Deal investment:	Private sector investment:	Public sector investment:	Total investment:
£79.1m	£274.4m	£1.9m	£355.4m

The Tourism Talent Network project was paused in early 2020 as a result of Covid-19 and the specific impact on the tourism sector in North Wales to allow the impacts on the project to be considered. The project was reviewed in early 2021 and now continues with an immediate focus on the initial Hub element to be delivered by Grŵp Llandrillo Menai through other funding sources, with further exploration of the Spoke elements to be picked up again in late 2021, subject to continued progress managing Covid-19.

The programme and its three projects are well placed to deliver and make a significant contribution to the agrifood and tourism sectors in North Wales over the coming years.

Spending objectives

Job creation

To create between 1,870 and 2,280 jobs.

Employment sites and premises

Deliver 30ha land and 20,000 square metres of employment

Investment

Investment of between £320m - £390m.

premises between 2021 and 2026.

Residential sites

Deliver 1,000 plus residential development plots between 2021 and 2026.

Holyhead Gateway

Land reclamation, safeguarding and life extension works to the breakwater, access improvements and port capacity enhancements.

The projects

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

Key Strategic Site, Bodelwyddan

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

Total Investment £82m | Growth Deal £10m

Holyhead Gateway

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.

Total Investment £80m | Growth Deal £35m

Parc Bryn Cegin Strategic Site, Bangor

Provide industrial floor space to meet known demand for units.

Total Investment £6m | Growth Deal £6m

GVA

Create net additional GVA of £1.06bn - £1.29bn.

to be bought to the market for sale and then development by the private sector. *Total Investment £70m | Growth Deal £15m*

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. *Total Investment £43.4m | Growth Deal £9.1m*

Former North Wales Hospital, Denbigh

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.

Total Investment £74m | Growth Deal £4m





Last 12 Months

David Matthews

Land & Property Programme Manager

David Matthews joined as the Land and Property Programme Manager in April 2020 and led the development of the programme business case that was approved by the Economic Ambition Board in October 2020. The programme is a package of strategic investments in key sites across the region to address the shortage of land and properties for business growth in the region and to bring forward sites for housing development.

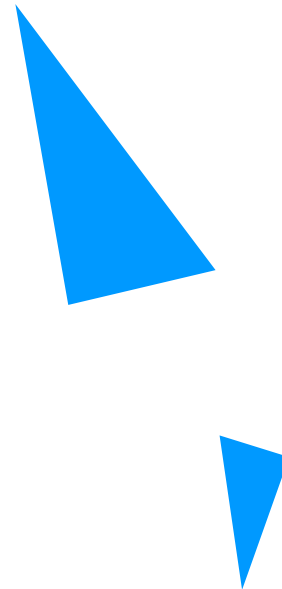
manager starting in May 2021 and one further vacancy to fill, the programme will have the resources required to deliver.

Over the past 12 month, we have developed a robust governance model including the establishment of a programme board and developed key relationships to support the programme and its ambitions. This includes regular bi-monthly meetings with the Housing Accelerator Group of North Wales Registered Social Landlords.

The five strategic development sites within the programme have been focused primarily on progressing planning matters over the past 12 months, with key achievements including the submission of a statement of common ground with Flintshire County Council and Welsh Government in support of the Warren Hall, Broughton development in the Flintshire Local Development Plan. A planning application has been submitted by Jones Bros to develop the Former North Wales Hospital site in Denbigh, with a decision expected during 2021 to inform the business case development. Progress continues to be made on the Western Gateway, Wrexham and the Parc Bryn Cegin, Bangor projects. Outline planning permission on the Key Strategic Site in Bodelwyddan has lapsed and Denbighshire County Council are currently reviewing the planning policy for the site as part of the new Local Development Plan to be adopted in 2023.

The Holyhead Gateway project remains a key strategic project for the region, however the scope of the project is currently being reviewed in light of escalating costs. Notwithstanding this, good progress continues to be made on obtaining statutory consents for both the land reclamation and breakwater refurbishment with a good working relationship with Stena Line, their consultants and officers from Welsh Government and Anglesey County Council. Alternative drivers for additional port investment including offshore wind, cruise ships and a freeport continue to be explored.

Following a challenging 2020, the programme continues to review the demand for sites and premises and while it remains to be seen what the long-term implications and changing working patterns may have on the nature of development sites required, the programme is well placed to adapt to these changes and deliver for North Wales. With a new project



Innovation in High Value Manufacturing

Strategic Aim

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 lower carbon economy.

Investment

Growth Deal investment: **£13m**

Public sector investment:

£26.5m

Total investment: **£39.5m**

Spending objectives

Job Creation

To create between 145 and 180 new jobs.

develop new low carbon technologies and waste reduction.

Expand economic integration to facilitate technology adaption

Reinforce collaboration between regional Universities and businesses to facilitate technology adaption. Support three collaborative R&D projects per annum to develop new technologies.

Skills development

Provide training and upskilling to 100 people / businesses in the targeted technologies over first 5 years.

Research & innovation

Work with 55 UK and International industry partners or SME's to

Investment

Total investment of between £36m - £43m.

GVA

Create net additional GVA of £94m - £114m.

The projects

Centre for Environmental Biotechnology (CEB)

The Centre for Engineering Biotechnology will be a worldleading 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 £5m ERDF 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. **Total Investment £9.6m | Growth Deal £3m**

Enterprise Engineering & Optics Centre

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. The Innovation in High Value Manufacturing programme was initially developed by the founding Portfolio Management Office team with support from project sponsors Wrexham Glyndwr and Bangor Universities. The programme aims to consolidate North Wales position as a powerful and innovative high value manufacturing sector. To do this we will build on existing specialisms and expertise in the region through targeted investment in research and development supporting long-standing and emerging business needs.



Last 12 Months

Robyn Lovelock Growth Deal Programme Manager

In October, Robyn Lovelock joined the team as the Growth Deal Programme Manager providing much needed capacity to drive the programme forward.

The last quarter of the year has been focused on supporting project development, primarily the Enterprise Engineering and Optics Centre project with Wrexham Glyndwr University. This project is currently developing the Outline Business Case for consideration by the Economic Ambition Board and has recently completed an external assurance (Gateway) review. The Bangor University led Centre for Environmental Biotechnology project is at an earlier stage of development with resources focused on refining the scope of the project at present, with further engagement of stakeholders planned later in 2021.

The programme and the two research and development projects are well placed to make a significant contribution to the North Wales economy through research, development and commercialisation in the fields of biotechnology, hydrogen fuel cells, composites and optics.

to work in partnership with Wrexham Glyndwr University on commercially driven research and development.

Total Investment £29.9m | Growth Deal £10m

employment programme. As we recover from the immediate economic challenges of Covid-19 and look ahead to develop a world-class talent base, we need to develop a more dynamic and agile skills ecosystem in the region, that closes the skills gaps and better matches skills demand with supply through closer collaboration with employers and industry.

We have worked closely with the Department for Work and Pensions, Job Centre Plus and Working Wales to provide a brokerage and rapid

response to help employers during this challenging year. Employers have received support with matching individuals to jobs, we have trialled this approach with the Betsi Cadwaladr Health Board with their recruitment needs around Track and Trace posts and with Ysbyty Enfys. During this next year, our intention is to build on the brokerage project by focusing on 'hard to reach' SMEs that often lack the time, capacity and awareness to engage with skills providers but invariably share common concerns and workforce requirements.

Work has also been ongoing to develop our skills pipeline for our capital investments in the region, including the North Wales Growth Deal. The need for science, technology, engineering and mathematics (STEM) and digital skills has been highlighted as key challenge for employers, especially as jobs and sectors evolve in our economy. We need to develop a STEM workforce, and to do that we need a sufficient flow of secondary school students who are interested in STEM and digital skills.

Science and Strategic Transport programmes sit outside the remit of the Growth Deal to delivering the wider vision for North Wales, and the role of the Growth Deal with the Regional Skills

Sub-Board to deliver these programmes

Partnership

Partnership and

If we are to respond regionally with a future workforce that is qualified and skills to meet the future STEM based opportunities across the region, we need a great co-ordinated approach and careers advice and guidance to help steer individuals towards these opportunities. Work

Programme progress and project development in line with the Better Business Case guidance has been overseen by the programme board. An initial programme steering group has been set up to actively explore opportunities for knowledge transfer, and the overall planned benefits.

Added value

Regional Response to Covid-19

The Portfolio Management Office played a key role in coordinating and supporting the region during the Covid-19 pandemic leading the development of regional structures to share information and learning.

Supporting transition to a low carbon, ecologically resilient economy

The Economic Ambition Board declared its commitment to sustainable development, net zero emissions and biodiversity in March 2021.

Jobs

During 2020-21, the Economic Ambition Board have made 15 appointments while growing the portfolio management office, providing new employment and career development opportunities in the region.

Funding

The team have secured an additional £265k from Welsh Government to support the development of projects within the

Collaboration

The team have developed formal and informal collaboration structures across the partnership including regular participation in governance boards, project development workshops and regular engagement

events with business, strengthening networks and collaboration opportunities across the region.

Promotion

The team have promoted North Wales and the North Wales Growth Deal at a number of events during the year, including at Wales Week in London.

Expertise

We are developing a regional centre of excellence for project delivery. Having developed expertise in Better Business Case development, the team have recently been acting as a critical friend to the Theatre Clwyd re-development project.

region.

Governance

Governance Agreement 2

The Economic Ambition Board was established by local authority partners as a joint committee in 2019 and is the decision making body for the North Wales Growth Deal, as well as leading on regional economic collaboration. Having secured the Final Deal, the partners 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 develop of the Growth Vision.

The agreement, which is a legally binding document, defines the role and function of the Economic Ambition Board and its use of delegated powers. It also outlines the decision-making structures and democratic accountability. Provision is also made for the commitments of partners to the projects and how these are managed and apportioned.

Growth Deal Governance

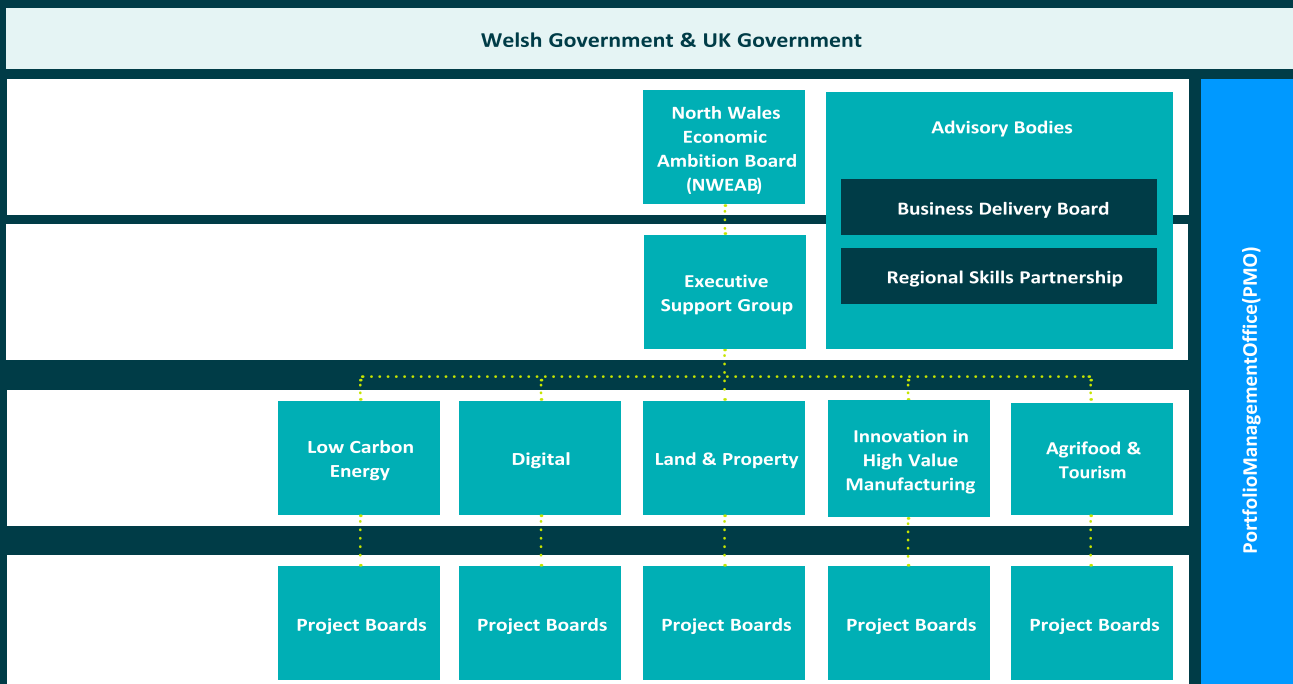
The Growth Deal's governance arrangements enable decisions to be made in an open and transparent way for the benefit of the whole of the region. While the Economic Ambition Board acts as the decision making body for the Growth Deal, there are strong links both formal and informal to the Welsh and UK Governments as funders of the Deal. The Welsh Government, UK Government and the Economic Ambition Board have agreed to adopt the City & Growth Deal Governance & Assurance Framework. The approach is based on the appropriate and proportionate application of best practice Governance, Assurance and Programme & Project Management, underpinned by an Integrated Assurance and Approval Plan in order to balance both Government oversight and regional delivery partner requirements.

Portfolio, Programme and Project Management Arrangements

The Economic Ambition 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 ambition, driving better decisions and increasing the likelihood of successful outcomes.

The diagram below sets the Economic Ambition Board's project delivery structure for the Growth Deal:

Growth Deal Project Delivery Structure



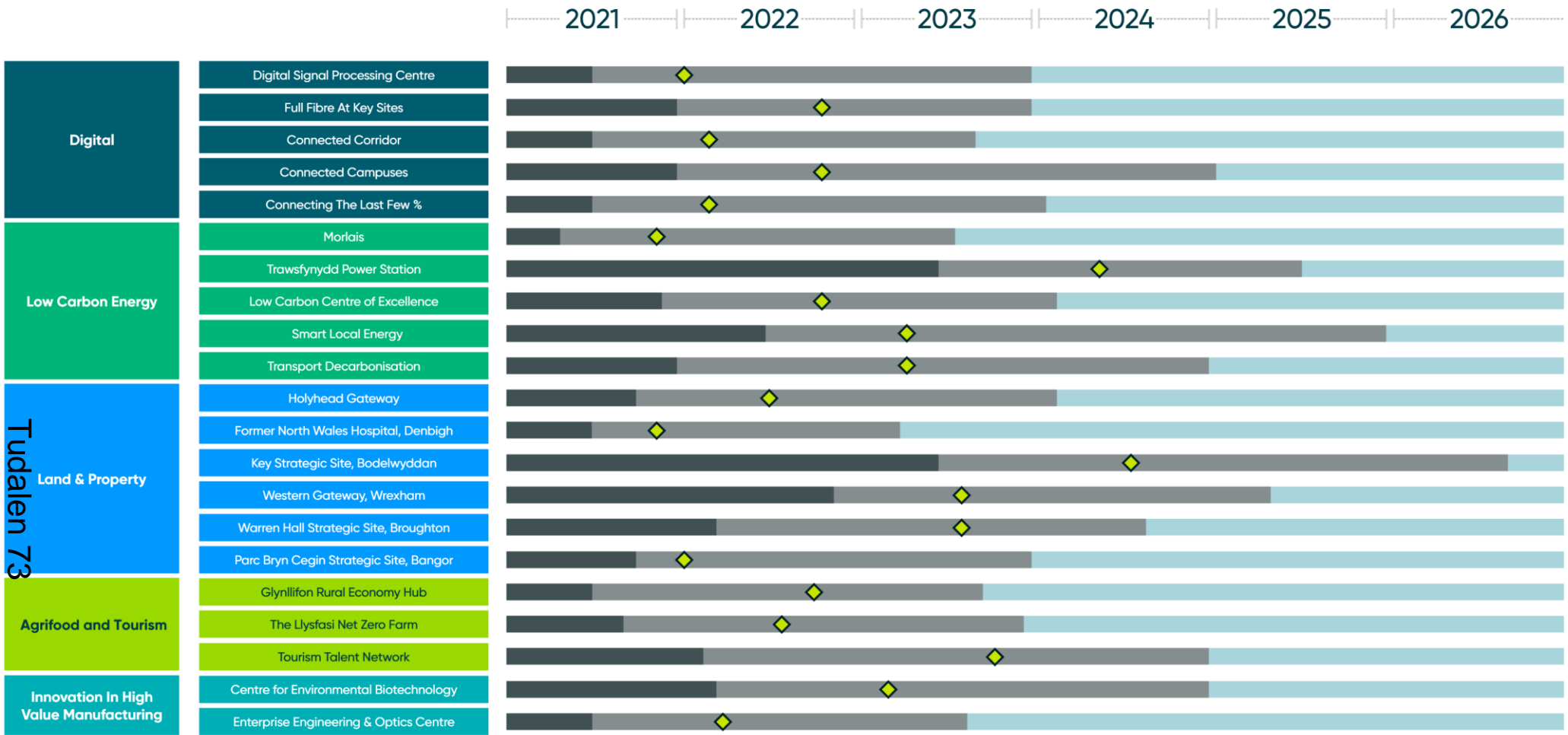
Reporting

The Portfolio Management Office will produce quarterly progress reports and an annual report on the Growth Deal which will be shared with Welsh Government, UK Government, the Economic Ambition Board and its partners. These reports will be publicly available on our website.

Scrutiny Arrangements

Scrutiny of the North Wales Growth Deal is provided by the six local authorities through their existing Scrutiny Committee arrangements. The Scrutiny Committees will consider the quarterly and annual reports produced by the Portfolio Management Office.

Growth Deal Project Delivery Pipeline – March 2021



Business Case Development & Approval Phase *

** Approval of OBC pre procurement*

Procurement and Project Delivery Phase **

*** Includes approval of FBC post procurement*

Operational & Benefits Realisation Phase

Anticipated start on site date



The Next 12 Months

Alwen Williams Portfolio Director

While the last 12 months has seen significant progress made and a historic milestone achieved with the signing of the North Wales Growth Deal, the next year ahead promises to be even more exciting.

All of the careful planning and preparation with partners will lead to investments being made, new tangible assets for the region being created and new and exciting opportunities become real over the next year.

As a team that has developed virtually during 2020, we look forward to enhancing the team further and completing the recruitment. With only two further vacancies to fill during 2021, it will be good to have the whole team together and we look forward to a time when we can all work safely together in the office.

The next 12 month will see us embark on an ambitious programme of business case development with a number of Outline Business Cases scheduled to be considered by the Economic Ambition Board. We are also anticipating making our first final investment decisions on

projects before the end of the year, which would see project delivery commence and investment flowing into the region.

As we progress with the delivery of the Growth Deal, our image and the information we share with the public becomes ever more important. We have already embarked on the development of a new brand and a new website and look forward to launching these over the coming months.

I hope you have found this annual report useful and informative and that you will continue to follow our progress during the next year.

Contact Details



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Facebook:
[North Wales EAB](https://www.facebook.com/NorthWalesEAB)



LinkedIn:
[BUE Gogledd Cymru | North Wales EAB](https://www.linkedin.com/company/BUEGogleddCymru)

Mae'r dudalen hon yn wag yn bwrpasol

Eitem ar gyfer y Rhaglen 8



CORPORATE RESOURCES OVERVIEW AND SCRUTINY COMMITTEE

Date of Meeting	Thursday, 16 September 2021
Report Subject	Mersey Dee Alliance (MDA) Economic Stimulus Package
Cabinet Member	Cabinet Member for Economic Development and Countryside
Report Author	Chief Officer (Planning, Environment and Economy)
Type of Report	Operational

EXECUTIVE SUMMARY

In response to the unprecedented impacts of the Covid pandemic, the Mersey Dee Alliance have developed a package of investment priorities for the sub region which will hopefully trigger the recovery of the economy. The package represents a bid to UK and Welsh Governments for funding to deliver on five investment priorities which are:

1. Keeping our businesses competitive
2. Decarbonising industry
3. Skilling for the future
4. Connecting our region
5. Digital connectivity

These priorities were developed in agreement with all of the MDA partners. The level of investment being sought equates to £402m, a combination of capital and revenue funding.

The package was developed from November 2020 to March 2021 and was the subject to a “soft launch” being introduced.

Initial feedback has been received from the then Senedd Member for the Economy and North Wales, Ken Skates and Under Secretary of State for Wales, David TC Davies.

The next steps are to refine the package further prior to further engagement with Welsh Government and UK Government officials on the detail of the stimulus package and how it can be successfully progressed. It is planned that the package

can be finalised and submitted prior to the publication of the UK Government's Autumn Budget statement.

A powerpoint along with a copy of the package itself are attached which explain the background and content of the stimulus package (Appendices 1 and 2).

RECOMMENDATIONS

1	That Members note the content of the Fiscal Stimulus Package and support its refinement and submission to the relevant Governments.
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REPORT DETAILS

1.00	BACKGROUND
1.01	Officers will deliver a powerpoint presentation outlining the background to the package, its content and the next steps.

2.00	RESOURCE IMPLICATIONS
2.01	No resource implications from this report.

3.00	IMPACT ASSESSMENT AND RISK MANAGEMENT
3.01	No particular risks from this report.

4.00	CONSULTATIONS REQUIRED/CARRIED OUT
4.01	Engagement with the private sector took place prior to the publication of the Fiscal Stimulus package.

5.00	APPENDICES
5.01	Appendix 1 – Powerpoint Presentation Appendix 2 – Fiscal Stimulus Package

6.00	LIST OF ACCESSIBLE BACKGROUND DOCUMENTS
6.01	None.

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7.00	CONTACT OFFICER DETAILS
7.01	Contact Officer: Andrew Farrow, Chief Officer Telephone: 01352 703201 E-mail: Andrew.farrow@flintshire.gov.uk

8.00	GLOSSARY OF TERMS

Mae'r dudalen hon yn wag yn bwrpasol

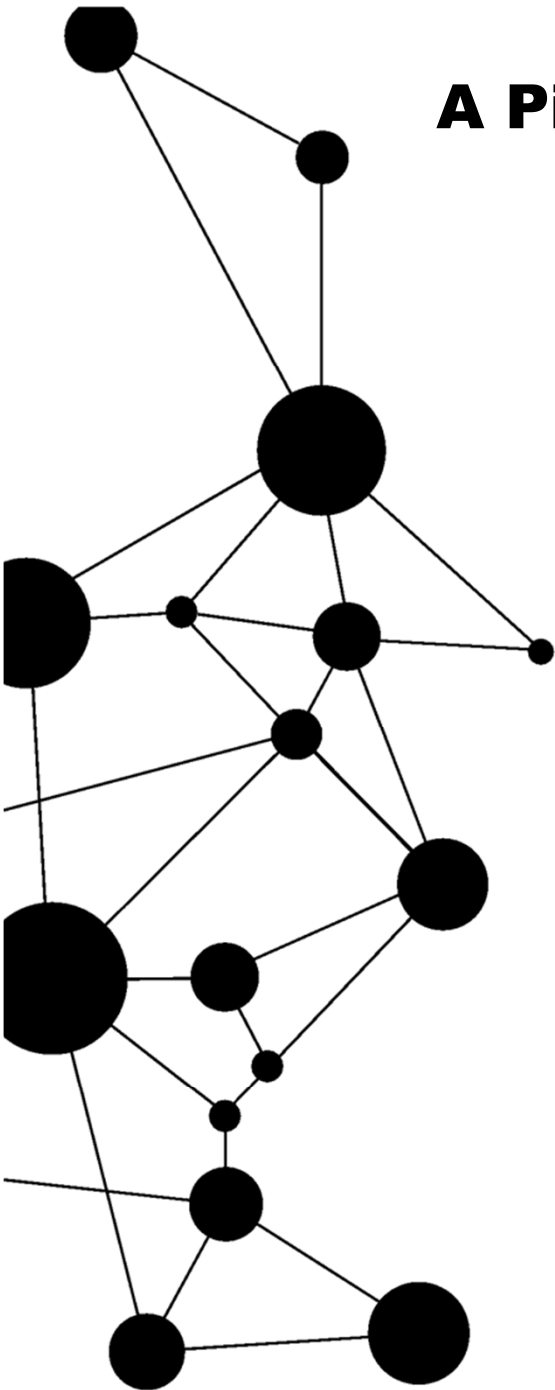


Mersey Dee Fiscal Stimulus Package Proposition Document

Flintshire County Council Informal Cabinet
2nd June 2021

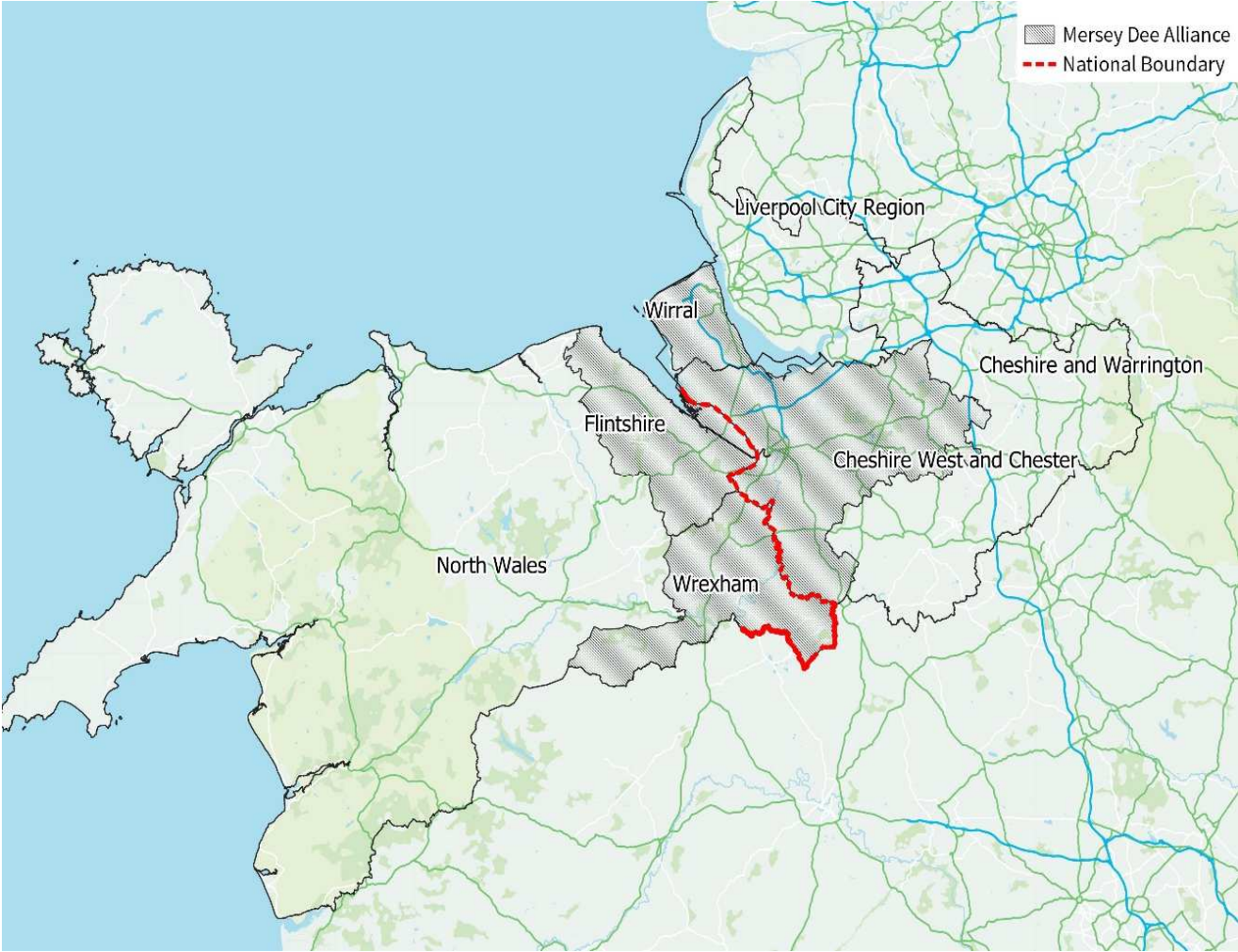
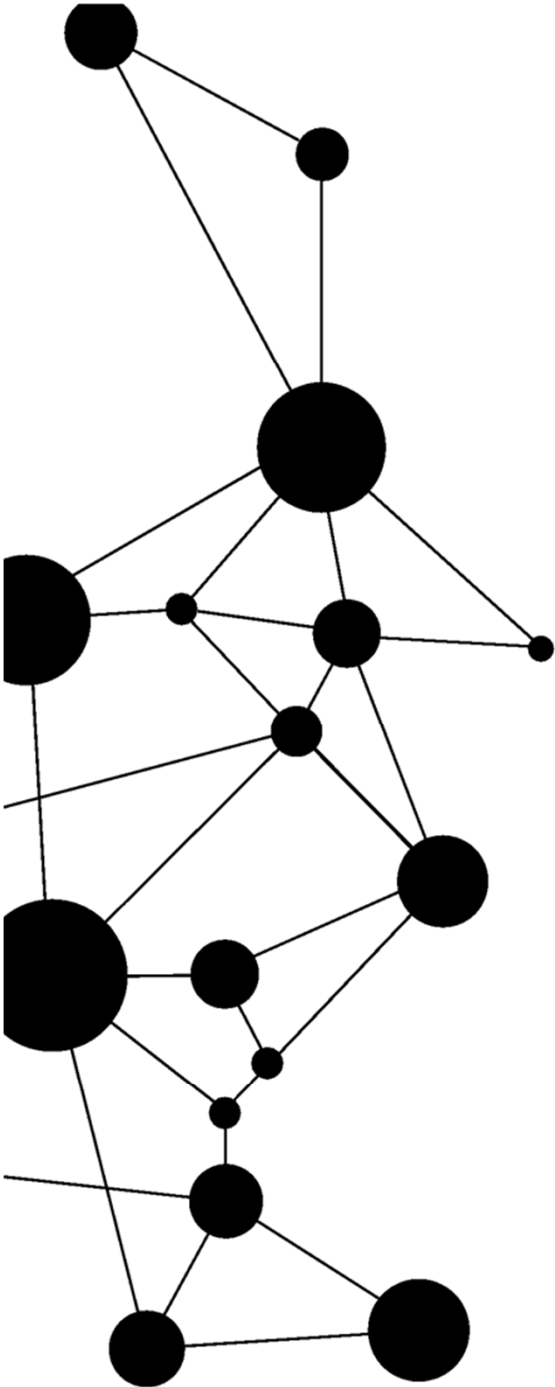
A Pivotal Location

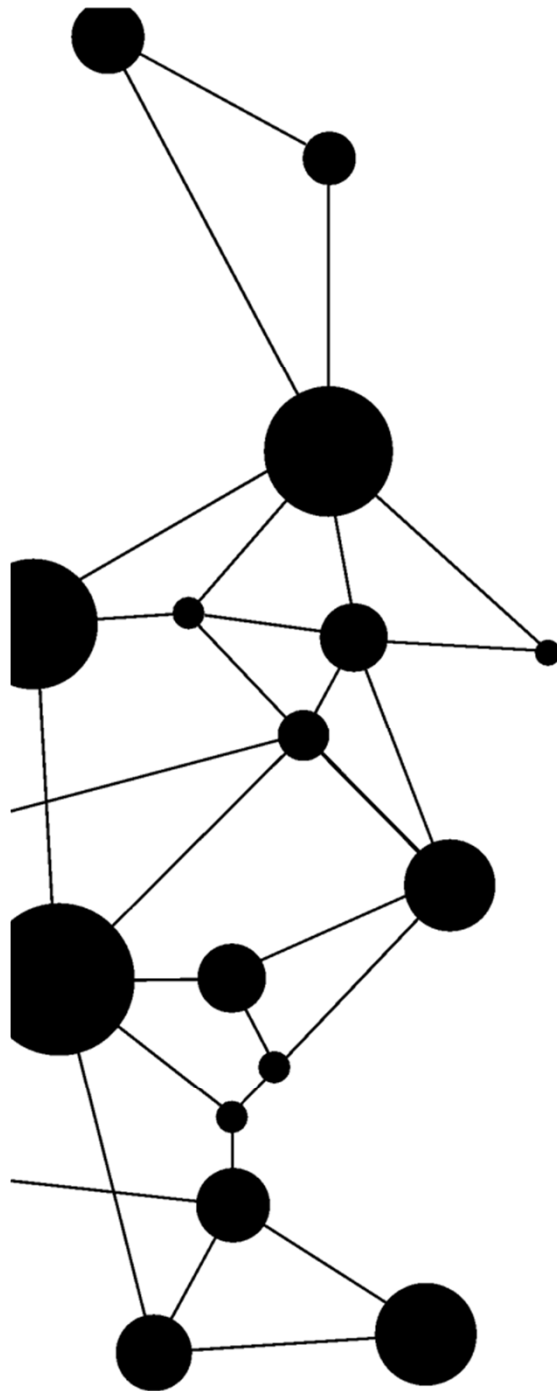
Tudalen 82



Mersey Dee

Tudalen 83





The Area

£22bn Gross Value Added

1 million people

413,000 jobs

2,900 companies that each turn over more than £1m per year

£4.5 billion manufacturing cluster

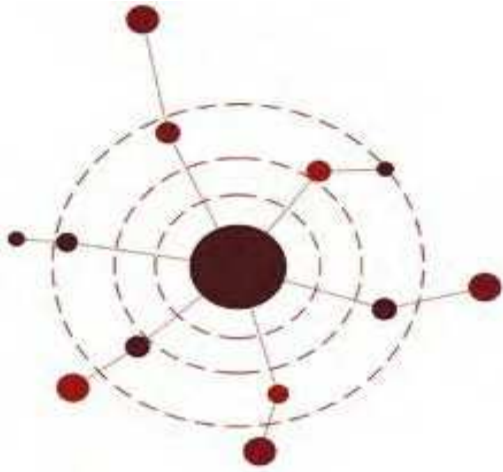
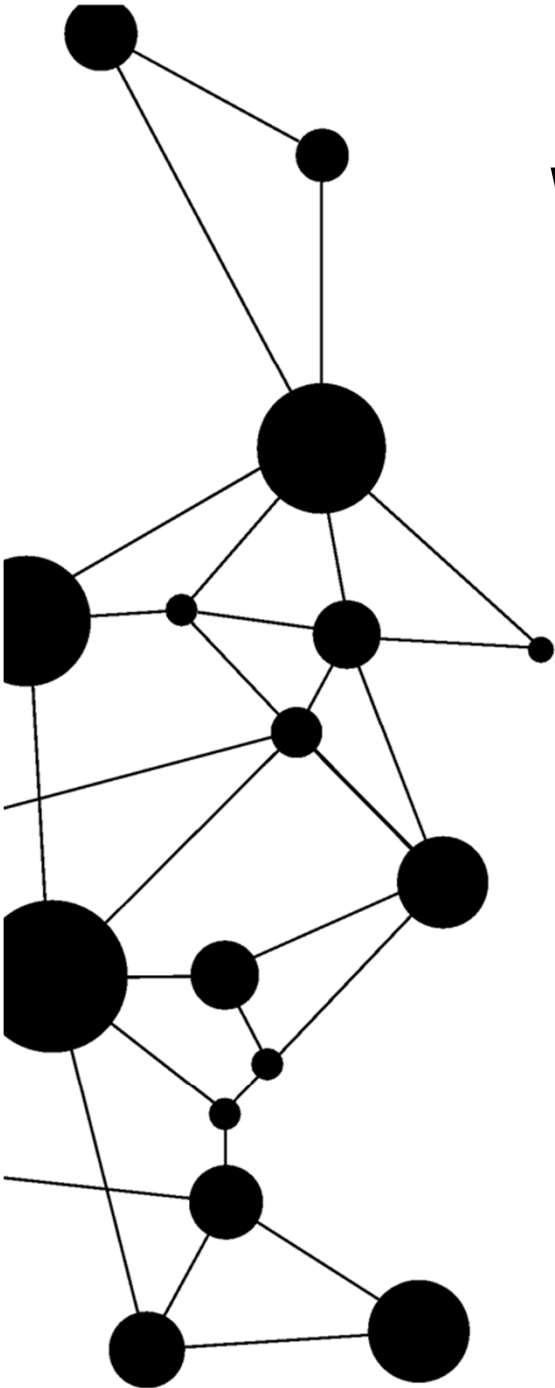
3 Enterprise Zones; Cheshire Science Corridor, Deeside Northern Gateway, Wirral Waters.

A strong diverse economy which includes aerospace, automotive, nuclear, renewables, pharmaceuticals, chemicals, financial services, food, engineering, ICT, tourism, and retail

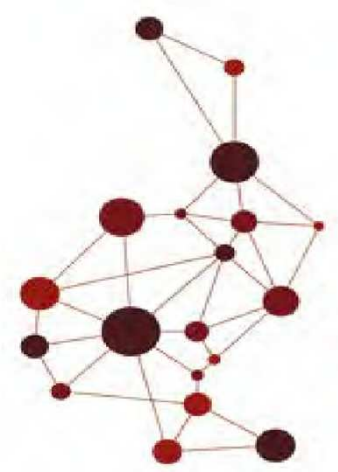


What Makes the Mersey Dee Unique?

Tudalen 85



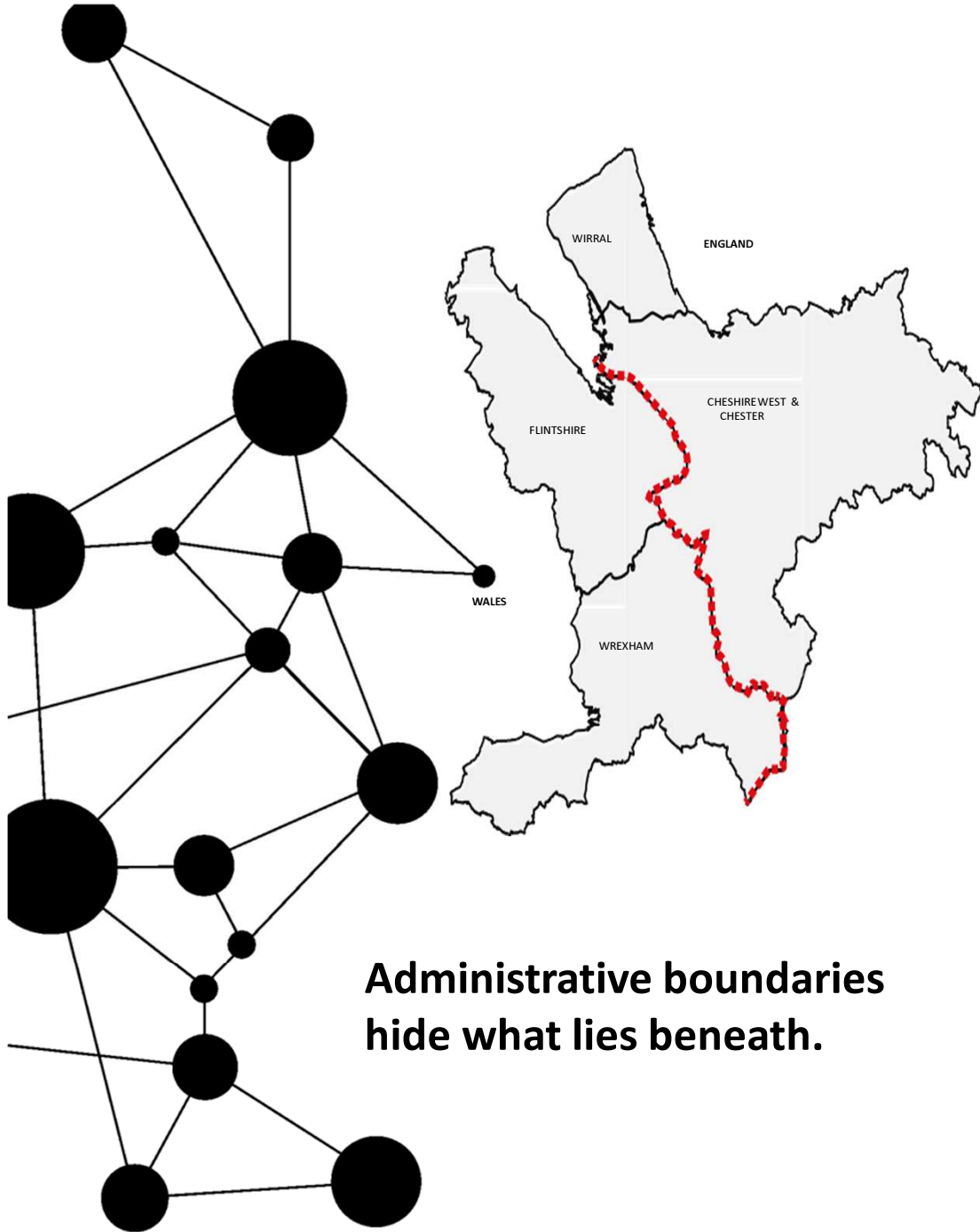
A Traditional Radial City



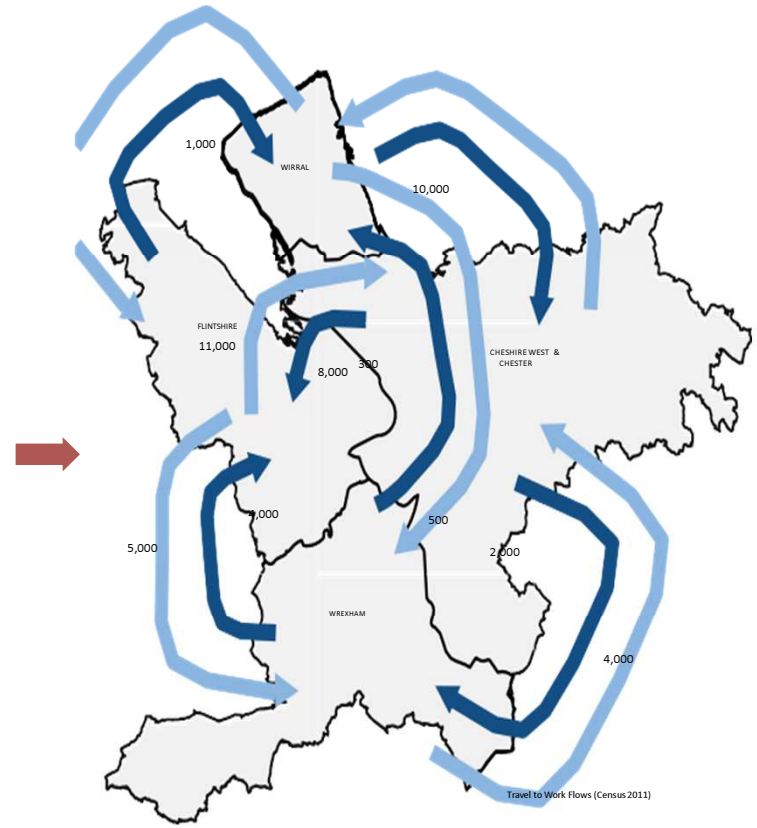
A Polycentric City

This polycentricity means the Mersey Dee area is often overlooked by the usual political frameworks.

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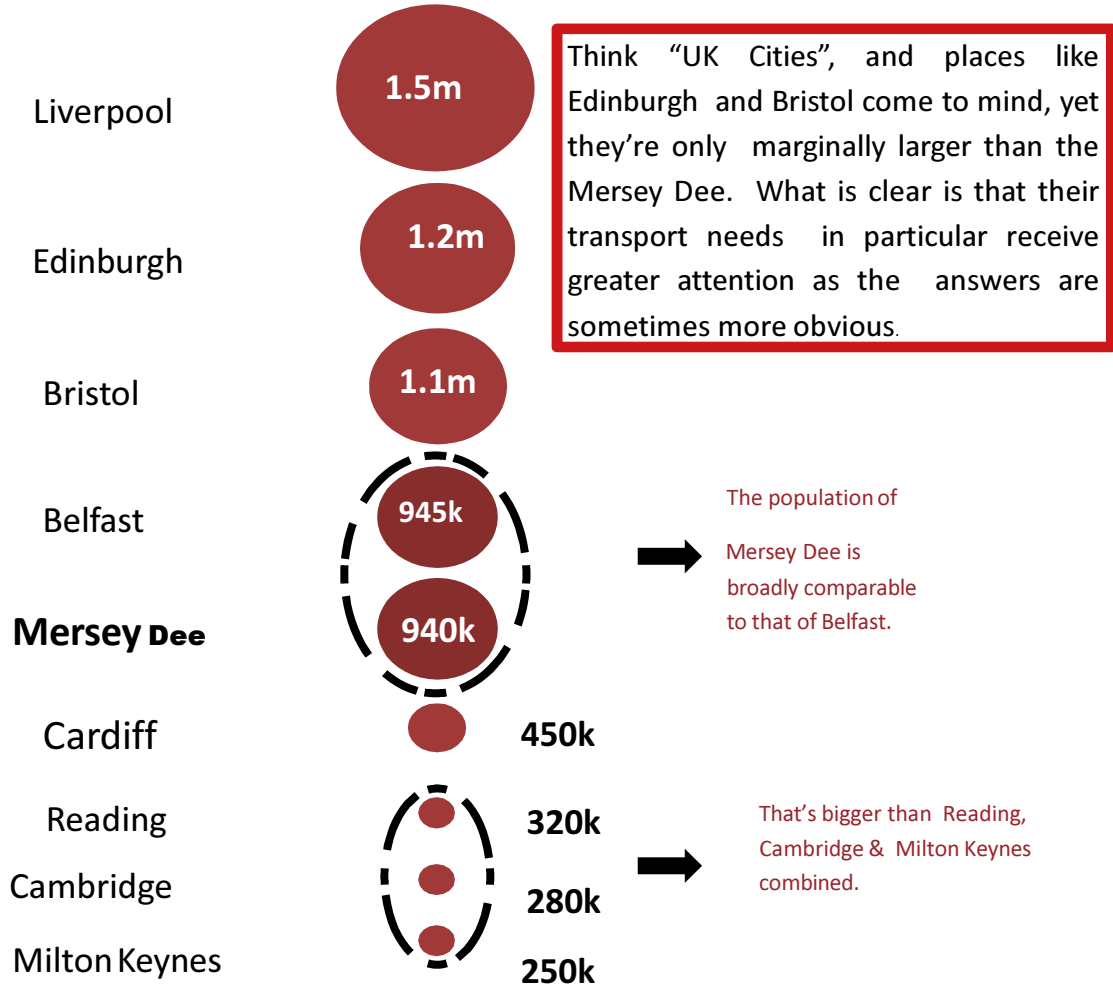
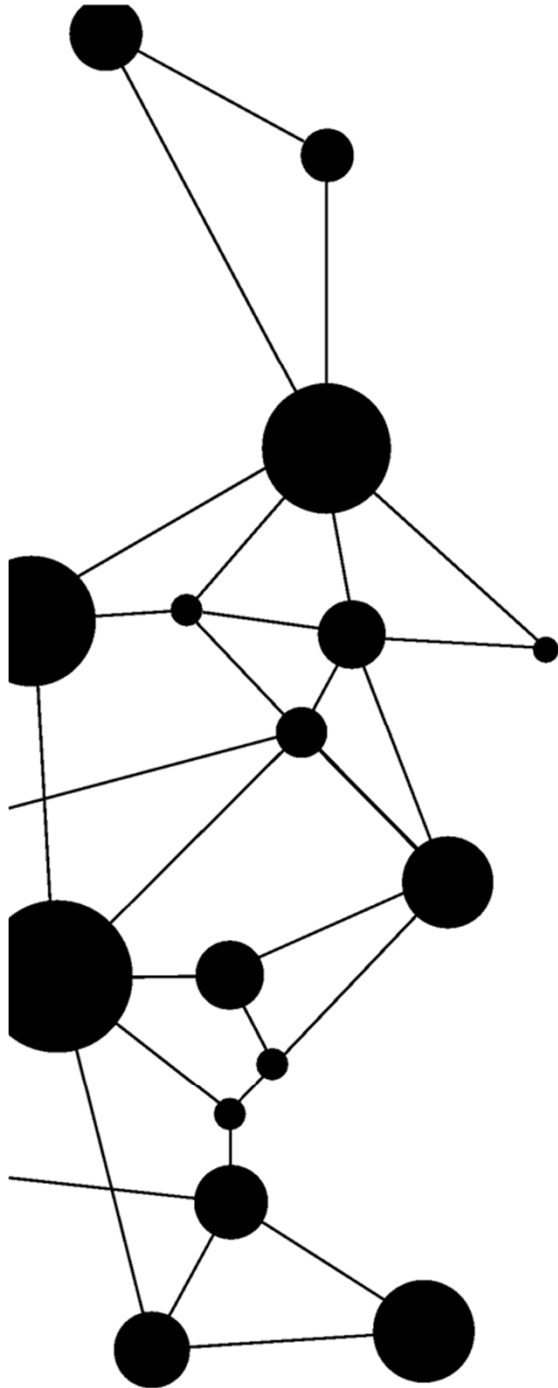
**Administrative boundaries
hide what lies beneath.**



**We have a unique cross-
border economy**

Our Population

Tudalen 87



Strategic Development Sites

identified in the Mersey Dee Growth Prospectus

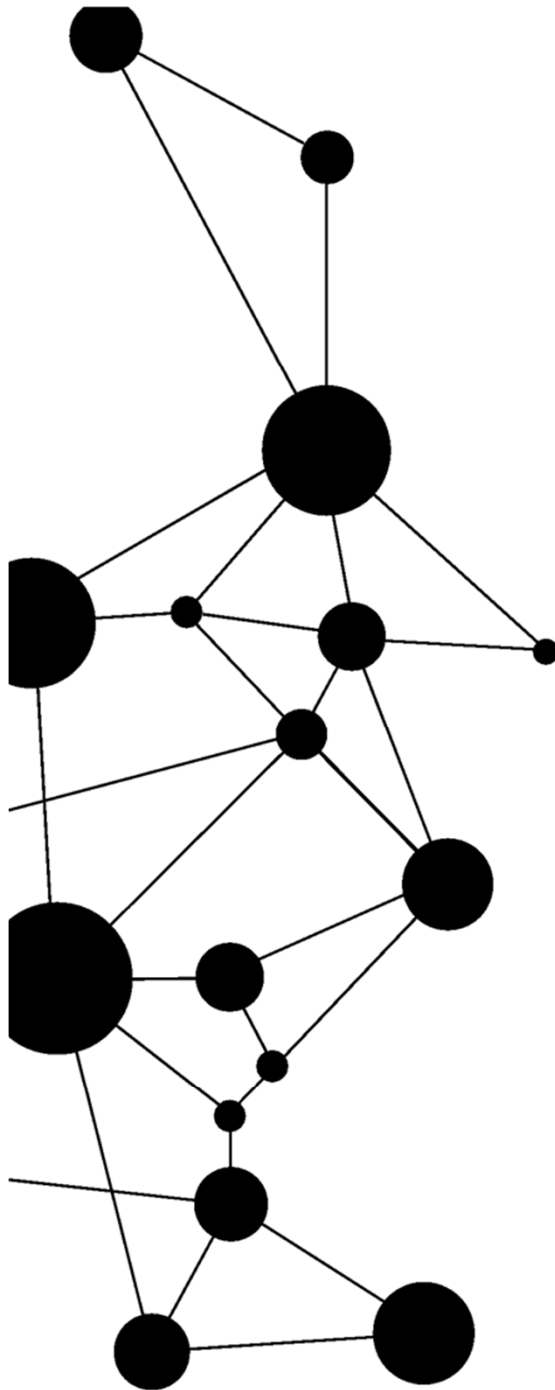
Ellesmere Port Central
Cheshire Science Corridor
Chester Central

Wirral Waters
Birkenhead Town Centre
Woodside Waterfront
Wirral International Business Park

Wrexham Industrial Estate
Wrexham Town Centre
Wrexham Technology Park / Western Gateway

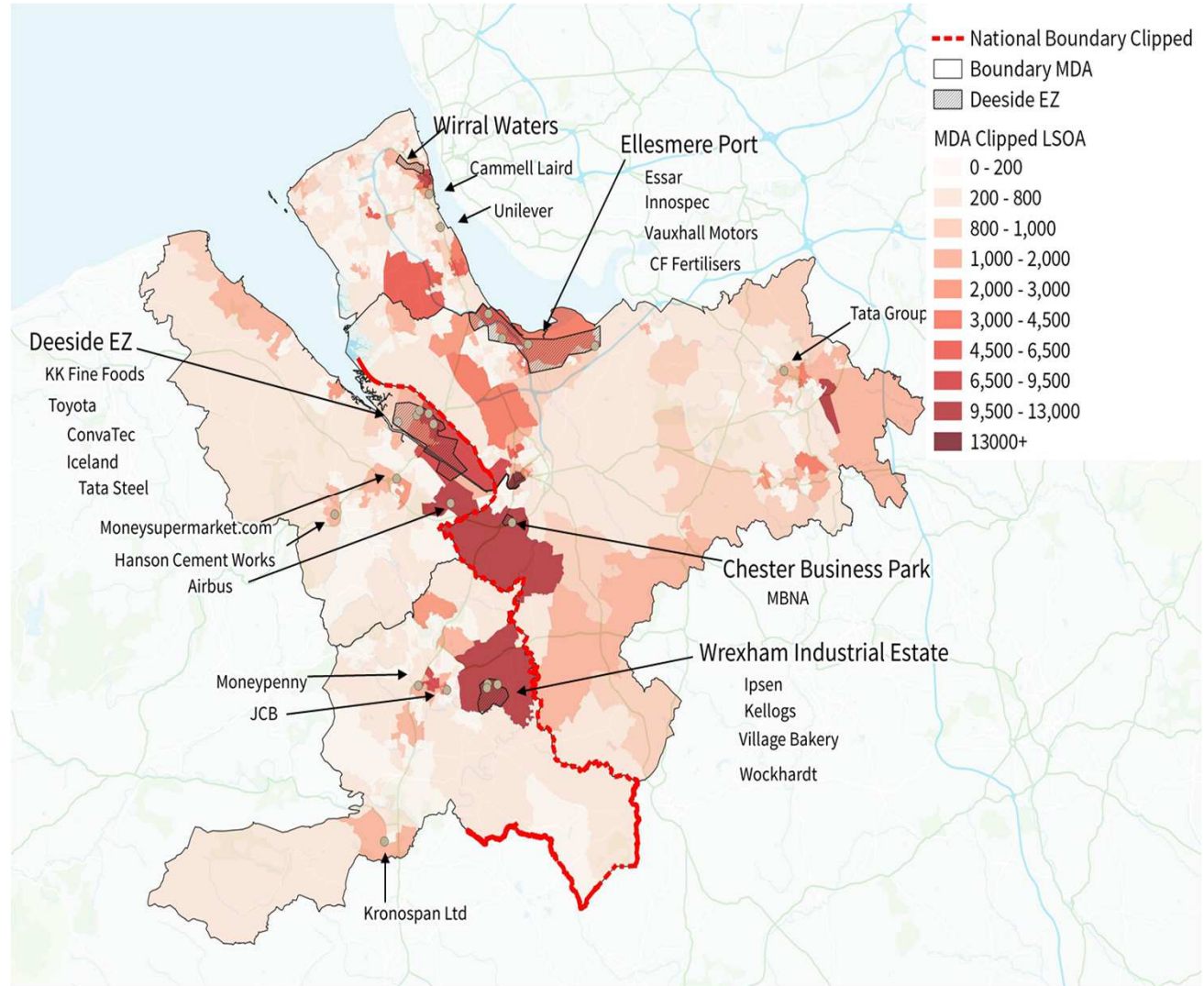
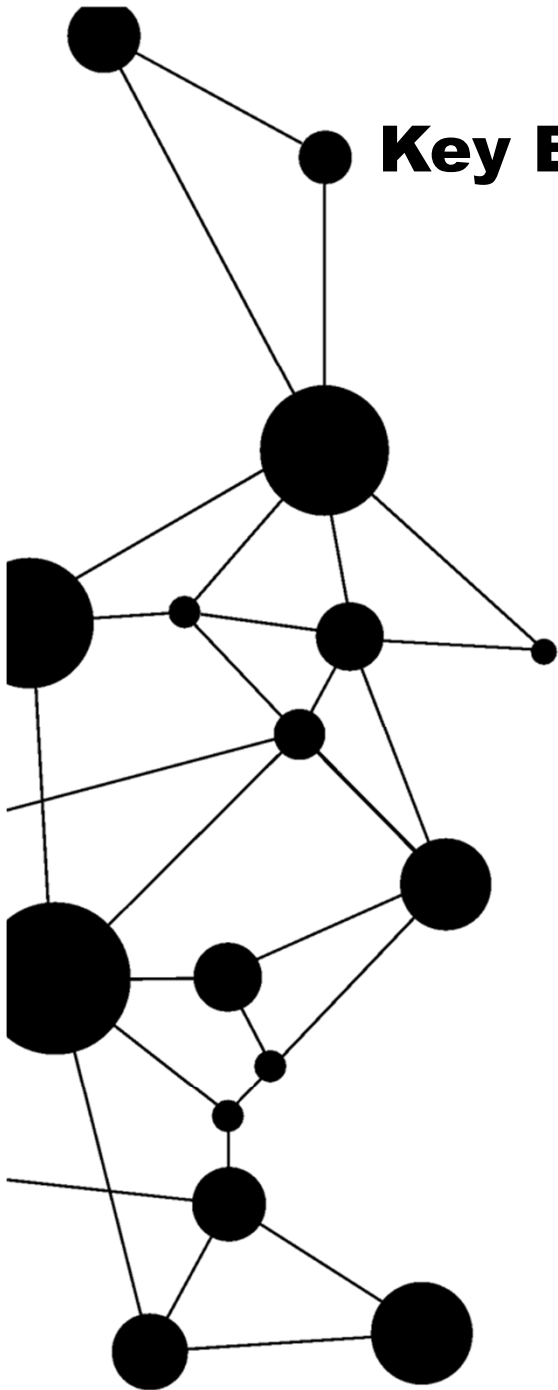
Deeside Northern Gateway
Warren Hall

Tudalen 88



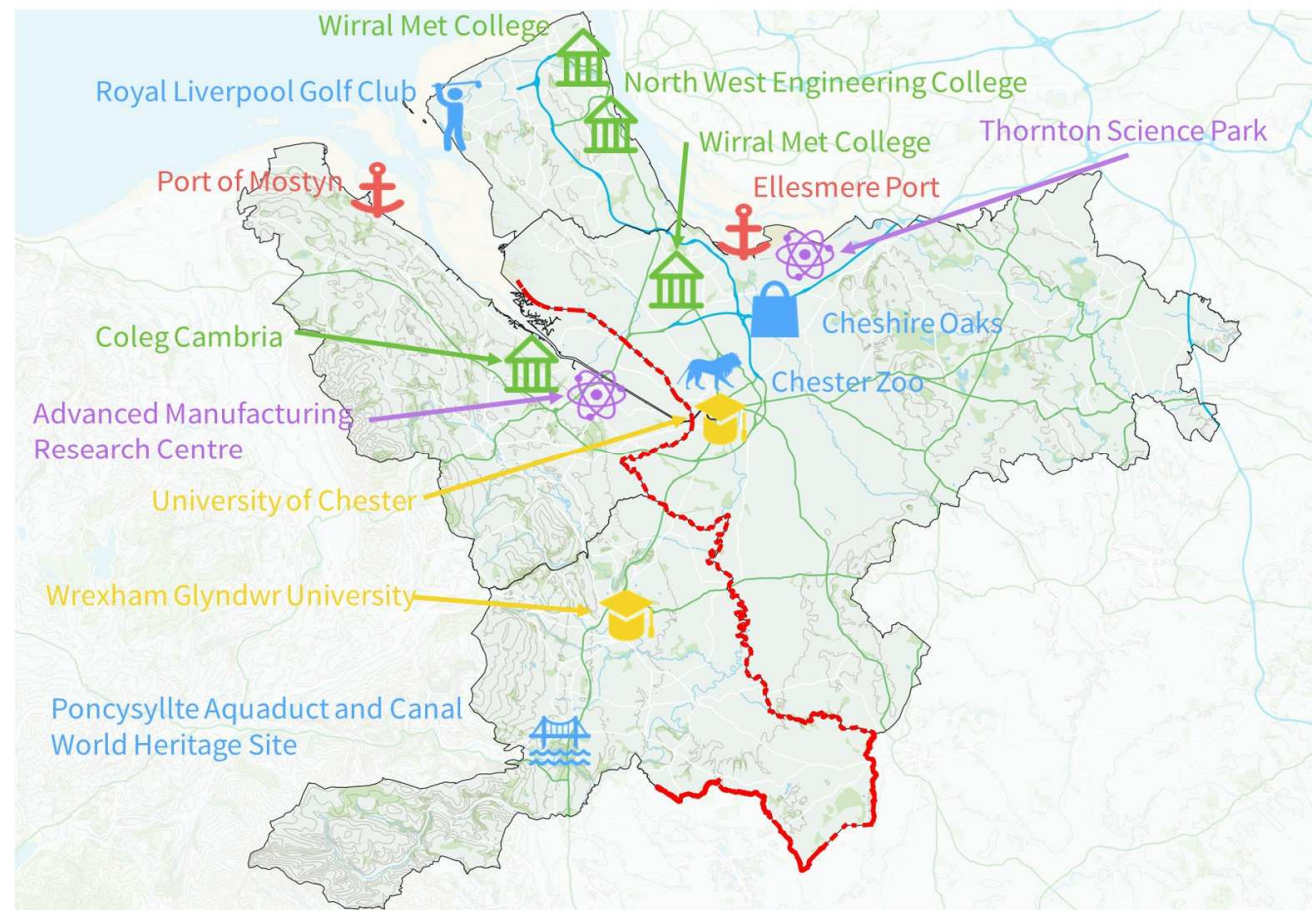
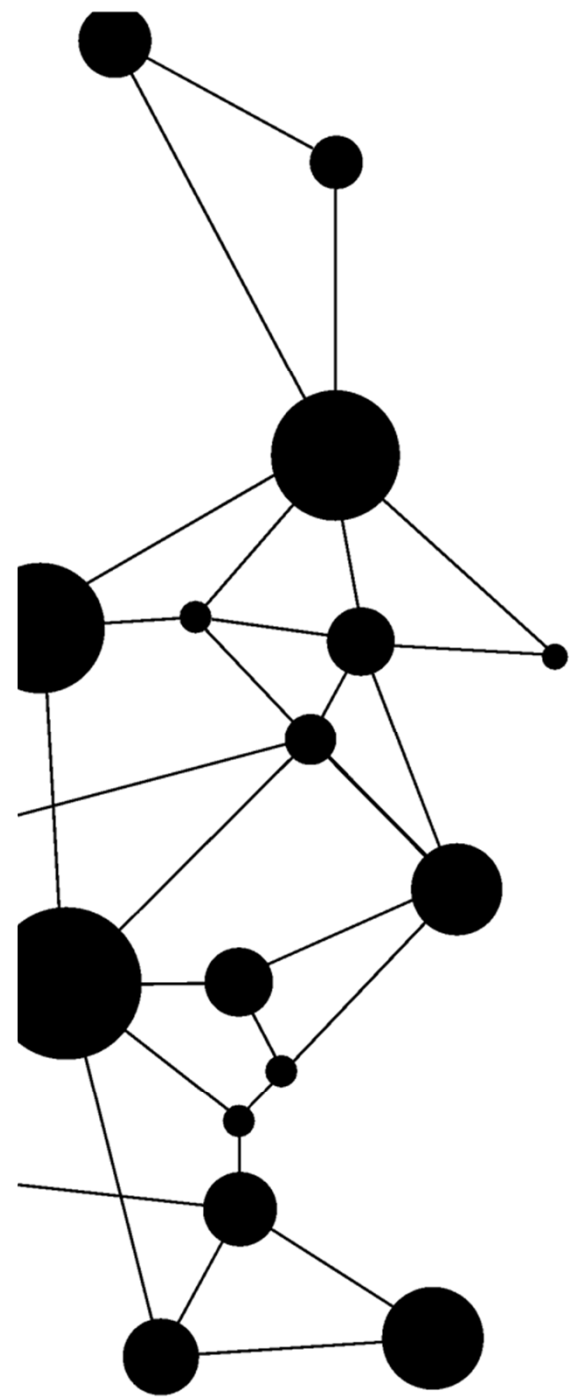
Key Employers and Employment Locations

Tudalen 89



Assets in the Mersey Dee Area

Tudalen 90



Unlocking Our Potential

Our Ingredients for Growth

Diversity of Industry

Advanced Expertise

Quality of Life

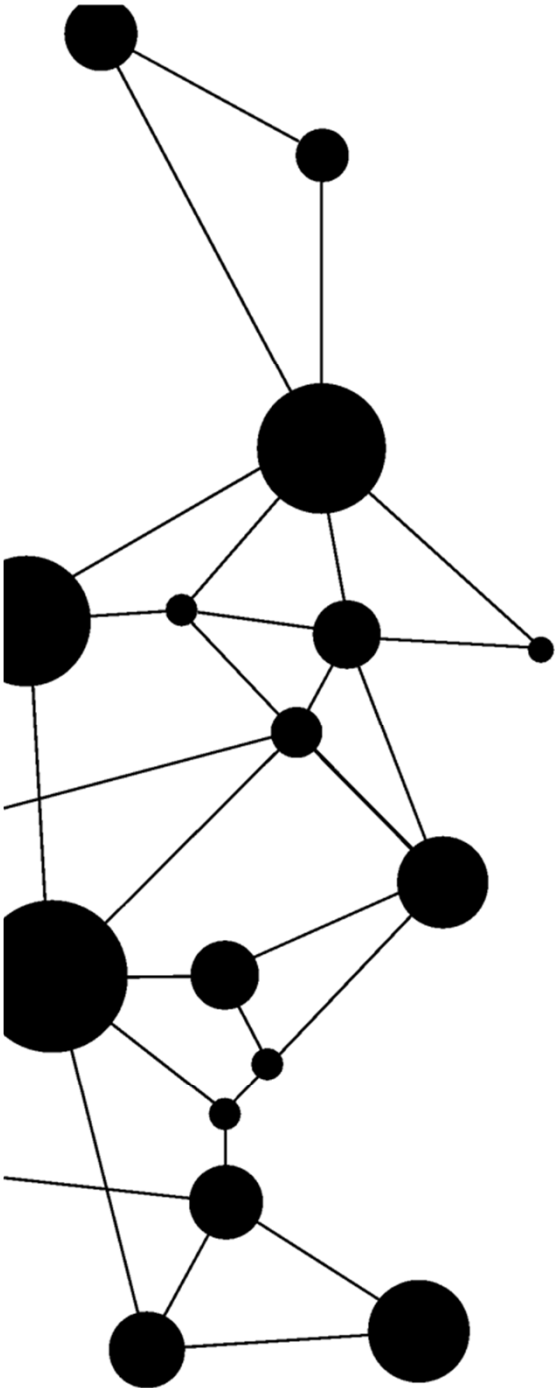
Business Support

Infrastructure

Energy

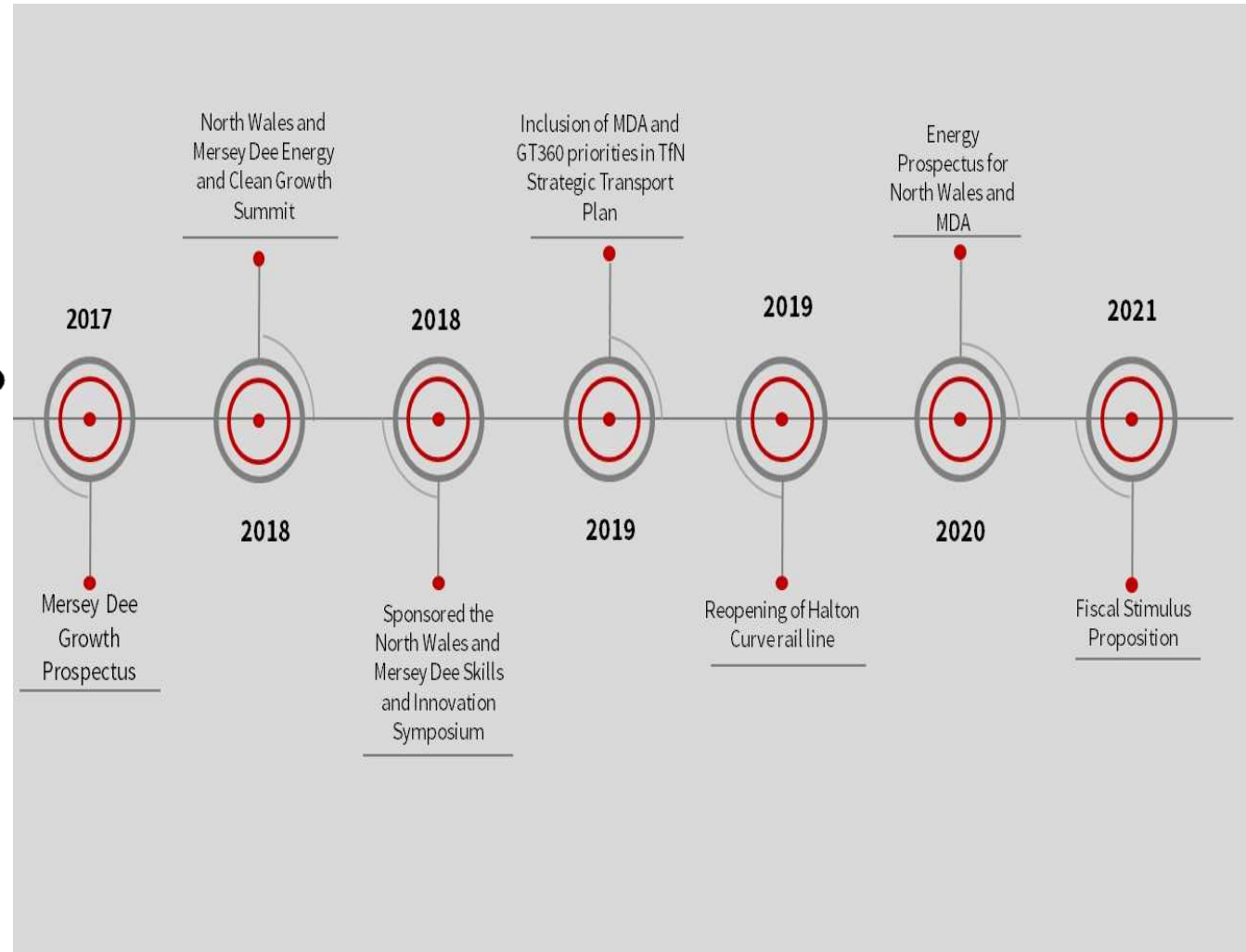
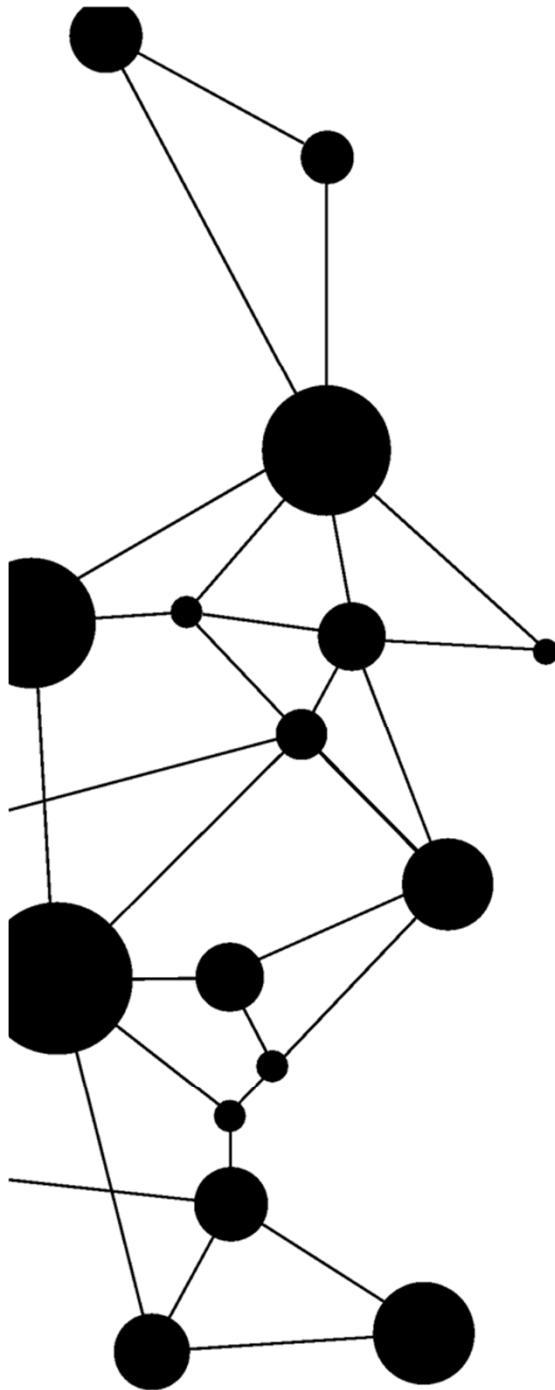
Skills

Tudalen 91



The Story So Far

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Mersey Dee Alliance Fiscal Stimulus Package

Our economy



1 million residents



413,000 jobs



2,900 companies with +£1m annual turnover



22 billion GVA



77% of residents live and work in the MDA area



£4.5 bn manufacturing cluster

The Need for Stimulus



£3.5bn GVA lost (-15%) in 2020



1,400 redundancies at Airbus Broughton



+1,233% business insolvencies (May- Dec 2020)



Key sectors facing challenges of decarbonisation



23% of the MDA within most 30% deprived part of England



£225m of unfunded rail infrastructure schemes



Dependent on EU for exports (80% to EU)



Only 37% Ultrafast broadband reach (54% UK)

Our Stimulus Package



£79m Business support & Skills programme to support our anchor companies to remain competitive and decarbonise



£115m Low Carbon energy programme to propel Mersey Dee to becoming a low carbon industrial hub



£30m Digital programme to raise our productivity through digital connectivity



£110m Transport programme to enable a cleaner, modern cross-border network



£75m Place programme to ensure our town and city centres are resilient and recover from the pandemic

Outcomes

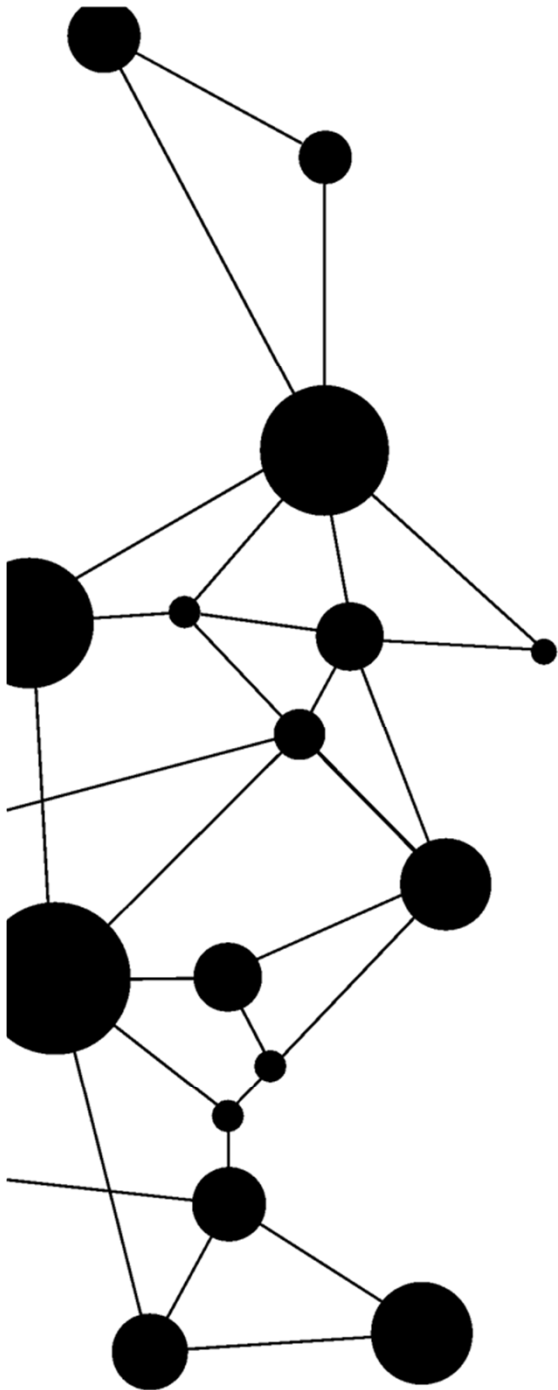
Total impact: **+£1.2bn GVA** and **5k jobs** created and safeguarded

- 300 businesses assisted
- £475m private sector co-investment
- 100km H2 pipeline, 10 hydrogen and CCUS hubs, a Hydrogen Demonstrator facility
- 100km walking and cycling infrastructure
- 130km of super-connected transport routes

Delivering on Government objectives

- Driving forward **Ten Point Plan** for a **Green Industrial Revolution**
- Tackling historic **under-investment** in infrastructure
- Grasping the opportunities from **Global Britain**
- **Levelling up** our communities

Tudalen 94



Strategic Priorities



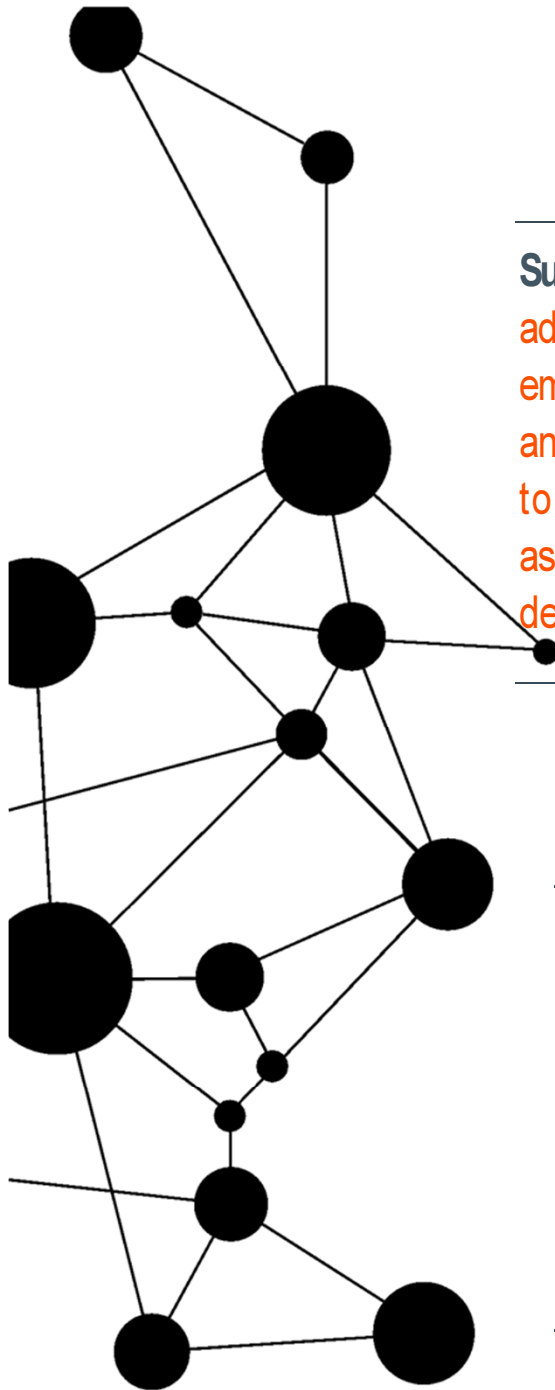
Cross Cutting Themes

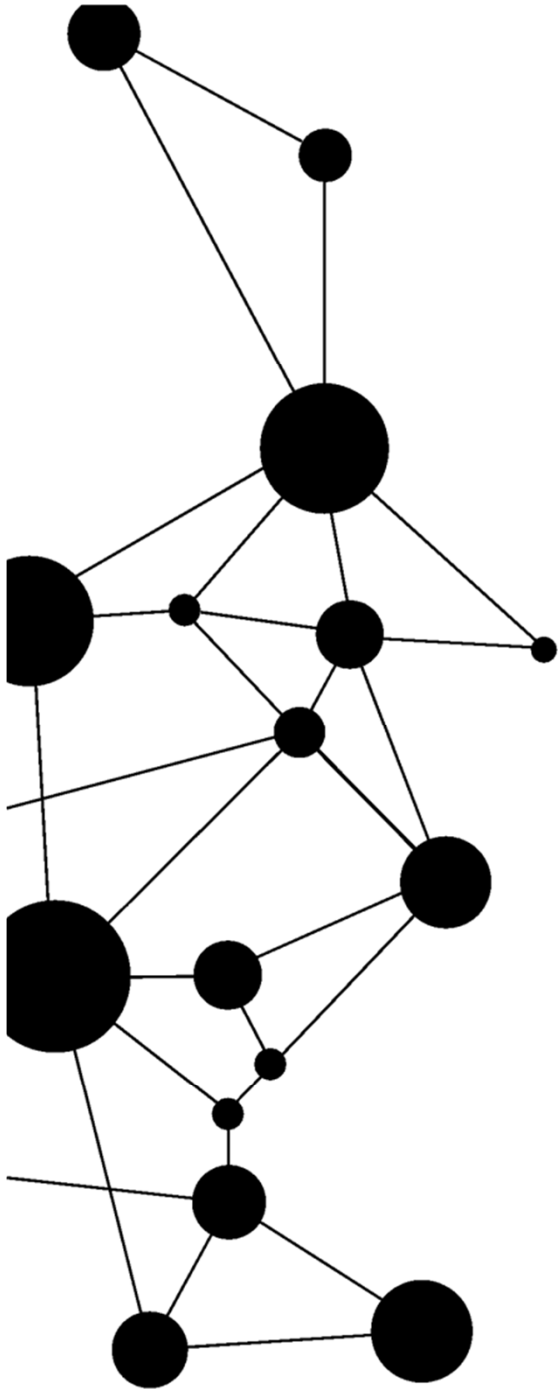
Supporting cleaner growth – the UK has adopted a target of achieving net zero emissions by 2050. Our mix of industries and energy assets leaves us ideally placed to lead this ambitious transition and to act as an exemplar region for low carbon development.

Connecting places, people and businesses – as a cross-border economy with multiple centres, the Mersey Dee area will be strengthened by improving the links between those places their business and people. Enhancing our connectivity is crucial.

Sustainable and inclusive growth – as the region recovers from the pandemic our aim is to look beyond a simple headline level of growth. We want to ensure that everyone benefits from the region's success

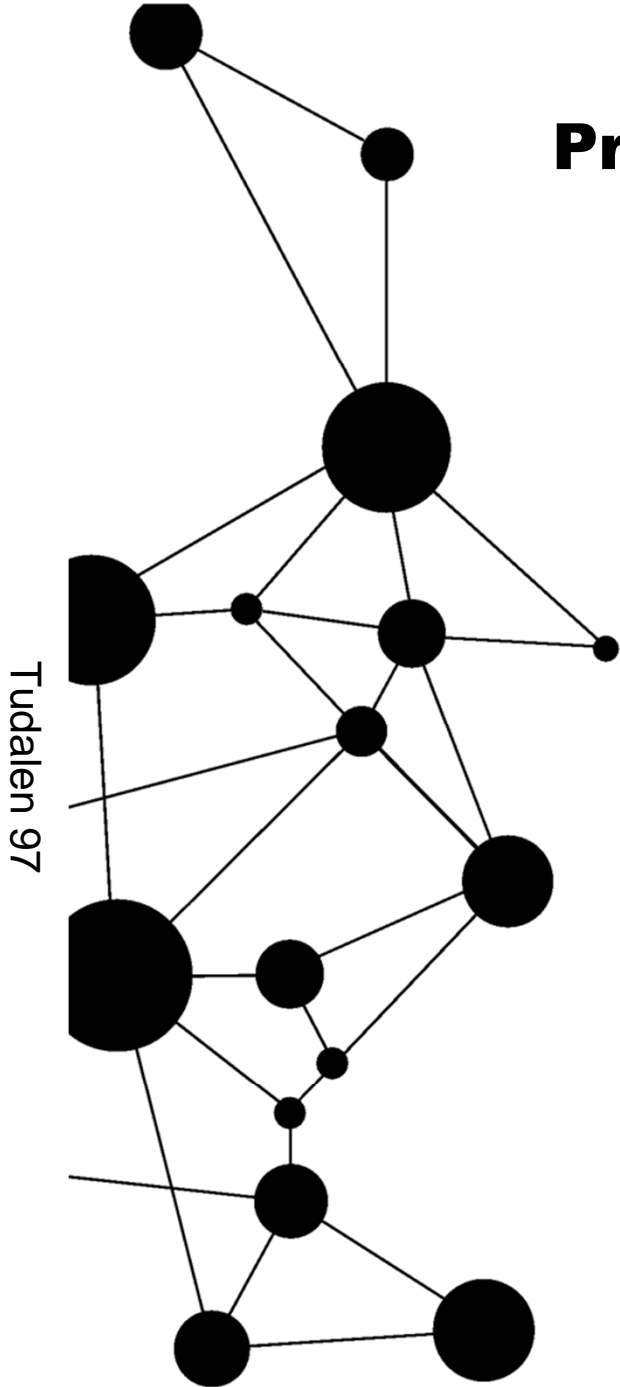
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5 Investment Priorities

1. Keeping our businesses competitive
2. Decarbonising industry
3. Skilling for the future
4. Connecting our region
5. Digital connectivity



Proposed Fiscal Stimulus Package

- **Skills and Business Support**

A £60m business challenge fund, targeted business support and skills/employment brokerage for firms and employees in the manufacturing sector, pump priming new skills programmes for the Green Industrial Revolution.

Capital: £70m
Revenue: £9m
Total: £79m

Outputs/Impact

£130m of private investment unlocked
300+ firms in the manufacturing supply chain supported
2,000+ jobs safeguarded
a new Business centre for Green Recovery
450,000 tonnes of CO₂ saved

Proposed Fiscal Stimulus Package

- **Low Carbon Energy Infrastructure**

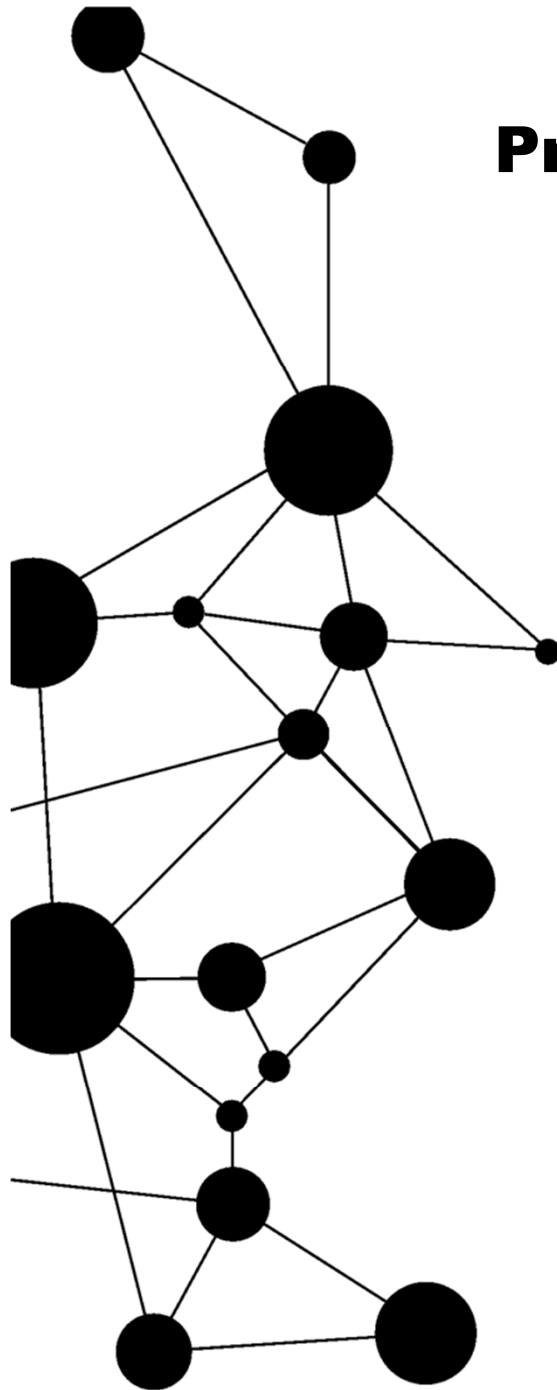
Fund a strategic hydrogen demonstration facility for the UK, design and consenting for 100km blue hydrogen pipeline, development funding for hydrogen and CCUS hubs, design work for a tidal energy project on the Mersey and associated centre of excellence

Capital: £95m
Revenue: £12m
Total: £107m

Outputs/Impact

Strategic hydrogen demonstration facility
100km hydrogen pipeline
£250m private investment
5-10 hydrogen & CCUS hubs
Tidal energy project centre of excellence

Tudalen 98



Proposed Fiscal Stimulus Package

- **Transport**

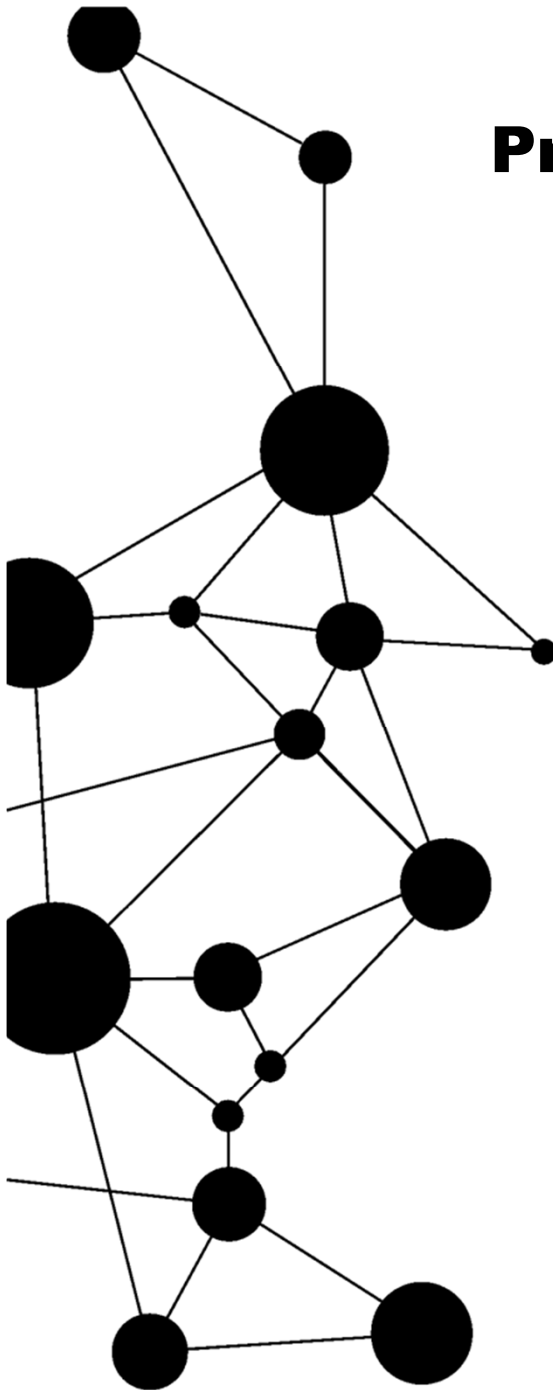
Fund a cross-border active travel network, fund the infrastructure required for cross-border integrated ticketing, development funding for a range of key cross-border rail schemes.

Capital £90m,
Revenue: £25m,
Total: £115m

Outputs/Impact

100km of high-quality cycling and walking infrastructure
New ticketing infrastructure for 20 stations, 400 buses across 50 routes and 9 operators.
3 shovel-ready rail schemes.

Tudalen 99



Proposed Fiscal Stimulus Package

- **Place based support**

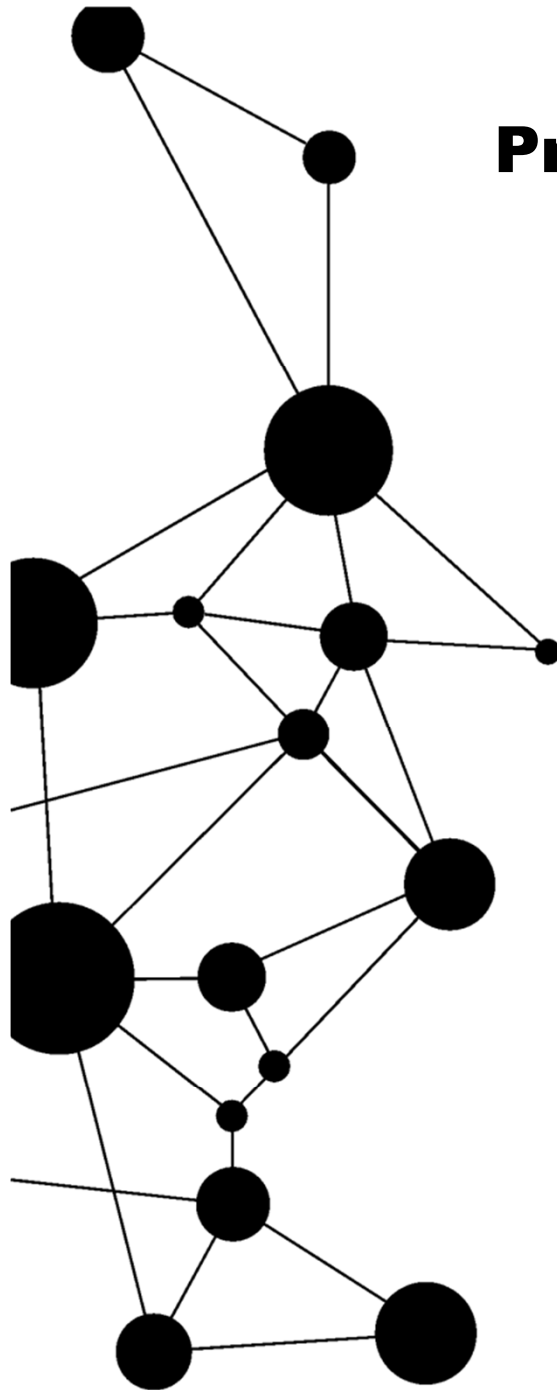
A fund managed flexibly across the Mersey Dee area will be used to support a range of areas across the MDA to support businesses and employment. Fund enabling works to the Wrexham Gateway development.

Capital: £70m
Revenue: £5m
Total: £75m

Outputs/Impact

Private sector investment of £80m
bridge works
links to active and public transport
new start-up, meanwhile and entrepreneurial space
town centre biodiversity and green space.

Tudalen 100



Proposed Fiscal Stimulus Package

- **Digital**

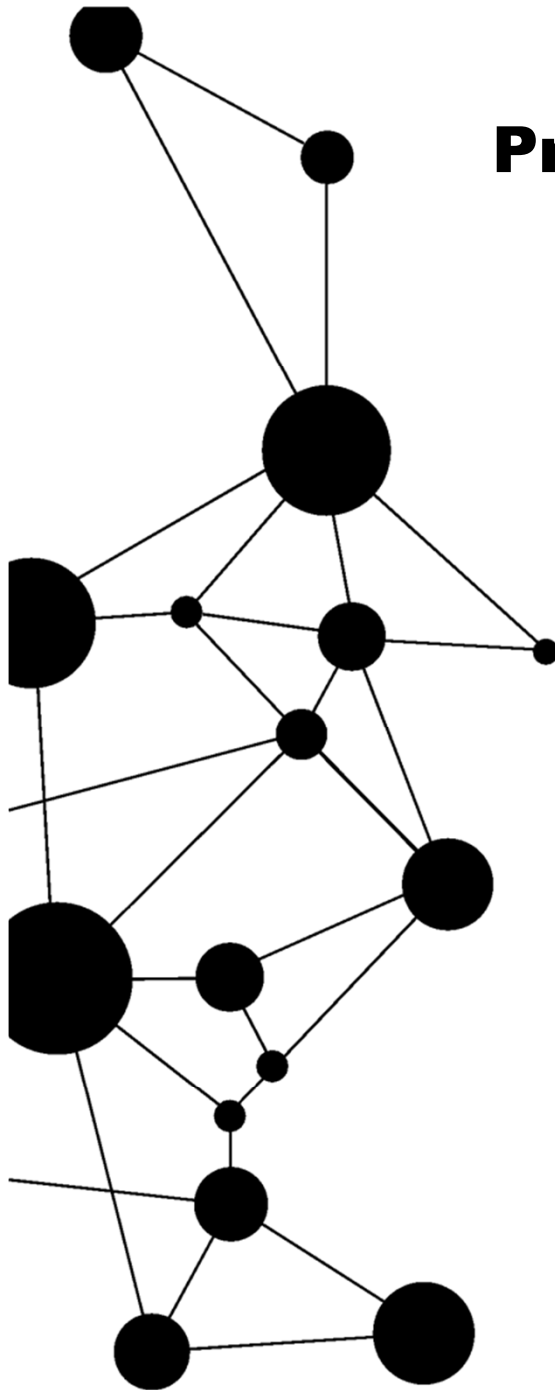
A fund managed flexibly across the Mersey Dee area will be used to support a range of areas across the MDA to support businesses and employment. Fund enabling works to the Wrexham Gateway development.

Capital: £27m
Revenue: £3m
Total: £30m

Outputs/Impact

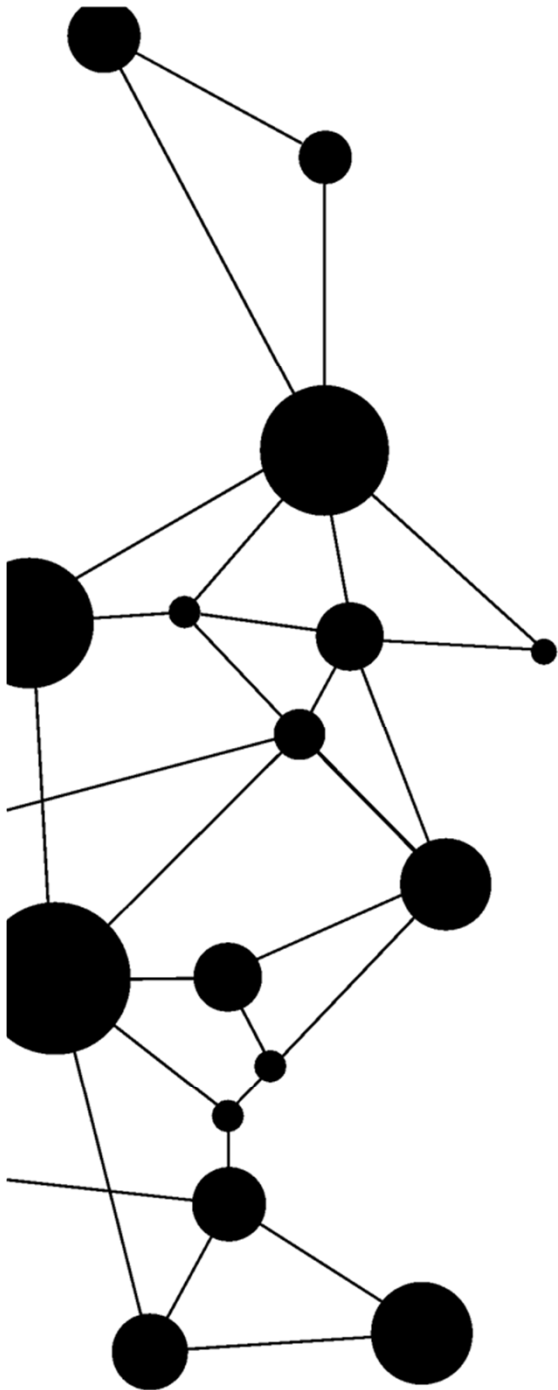
130km of 5G and LPWAN connectivity along key transport routes
55 new deployments of 'smart town' infrastructure

Tudalen 101



Next Steps

- Approval of proposition document by MDA Board – 12th March
- Submission to UK and Welsh Governments – 16th March
- Project detail work – March to May
- Negotiation and programme development – May - Autumn



A Fiscal Stimulus Package for the Mersey Dee Economy

A Strategic Proposition



MERSEY DEE Alliance

Cynghvair **MERSI A'R DDYFRDWY**

Tudalen 103

HATCH

Contents

Foreword	2
Our Proposed Fiscal Stimulus Package	7
The Mersey Dee: A Unique Functional Economy	15
Why the Package is Needed: Our Investment Priorities	29
Our Proposed Package	43
How we will deliver	58
Stakeholder Support	61
Taking the Package Forward	69



Foreword

Foreword

Foreword by Councillor Mark Pritchard, Chair of the Mersey Dee Alliance and Leader of Wrexham County Borough Council

A Call to Action for “Levelling Up” by investing in the MDA cross border economy

It has been my goal as Chair of the Mersey Dee Alliance (MDA) to bring forward a compelling case for investment in the unique, cross border, Mersey-Dee Economy. I am therefore delighted to present this Strategic Proposition to the United Kingdom and Welsh Governments for a Fiscal Stimulus Package for the Mersey Dee Alliance Economy.

My only regret is that I am doing so at a time of crisis for our economy, with thousands of jobs lost to the economic disruption of COVID-19. We also face the challenge of retaining cost competitiveness when selling into EU markets as 80% of MDA area exports go to the EU.

The MDA is offering the Welsh and UK Governments the opportunity to develop a partnership approach to the cross-border economy with co-ordinated investment and shared problem solving to realise its best performance. The MDA economy draws its workforce and supply chains from both sides of the border. A two-government approach will maximise the pace of recovery from COVID-19 and the economic returns for Wales, England and the UK.

The MDA economy will perform to its true potential with collaboration and dialogue between the two governments and their delivery agencies on strategic development frameworks, infrastructure investment (transport and digital), decarbonisation (of energy production and industrial processes), business support and skills.

This Strategic Proposition is an opportunity for governments to strengthen the UK economy and “level up” by securing the future of a high value manufacturing powerhouse. We must work together and adopt the practical common sense of local businesses and people who, as part of their everyday life, live, work and play crossing the “border” between England and Wales as if it were not there.

Who we are

The Mersey Dee Alliance represents the cross border, integrated functional economy within the borders of four local authority areas, Flintshire and Wrexham Councils in North Wales and Cheshire West and Chester and Wirral Councils in the North West of England.

The Local Authorities work in partnership with Higher and Further Education in the area (Chester and Wrexham-Glyndwr Universities and Coleg Cambria and West Cheshire College), the Local Growth Partnerships that overlap with the MDA area, (The North Wales Economic Ambition Board in North Wales, the Liverpool City Region Combined Authority which includes the Wirral and the Cheshire and Warrington Local Enterprise Partnership which includes Cheshire West).

We maintain close relationships with local businesses and articulate their desire to see this cross-border economy recognised for the innovative, high value industrial and employment powerhouse that it is.

Working in Partnership

The MDA worked closely with neighbouring local growth partnerships, the North Wales Economic Ambition Board, the Cheshire and Warrington LEP and the Liverpool City Region Combined Authority to produce this Proposition. It is our express intention to avoid duplication and to complement and extend the programmes of the North Wales Growth Deal, the Liverpool City Region Recovery Plan and Cheshire and Warrington LEP's **Strategic Economic Plan**.

These partners worked with us in workshops to develop proposals. All our partners and stakeholders believe that our economy is one where the overlap of businesses, workforces and educational institutions offers the opportunity to generate more productivity and prosperity from working together.

Why we are making a Strategic Proposition for a Fiscal Stimulus Package

The Mersey Dee Alliance economy has a GVA of £22bn, 2,900 enterprises with a turnover of more than £1m year, over 400,000 employees and a population of over 950,000. It is a centre of high value manufacturing that exports £12bn worth of goods and services. This makes the MDA cross border economy a critical economic engine for UK PLC.

COVID-19 has reduced the economic activity in the MDA by 15%, well above the national average of between 9 – 10%. Our biggest private sector employers in the Aerospace and Automotive Sectors have been hit hard by COVID-19, as has a formerly vibrant retail sector. Many thousands of jobs have been lost (with the aerospace sector alone seeing an up to 11,000 job losses nationally following a 30% cut in production at Airbus, Broughton, costing 1,400 Airbus jobs and a further 9,500 job losses in the supply chain and through induced effects). We must respond, finding ways to replace lost output for supply chain companies and to help those who lost their jobs to find new ones by improving their skills.

The MDA is a leading hub for low carbon energy generation and Research and Development. We are a centre for the development of hydrogen as a replacement for coal, oil and gas as industrial fuels. The energy sector growth in our region is an opportunity for our engineering companies currently supplying the Aerospace and Automotive sectors to diversify into the growing markets for renewable and low carbon energy.

Our industrial base uses much energy, most of which is currently from carbon-based sources. The MDA wishes to secure investment that will enable and accelerate fuel switching and decarbonisation of energy use by our enterprises. Enabling energy switching is essential for our industries to retain their **“licence to trade” in the UK net zero economy of the future**.

Brexit requires a focus on productivity and efficiency for our industrial base as 80% of exports from the MDA go to EU countries. We are home to many multi-nationals who located here to sell into Europe, utilising a skilled and motivated workforce and specialised and high performing supply chain clusters. The MDA therefore wishes to obtain funding for business innovation, research and commercialisation projects that will make our factories fiercely competitive within their companies and their European operations.

We must improve transport infrastructure and services, particularly for public transport and active travel. These investments will enable decarbonisation of transport through enhanced rail infrastructure and services, integration of rail, bus and active travel and improve health outcomes from reducing air pollution. They will also contribute to agglomeration and make our labour market larger and more dynamic by improving access to work.

Digital investment will enable the consolidation and advance of new ways of agile working and the enhancement of productivity and firm competitiveness by deploying the latest technology.

The MDA: Making a Difference

The MDA is making a big ask of £400m to address big challenges to make our economy and infrastructure greener, more productive, inclusive and innovative so that local people can have a better life. Our current proposals add up to a greater sum, but we take **the view that this offers “options to funders”** where governments and businesses can help us prioritise and direct resources to where they are most needed.

Government support and participation in shaping our proposed Fiscal Stimulus Package will be a great leap forward on the road to making our economy fit for the future. We can achieve more by working together on a cross border, cross party, collaborative and two-government basis. Together we can show what levelling up means in practice.

We are not directing our “ask” at specific funds but note that they align well with the priorities within the “Levelling Up” prospectus.

Backing the MDA is a great bet. The area is unique to have gone through the de-industrialisation of the 1970s and 1980s with the closure of coal mines in Wrexham and steelmaking at Shotton with the loss of thousands of jobs. The area built back better with a diversified, modern economy based on new, clean and highly productive manufacturing plants. With the support we ask for we can lead a new decarbonised industrial revolution for the UK and Wales that will take us from COVID-19 recession to green growth.

It is my fervent hope that the Welsh and UK governments will recognise the opportunities and true potential of the cross-border Mersey Dee area captured in this Strategic Proposition.

Thanks

I must thank my partners and colleagues in the MDA for their support in quickly pulling together the information for the Strategic Proposition in partnership with our consultants, Hatch.

The MDA is especially grateful to Ken Skates MS, Minister for the Economy, Transport and North Wales in the Welsh Government, and the Right Honourable Simon Hart MP, Secretary of State for the Office of the Secretary of State for Wales for their encouragement to bring forward this proposition.

What Next

The MDA will: -

- Engage with the UK and Welsh Governments to take forward and negotiate funding for the proposals in the Strategic Proposition, aiming to take a package through a green book development process and targeted at a future fiscal event.
- Explore where certain proposals in the package may align with immediate, collaborative **applications to “Levelling Up Funds” to speed up delivery**
- Engage with business and partners to further refine and develop our proposals
- Continue to work closely with our neighbouring Local Growth Partnerships to ensure that MDA proposals are complementary and add value to existing propositions like the LCR CA Recovery Plan, the North Wales Growth Deal and the Cheshire and Warrington Strategic Economic Plan.

Cllr. Mark Pritchard, Chair of the Mersey Dee Alliance and Leader of Wrexham County Borough Council

Supported by:

Councillor Stuart Whittingham, Vice Chair of the Mersey Dee Alliance (Wirral Council)

The Right Honourable Lord Barry Jones, President of the Mersey Dee Alliance, the Deeside Business Forum and Flintshire in Business

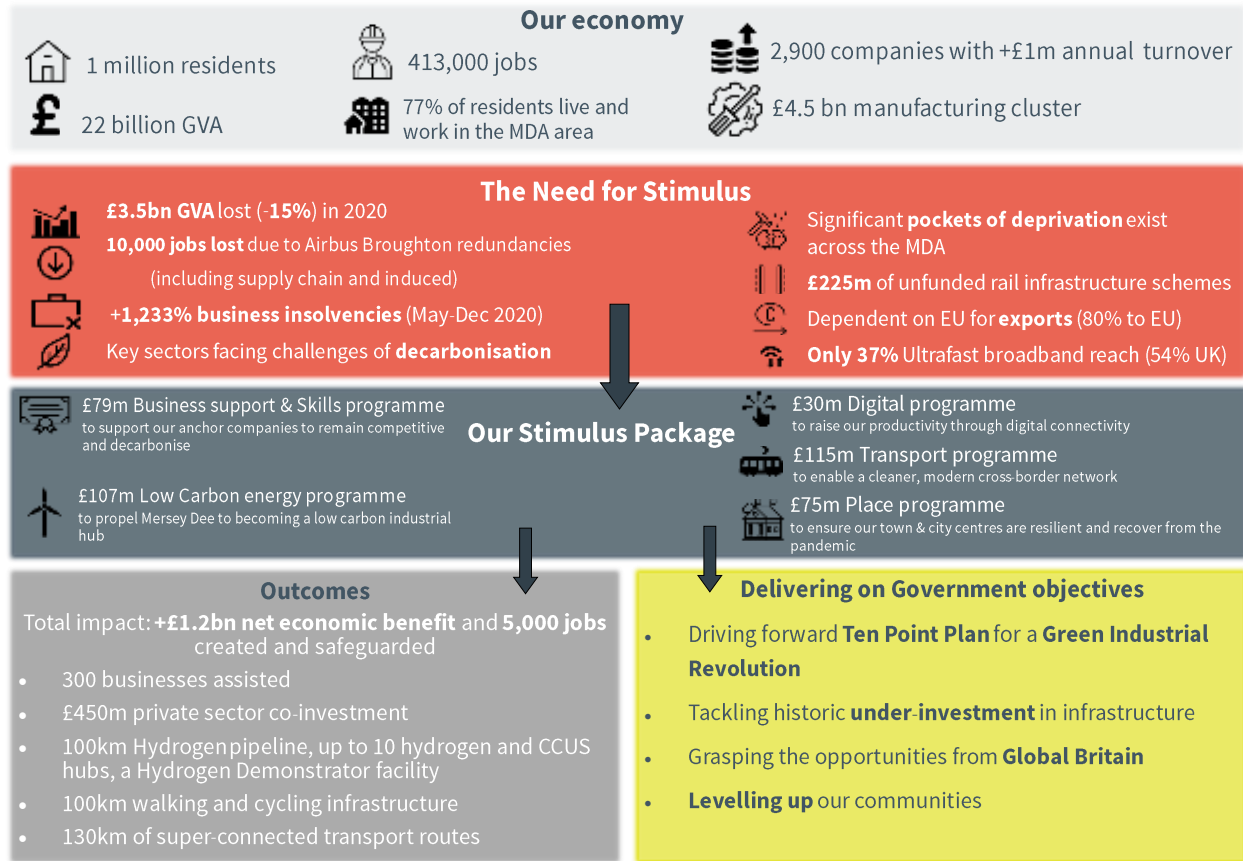




01: Our Proposed Fiscal Stimulus Package

Our Proposed Fiscal Stimulus Package

Mersey Dee Alliance Fiscal Stimulus Package



The Mersey Dee Alliance represents a cross-border area covering the local authority areas of Flintshire and Wrexham in North Wales and Wirral and Cheshire West and Chester in North West England

The Mersey Dee Alliance works closely with the Liverpool City Region Combined Authority, Cheshire and Warrington LEP and the North Wales Economic Ambition Board



Our economy

The Mersey Dee is a unique, functional economy spanning the border between North West England and North East Wales. The Mersey Dee Alliance (MDA) is a well-established economic partnership bringing together four local authority areas: Cheshire West and Chester and Wirral in England, and Wrexham and Flintshire in Wales. We are a cross-border initiative, spanning the border of North East Wales and North West England. The University of Chester, Wrexham Glyndwr University and Welsh Government are also partnership members. We work together to enhance the profile of the region, grow its competitiveness and continue to establish it as a pivotal location in the UK.

The MDA seeks to reduce cross border complexity caused by differing policy frameworks in England and Wales. The local population and businesses do not see a border and it is the mission of the MDA to represent them. We are one of the most self-contained labour markets in the UK, with **77% of our residents living and working within the MDA area**. Census data identifies that **29,800 people travel across the national border** every day for work.

We make a very strong contribution to the national economy. **We have more residents than Reading, Cambridge & Milton Keynes combined** and our **Gross Value Added (GVA) of £22 billion is equivalent to a third of the entire Welsh economy**. Our economy is diverse, hosting nationally important firms including Airbus, Tata Group, Toyota, Vauxhall, Essar, Unilever, Kelloggs and JCB. We host nationally significant concentrations of industry in sectors such as advanced manufacturing, energy and life sciences. We are at the heart of the drive towards net zero with our renewable energy assets and opportunities, and we are set to host **the UK's first at-scale hydrogen project**. The MDA area and Deeside/Wrexham in particular are **unique in rebuilding a manufacturing economy after the decline of traditional industries**.

There are major economic opportunities for development and growth in the Mersey Dee area.

The need for this package

Our economy has been hit particularly hard by the COVID-19 pandemic.

In 2020, the UK economy was estimated to have shrunk by 9.9%¹, the largest fall on record and probably the biggest economic shock since the start of the 18th century. Our own modelling estimates suggest that **15% of our pre-pandemic GVA of £22.9bn (£3.4bn) was lost during 2020**. This is due to the mix of sectors that we host. Our manufacturers have been hit extremely hard, as have our town centres and the range of retail and hospitality businesses across the region. Insolvencies in the MDA area increased by 1,233% between May and December 2020. Almost 13% of the eligible workforce was on furlough in January 2021.

Alongside the impacts on our town centres, one of the most visible consequences was the **announcement last year from one of our anchor companies, Airbus, of 1,700 redundancies across the UK**. This has resulted in the announcement of 1,400 job losses and a 30% cut in production at the Broughton site. Airbus employees have subsequently voted for a Trade Union deal to implement a shorter working week when the Job Retention Scheme ends. Given the multiplier effects through

¹ ONS, December 2020, Monthly GDP estimate

companies impacted in the supply chain and through lost employee spending, **we estimate that this alone has cost the UK economy around £700 million in GVA and 11,000 job losses.** Much of this is located in the MDA area, given the locations of employees and suppliers.

Furthermore, **our anchor companies, many of which are multinationals, face increasing global competition.** This environment means that local plants need to compete internally with other global sites for continued investment. Structural shifts including our departure from the European Union and the need to decarbonise operations have intensified this competition. With 80% of our exports going to the EU, **our internationally oriented firms need to adapt to new trading arrangements and to access the opportunities from a Global Britain.**

These concerns are not theoretical or far off. At the time of writing, we are also facing the potential closure of the Vauxhall car plant at Ellesmere Port, which has been making cars since 1964. Other manufacturers may be at risk of production moving to France or Germany unless local sites remain competitive.

The long-term prosperity and competitiveness of our employers, people and places is further held back by **historic under-investment in our transport and digital infrastructure,** partly due to administrative and policy barriers created by the national border. There are a number of important infrastructure schemes in development in the Mersey Dee area that will be vital to levelling up the area, and redressing the shortfall in infrastructure investment over the years.

We must act now to safeguard our economic assets, our skills base and our places, and ensure they are positioned to take advantage of the opportunities presented by the Green Industrial Revolution and Global Britain.

Our strategic priorities

In response to these challenges, partners across our region have come together to agree **a targeted package of investments** that will stimulate economic recovery, whilst accelerating major long-term opportunities for shared, sustainable and inclusive economic growth.

Our proposition is firmly grounded in the established vision for MDA economy, with three strategic themes:

1. **Supporting cleaner growth:** the UK has adopted a target of achieving net zero emissions by 2050. With our mix of industries, renewable energy assets, the UK's first proposed at-scale hydrogen project and an industrial cluster at the forefront of decarbonisation, we are ideally placed to lead this ambitious transition and to act as an exemplar region for the green industrial revolution. This also offers major opportunities for diversification within our advanced manufacturing supply chains.
2. **Connecting places, people and businesses:** as a cross-border economy with multiple, dispersed centres, the Mersey Dee area will be strengthened by improving the links between those places, their businesses and people. Enhancing our connectivity is crucial and we have suffered long-term challenges from under-investment, in part due to the administrative border. We must accelerate and deliver the cross-border transport and digital infrastructure improvements our employers and workers need to be competitive.

3. **Ensuring sustainable and inclusive growth**: as the region recovers from the pandemic, we must look beyond a simple headline level of growth. We must ensure that everyone benefits **from the region's success** and that we level up inequalities across our region and within our communities.

Delivering on national imperatives for the UK and Wales

Our priorities and programmes have been designed to complement the existing national packages of support such as the Plan for Jobs and to directly deliver on UK and Welsh Government priorities. We will act as an exemplar for the delivery of the **UK's Plan for Growth** by:

- driving forward the **Ten Point Plan** for a Green Industrial Revolution – decarbonising our industrial cluster, driving the innovations needed and creating highly-skilled jobs for the future, including opportunities for industries and supply chains hit by the pandemic to diversify.
- **tackling historic under-investment in infrastructure**, by bringing forward the transport improvements that have been neglected partly as a result of the administrative border.
- supporting our multinational anchor companies to adapt to the new trading environment following our exit from the European Union, so that they can take advantage of the opportunities from **Global Britain**.
- **levelling up** our communities, ensuring that all parts of our cross-border economy benefit from the recovery and growth and regenerating our town centres
- **strengthening links between England and Wales** by bringing forward strategic investments in connectivity – both transport and digital – that strengthen the cross-border links that are critical for our cross-border functional economy.

We will also directly support Welsh Government objectives as underpinned by the Wellbeing of Future Generations (Wales) Act 2015 and the Environment (Wales) Act 2016, and set out in the Economic Action Plan and Future Wales. The Welsh Government has inputted into the development of our package and is a key partner for the MDA. The package will deliver strongly on **the Welsh Government's priorities for decarbonisation, innovation, skills, and cohesive communities**. It will particularly help to deliver on the targeted outcomes for **Future Wales** by boosting connectivity and inclusion, reducing socio-economic inequality, supporting our towns and cities, building world-class digital infrastructure, and decarbonising the economy.

Moreover, we have consulted widely with our partners in the public and private sectors to understand the needs and market failures across the region. All of our proposals have been tested to ensure that they complement and add value to existing initiatives in both North Wales and North West England. Many of the key players have been directly involved in discussions around the MDA table. This includes the North Wales Growth Deal, the economic recovery plans in North Wales and the Liverpool City Region, and the relevant Local Industrial Strategies.

Our fiscal stimulus package

Our proposed package will deliver **£1.2 billion in net additional economic benefits, benefitting 1 million residents, creating and safeguarding at least 5,000 jobs and leveraging in £450 million in**

private sector investment. By funding or unlocking over £800 million in capital spending we will quickly support the construction sector, with **over 8,000 construction years of employment** supported to help boost economic recovery.

Our ask of Government is to support our priority projects and programmes through **£400 million** of funding.

The proposals have been designed to offer an attractive, investable set of propositions suitable for funding by a range of potential funding streams.

Our proposed package is split into five programmes.

Business support and skills

Our goal: support our businesses and workers to recover, remain competitive and to capitalise on the opportunities presented by the Green Industrial Revolution.

Key projects: A £60m business challenge fund, targeted business support and skills/employment brokerage for firms and employees in the manufacturing sector, pump priming new skills programmes for the Green Industrial Revolution.

Main Government priorities addressed: Supporting the creation of a low carbon industrial cluster by 2030, supporting productivity growth through skills and innovation, supporting the vision of a Global Britain and crowding in private investment.

Main outputs and outcomes: The business challenge fund will provide low carbon premises for 290 businesses, safeguard or create over 2,000 jobs, deliver savings in excess of 450,000 tonnes of carbon, leveraging at least £80m of private sector investment.

Our ask: £79 million (£70m capital; £9m revenue)

Low carbon energy

Our goal: propel the Mersey Dee area towards becoming a low carbon industrial hub at the forefront of the emerging global hydrogen and CCUS economy.

Key projects: A strategic hydrogen demonstration facility for the UK, 100km blue hydrogen pipeline, development of 5-10 local hydrogen and CCUS hubs in the Mersey Dee area, a tidal energy centre of excellence.

Main Government priorities addressed: Investing in net zero, accelerating adaptation, supporting the creation of a low carbon industrial cluster and generating 5GW of low carbon hydrogen capacity and capturing 10MtCO₂/year using CCUS by 2030 and crowding in private investment.

Main outputs and outcomes: The funding will deliver a new strategic hydrogen demonstrator facility, accelerate the delivery of over 100km of hydrogen pipeline, support a new tidal range energy project and centre of excellence.

Our ask: £107 million (£95m capital; £12m revenue)

Transport

Our goal: lay the groundwork for a cleaner, more modern cross-border transport network in which the car is no longer the default.

Key projects: Development funding to accelerate more than £200m of rail capital investment, building a 100km long cross-border Active Travel network linked to major employment sites and public transport and funding the infrastructure needed to support integrated ticketing across the region.

These immediate asks sit in the context of a wider set of transport infrastructure priority investments including: The North Wales Metro, the A494 River Dee crossing, the Chester-Broughton Growth Corridor, A483 junctions 3-6, and interventions on the M53 and M56.

M53 and M56 interventions – improving access to Manchester and Liverpool by improving capacity and resilience

Main Government priorities addressed: addressing historic under-investment in infrastructure, strengthening England-Wales connectivity, stimulating demand and driving productivity through infrastructure investment, connecting people to opportunity and levelling up the Mersey Dee, investing in net zero.

Main outputs and outcomes: The transport investment programme will support a 100km Active Travel network, new ticketing infrastructure for 20 stations & 400 buses covering 50 routes and 9 operators as well as preparing business cases for nearly £200m of rail capital investment.

Our ask: £115 million (£90m capital; £25m revenue)

Place

Our goal: ensure that our town and city centres are more resilient, vibrant and dynamic as we recover from the impact of the pandemic.

Key projects: Unlocking the Wrexham gateway project and helping to fund the revitalisation of town centres across the Mersey Dee area.

Main Government priorities addressed: Regenerating struggling towns, levelling up the Mersey Dee area, pursuing social value and supporting small and medium sized enterprises to grow.

Main outputs and outcomes: The place programme is expected to lever in at least £130m of private investment, and provide bridge infrastructure, green space, public realm and new workspace across town centres throughout the Mersey Dee area.

Our ask: £75m million (£70m capital; £5m revenue)

Digital connectivity

Our goal: supporting our businesses and workers to recover from the pandemic, remain competitive, innovate, retain market share through EU exports and expand into global markets, and reducing carbon emissions.

Key projects: Extending the **North Wales Economic Ambition Board's** Connected Corridors 5G project across the England Wales border, joint procurement of fibre ducting infrastructure across the Mersey Dee area and installation of new digital infrastructure in town centres.

Main Government priorities addressed: addressing underinvestment in infrastructure, strengthening the union, supporting small and medium sized enterprises to grow, stimulating short-term economic activity and long-term productivity by investing in infrastructure, enabling the vision of a Global Britain.

Main outputs and outcomes: The digital programme will deliver 130km of super connected transport routes and 55 **deployments of new 'smart town' infrastructure.**

Our ask: £30 million (£27m capital; £3m revenue)

Taking the package forward

We have operated successfully as an economic partnership since 2007 and have a strong track record in delivering major projects. We have the established structures, capacity and partnerships to deliver quickly and effectively. We do not propose, or need, to create new governance structures to deliver our fiscal stimulus package.

The MDA will provide central co-ordination of the package of investments, with Cheshire West and Chester Local Authority acting as the accountable body. Delivery will be led by the individual Local Authorities and Transport for Wales, as appropriate.

Delivering our proposed fiscal stimulus package is now our number one priority.

We are ready to deliver, and to deliver quickly.

We recognise that our proposition is the starting point in a conversation. Our package is deliberately designed to be flexible and adaptable.

We look forward to working collaboratively with Government to take this forward.

The remainder of the document is structured as follows.

- Section 2 introduces the Mersey Dee Economy, bringing out its key features and what makes it distinctive as an area to invest in
- Section 3 sets out why this package is needed, including our assessment of our priorities, split into key themes and outlining the fit with wider strategies and policies
- Section 4 details the proposed fiscal stimulus package, explaining how we developed it and the six programmes of investment
- Section 5 explains how we propose to deliver the package
- Section 6 sets out the stakeholder support our package has secured
- Finally, we conclude with our proposals for taking the package forward with Government.



02: The Mersey Dee Economy

The Mersey Dee: a unique functional economy

The Mersey Dee Alliance

The Mersey Dee Alliance (MDA) is an economic partnership spanning four local authority areas: Cheshire West and Chester and Wirral in England, and Wrexham and Flintshire in Wales. We are a cross-border initiative, spanning the border of North East Wales and North West England. The University of Chester, Wrexham Glyndwr University, Liverpool City Region Combined Authority and Welsh Government are also partnership members.

The MDA seeks to **strengthen England-Wales connectivity** by reducing cross border complexity caused by differing policy frameworks in England and Wales. The local population and businesses do not see a border and it is the mission of the MDA to represent them.

The MDA was established as a strategic economic partnership in 2007, bringing together the four local authorities around a shared aim to **enhance the profile of the region, grow its competitiveness and continue to establish it as a pivotal location in the UK.**

Through this, the Alliance acts as a catalyst for business growth and innovation, and inward investment.

Mersey Dee Alliance Boundary



A leading economic location

The Mersey Dee is an important strategic and dynamic region, contributing significantly to the UK economy:

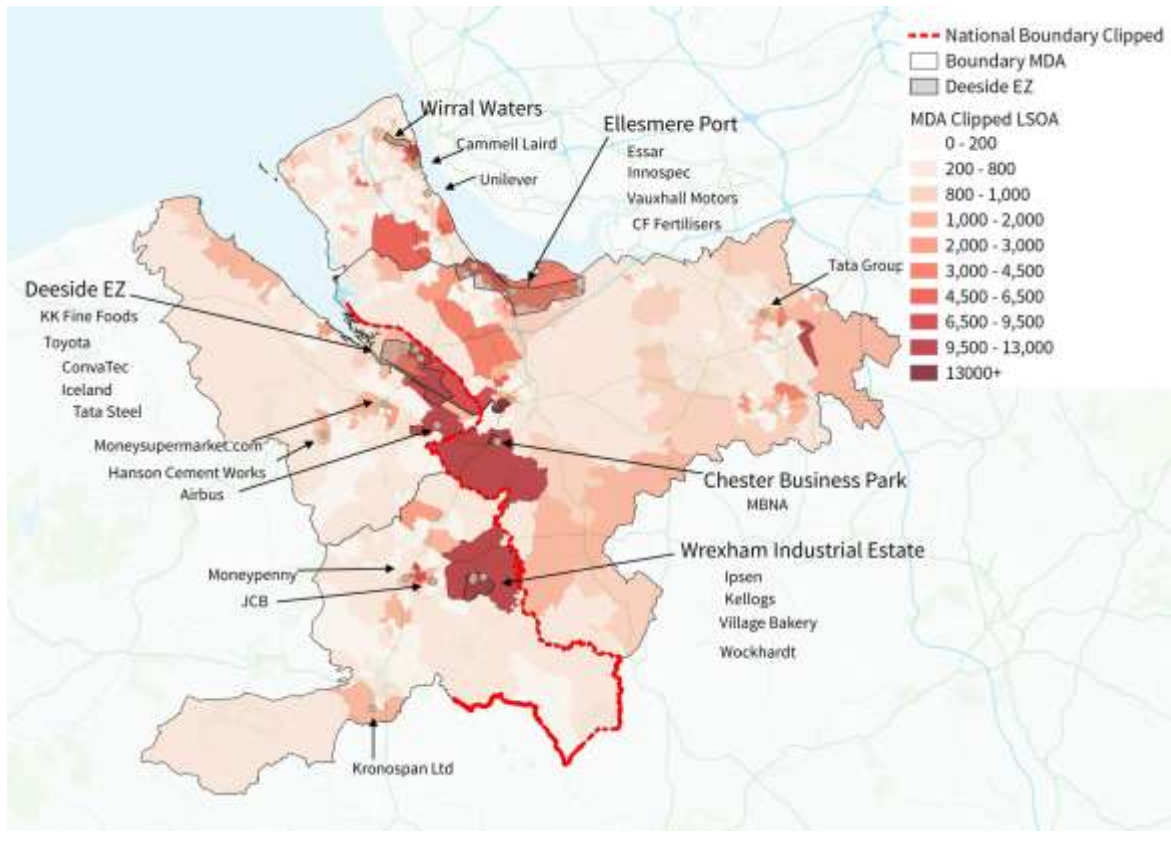
- We have nearly **1 million residents**, which is roughly equivalent to that of Belfast and larger than Reading, Cambridge & Milton Keynes combined
- We contribute **£22 billion in Gross Value Added²** annually, which is **equivalent to a third of the entire Welsh economy**.
- We are home to **32,470 businesses**, which support over **413,000 jobs**, equivalent to almost a half of all businesses in the North East of England and almost a third of all businesses in Wales. We house more jobs than Manchester, Sheffield or Edinburgh and over a quarter of all jobs in Wales.
- We have **2,900 companies** that each turn over more than **£1 million** per year.
- We host **nationally important firms and activities**, including international names such as Airbus, Essar, Tata Group, Essar, Toyota, Unilever, JCB and Vauxhall.
- We are a **high value manufacturing cluster**, producing £4.5bn in manufacturing GVA and housing 70% more manufacturing employment than the national average. Our industrial growth outperforms the rest of the UK.
- We are a **diversified economy** with key strengths in advanced manufacturing, energy, life sciences, financial services, food, tourism and retail.
- The region has significant **variations in prosperity and inclusion**

The resurgence and growth of the MDA economy as a manufacturing powerhouse follows the closure of more traditional activities in recent decades including coal (Wrexham), textiles/chemicals (Flint) and Steel (Shotton). The area lost many other engineering/industrial firms in the course of this transition. **The MDA area and Deeside/Wrexham in particular are unique in rebuilding a manufacturing economy.**

² ONS (2019) Regional Gross Value Added (balanced) by industry: local authorities by NUTS1 region

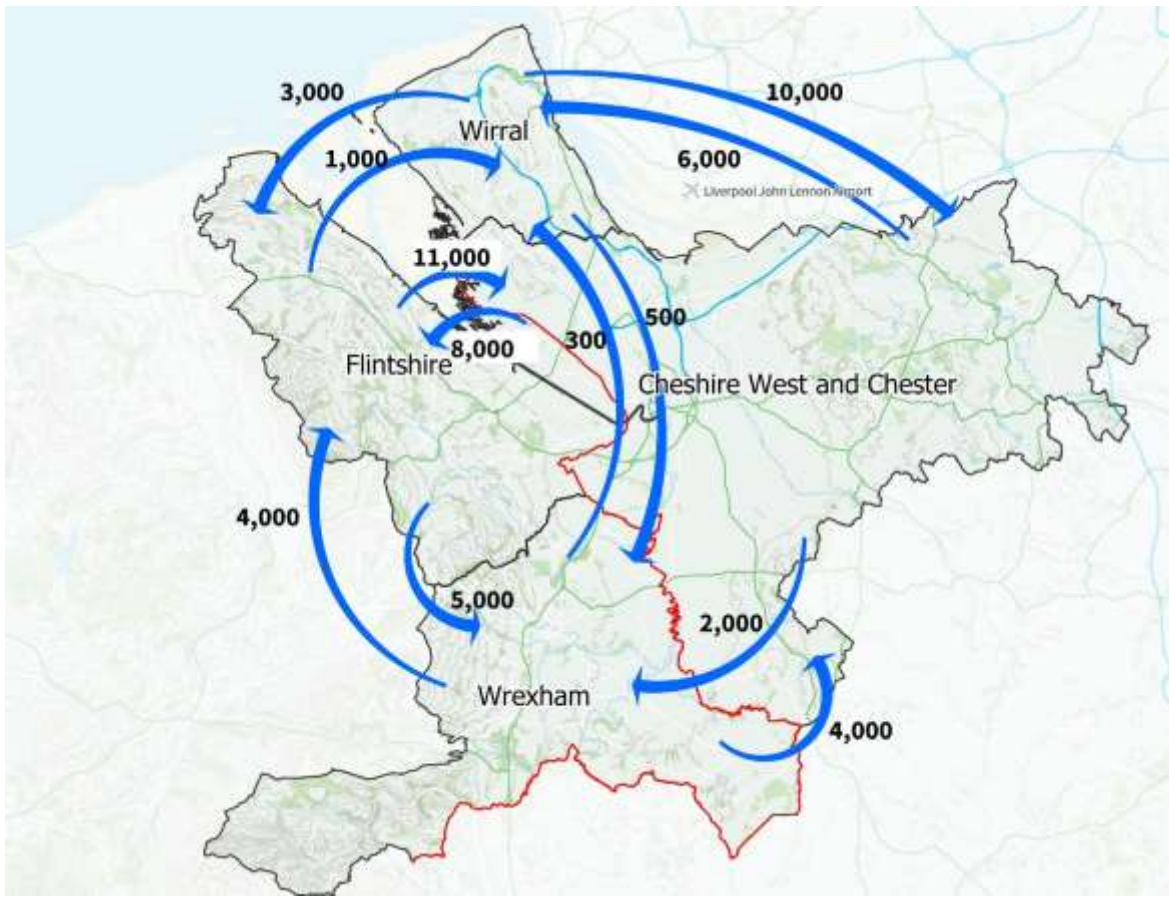
We are a polycentric region, with five main centres in Chester, Wrexham, Deeside, Ellesmere Port and Birkenhead. More than a quarter of the population resides in the three main urban areas of Chester, Wrexham and Birkenhead. We have a number of strong employment centres, including Deeside Enterprise Zone, Ellesmere Port, Chester City Centre, Chester Business Park, Birkenhead/A41 corridor, Wirral Waters, Wrexham Town Centre and Wrexham Industrial Estate. There are particular concentrations along the national borders.

Key Employment Locations



A critical feature of our economy is its **unique, integrated cross-border nature**:

Labour Force Commuting Flows



- 77% of our residents live and work within the MDA area³, making it one of the most self-contained labour markets in the UK. We are more self-contained than Cardiff (76%), Liverpool (70%) and Cambridge (67%).
- 29,500 people travel across the national border every day for work, illustrating the cross-border integration of our economy⁴.
- Cross-border journeys starting in North Wales are more than 20 times greater in number than the interregional journeys that take place from North Wales to other regions of Wales.

³ Proportion of usual residents aged 16 and over in employment at the time of the 2011 census

⁴ ONS, Census (2011), Travel to work flows

Our Key Sectors

The region offers a great location for businesses to thrive and innovate, as well as an excellent quality of life. For example, Wirral was voted the happiest place to live in the North West by RightMove in 2017. With thriving urban centres like Chester located in close proximity to the UNESCO World Heritage site of the North Wales Coastline, Snowdonia National Park, and Pontcysyllte Aquaduct, we have a unique offering that enables us to attract and retain major firms and mobile talent.

The Mersey Dee economy is home to a number of sectoral specialisms with six sectors that define the region's economy:

- **Advanced Manufacturing:** We are a manufacturing powerhouse, producing £4.5 billion in GVA and employing 54,000 people. With a Location Quotient of 1.7, the MDA houses 70% more manufacturing employment than the national average. Our sectors are relatively high productivity, with an overall GVA per FTE (Full Time Equivalent) job of £83,500, which is 2% greater than the national average for all manufacturing and 9% higher than the national average across all sectors. The sector includes leading anchor companies in aerospace, automotive and pharmaceuticals, such as Airbus, Toyota, JCB, Ipsen and ENCIRC, along with thriving research and innovation assets such as the Advanced Manufacturing Research Centre (AMRC) Cymru, Thornton Science Park and **Wrexham Glyndwr University's** specialisms in optics and composites.

We house 70% more employment in advanced manufacturing than the national average

- **Energy:** The Mersey Dee is a nationally important **region in the UK's energy sector** employing 13,500 people across 1,430 businesses. We are home to a burgeoning nuclear and offshore wind industry and associated supply chain, with the Capenhurst uranium enrichment facility, and one of the largest concentrations of nuclear consulting engineering companies in Europe. ENI and Uniper are major energy anchors. We are at the forefront of efforts to decarbonise industry by generating and deploying hydrogen at scale, housing the flagship Hynet project. The Cheshire Energy Hub have devised the Energy Innovation District which provides an opportunity to deliver a new energy system in the North West.
- **Finance and professional services:** The region is home to nearly 7,000 financial and professional services businesses, accounting for 21% of all businesses and supporting 48,800 jobs. This includes 3,500 jobs at Chester Business Park, with a presence of many high profile and global brands such as MBNA Lloyds Banking Group, Bank of America, M&S Bank and Money Penny, world leaders in offsite secretarial services and a Welsh Government anchor company.
- **Health and life sciences:** The health and life sciences sector is one of the largest sectors in the region with a GVA of £2.1bn, 48,300 jobs and a location quotient of 1.1. With the Wrexham industrial estate, one of the largest industrial sites in Europe, there is a cluster of medical and pharmaceutical companies most notably Ipsen and Wockhardt, along with Unilever in Wirral. The make-up of businesses in the sector are large employers with only 975 businesses supporting all the employment.
- **Tourism:** The region is located close to the North Wales coastline, Pontcysyllte Aquaduct UNESCO World Heritage Site and Snowdonia National Park which attracts around 4 million tourists per year. Chester Zoo receives 2 million visits per annum. The tourism sector within the Mersey Dee region is also a strength of the area with a number of nationally recognisable retail

locations and sporting facilities including the Royal Liverpool Golf Club, which hosts internationally recognised tournaments such as The Open Championship.

- **Retail:** The region boasts nationally significant retail locations with the UK's largest designer outlet in Cheshire Oaks at Ellesmere Port, which attracts around 8 million shoppers a year, alongside the major redevelopment at Northgate in Chester. Wrexham is the largest town centre in North Wales. The MDA's strong retail offering is a pivotal local economic sector employing 52,150 people (13% of overall employment) and over 3,300 businesses as well as the 3rd highest GVA producing sector in the MDA accounting for 11% of the regions total GVA.

The manufacturing sector accounts for a fifth of Mersey Dee's total GVA.

Top 10 Broad Sectors in the Mersey Dee by Gross Value Added (GVA)				
Rank	Sector	GVA (£m)	Share of Total GVA	Employment
1	Manufacturing	4,469	20%	56,000
2	Real estate activities	2,708	12%	5,450
3	Wholesale and retail trade	2,364	11%	68,000
4	Health	2,079	10%	59,000
5	Financial and insurance	1,655	8%	12,350
6	Education	1,212	6%	32,000
7	Professional, scientific and technical	1,126	5%	32,000
8	Admin and Support	1,070	5%	29,500
9	Public administration and defence	1,060	5%	18,000
10	Construction	917	4%	17,750

ONS, 2018 GVA data and Business Register and Employment Survey, 2019

Our Assets

Education

The MDA area is home to two universities: University of Chester and Wrexham Glyndwr University and three further education colleges: Wirral Metropolitan College, Coleg Cambria and Cheshire College (South and West). Our educational institutions play a strong role as partners in the Mersey Dee Alliance and in driving forward strategic economic development projects for key sectors.

The region has a strong retention rate of graduates within the key priority sectors for growth going forward. 61% of the past five years' graduates who had found employment upon graduation were employed in a priority or growth sector⁵. Overall graduate retention stands at 54%, which is notably higher than some other locations.⁶ The high level of employment in priority sectors is supported by schemes such as the Cheshire Energy Hub Graduate Scheme at Capenhurst, an industry led energy sector support organisation that has established an award-winning graduate development programme.

⁵ Study includes Wrexham Glyndwr University, Bangor University and the University of Chester

⁶ For example, Liverpool, at 37%.

We also have an expanding academic research base with the Energy Centre **at the University of Chester's** Thornton Science Park, highlighting the region's inclusive research and innovation with links between local businesses and education institutions. Wirral Metropolitan College has built a new campus in the heart of Wirral Waters Enterprise Zone. Supported by the Skills Funding Agency, the new Campus is a dedicated Built Environment, Skills and Enterprise Centre. Coleg Cambria and Cheshire College provide significant numbers of apprenticeships in the region: for example, Coleg Cambria provides the apprenticeship programme for Airbus. Wrexham Glyndwr University has very strong R&D capabilities in Optics, Composites and Hydrogen which underpin projects in the North Wales Growth Deal.

Employment sites

The MDA area is home to a number of high employment growth opportunity areas which were expected to see around 40,000 new jobs created over a 20-year period (starting in 2018):

- 1) **Wirral Waters Enterprise Zone** - +20,000 jobs. This £10bn regeneration project is one of the most significant opportunities to attract investment and accelerate growth in the UK. The investment will support supply chain growth and boost the automotive and renewable energy sectors in the area, especially around focusing on the wind farm industry.
- 2) **Deeside Enterprise Zone** - +5,000 – 7,000 jobs. The Deeside Industrial Park is a 2,000 hectare site which primarily focuses on the advanced materials and manufacturing sector and is already home to a number of major international manufacturing companies.
- 3) **Ellesmere Port** - +4,450 jobs. Ellesmere Port plays a pivotal role in the energy and nuclear industry for the MDA region and will be a leading location for decarbonisation and zero/low carbon energy technologies, with plans to develop Ellesmere Port into a net zero carbon energy cluster. The town is home to a number of internationally recognised businesses in Vauxhall, Essar Oil and Urenco. Ellesmere Port has the potential to be a catalyst for regeneration by turning it into a leisure destination of regional significance given the extensive employment in retail and leisure and building on the success of Cheshire Oaks and its proximity to Chester Zoo and the international heritage city of Chester.
- 4) **Ince Resource Recovery Park** +3,250 jobs. The \$122m waste to energy project will be one of the final Advance Thermal Conversion Plants to be accredited under the UK Government's Renewable Obligation Certification scheme. MWH constructors have outlined the use of a number of local suppliers and subcontractors from the Cheshire & Merseyside population.

Wrexham Industrial Estate is also already one of the largest industrial areas in Europe and may have the capacity to expand further, subject to planning.

Companies in the MDA area also have the opportunity to build relationships with the new Nuclear Advanced Manufacturing Research Centre (Nuclear AMRC) located at Cammell Laird in Wirral and AMRC Cymru at Airbus.

The main assets across the Mersey Dee region are predominantly clustered around Birkenhead, Ellesmere Port, Wrexham, Chester and the Deeside Industrial Park (as shown in the map below).

Mersey Dee Alliance's Assets



Key employers

We have a number of employers of International importance:

AIRBUS

Airbus: The world's largest airliner manufacturer which took the most airliner orders in 2019. It is a major local employer with 5,000+ jobs at its Broughton site and +12,000 jobs in the total supply chain.

Essar: A multinational conglomerate and construction company which operates Stanlow Refinery at Ellesmere Port. It is estimated that Stanlow contributes £60million each year to the local economy and accounts for 16% of all road transport fuels in the UK.

The logo for Essar, featuring the word "ESSAR" in a bold, black, sans-serif font. To the right of the text is a stylized red and orange four-pointed star or cross shape.

TATA STEEL

Tata Steel: Is one of the most geographically diverse steel producers with operations spanning over 35 countries. The 404ha site at Shotton employs 700 people and produces 400,000 tonnes of coated steel products a year.

KK Fine Foods: Established in 1987 the company employs 500+ people across the foodservice, retail and catering sectors and are manufactures of high-quality meat, fish and vegetarian meal solutions.



FINE FOODS LTD

Iceland

Iceland: Is a British supermarket chain with its headquarters in Deeside, Wales. The company has around 25,000 employees and 5 million customers.

Vauxhall Motors: part of the Stellantis automotive group, is a British car manufacturer and the second-largest selling car brand for two decades. The plant in Ellesmere Port employs over 1,000 staff and produces approximately 187,000 units a year.



Urenco: A British nuclear fuel company and one the largest in the world. They have operated in Capenhurst since 1973 and employ more than 300 people. The site's 3 enrichment plants enable nuclear power stations globally to generate electricity. The largest of the 3 plants, E23, produces more than 80% of the facility's enrichment capacity.

Money Penny: Founded in 2000 and headquartered in Wrexham, Money Penny has grown into an international outsourced communications service that handles over 20m calls and chats annually.

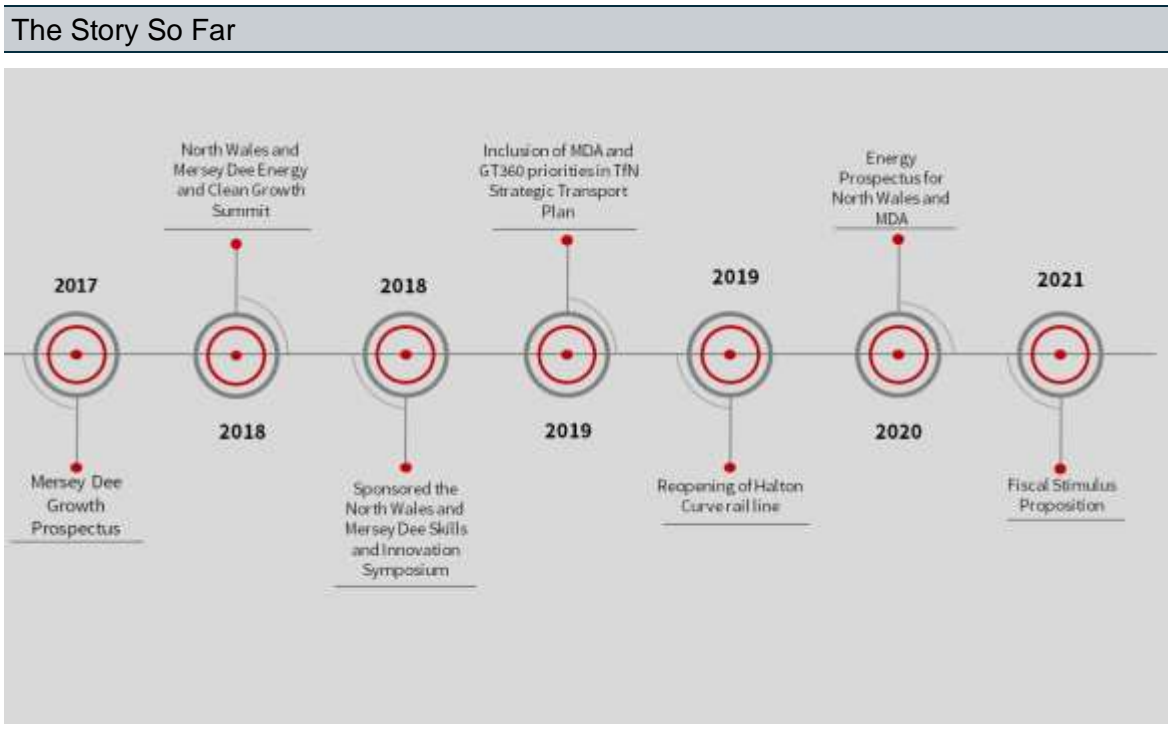


Uniper: an international energy company with about 11,000 employees. Uniper operates the Connah's Quay Power Station in Flintshire.

The Story So Far

The Mersey Dee Alliance was founded in 2007 and it has since become a successful cross-border partnership which supports economic growth across North East Wales, West Cheshire and Wirral. Throughout the last decade the partnership has sought to maintain and increase the area's competitiveness, support key business sectors alongside skills, employment and inclusive growth and has exerted its influence to bring economic infrastructure to the region. There have been numerous key contributions and achievements to date across four main areas; transport, skills and employment, low carbon and clean growth, and business support, which are explored in more detail below. On top of this the MDA has continued to work with key partners and stakeholders such as the Liverpool City Region, Cheshire and Warrington LEP, and the North Wales Economic Ambition Board.

The 2017 **MDA Prospectus** was a seminal document, bringing together a set of projects which underpinned funding bids by individual Councils in the MDA and Local Growth Partnerships of which they are members. These included, Wirral Waters which was a major development proposal in the plans of **Liverpool City Region**, the **Welsh Government took on the development of Deeside's Northern Gateway** and the Advanced Manufacturing Research Centre, while the North Wales Growth Deal incorporated schemes such as Warren Hall and the Wrexham Western Gateway.



Transport:

- **Halton Curve:** The redevelopment of the Halton Curve rail line which provides services between Liverpool and North Wales. Within the first 6 months of opening the line has accommodated around 500,000 passenger journeys.
- **Growth Track 360 (GT360):** The cross-border collaboration of the North Wales and Mersey Dee Rail Task Force has supported intraregional rail enhancements: Chester Station capacity, Wrexham to Liverpool, North Wales Mainline journey time and Crewe Hub. The Task Force produced both Growth Track 360 Rail Prospectus and West & Wales Strategic Rail Prospectus calling for investment.
- **North Wales Metro:** The MDA has supported the North Wales Metro which is developing a comprehensive integrated public transport system in North Wales and cross-border. Key Metro projects: Deeside Parkway station, Shotton Interchange, Wrexham to Liverpool and North Wales Mainline enhancements, Station Active Travel Plans and Wrexham Gateway.
- **Transport for North (TfN):** The Alliance successfully lobbied to get the Mersey Dee areas transport priorities included in the TfN Strategic Transport Plan, with Chester Station capacity improvements and Wrexham Bidston service and line improvements included.

Skills and Employment:

- **Skills and Innovation Symposium:** The MDA is committed to upskilling its residents and in 2018 the Mersey Dee Alliance, alongside the North Wales Regional Skills Partnership, sponsored the North Wales and Mersey Dee Skills and Innovation Symposium in collaboration with Wrexham Glyndwr University, Bangor University and the University of Chester, which brought together both the private and public sector. The Symposium included an Industry Panel comprising of a number of the key employers in the region including Airbus and Unilever.

Low Carbon and Clean Growth:

- **Energy Summit:** The MDA, along with NWEAB and the Cheshire and Warrington LEP, held the North Wales and Mersey Dee Energy and Clean Growth Summit, attended by Welsh Government Minister for Economy and Transport, Liverpool City Region's Metro Mayor, Parliamentary Under Secretary Wales Office, businesses and organisations representing smart, low carbon and renewable energy as well as skills and technical expertise.
- **Energy Prospectus:** The prospectus was one of the main outcomes of the Summit and was published in March 2020.

Business Support:

- **Business Networking:** The Alliance has successfully held many cross-border Business Breakfast Networking Events, 5 - 6 events are held annually with an average attendance of over 150 delegates. The events offer businesses to *“get involved in one of the most innovative and effective networks across the North Wales/North West border area”*.



03:

Why the package is
needed:

Our Investment
Priorities

Why the Package is Needed: Our Investment Priorities

The poly-centric, cross-border nature of the Mersey Dee area makes it somewhat unique in Great Britain. With a population that, in normal times, freely and regularly crosses the national border for both work and leisure, differences in English and Welsh institutions are no barrier to daily life and the boundary is invisible for most.

As we saw in Section 2, the area is consequently home to a diverse economy that includes major businesses across aerospace, automotive, nuclear, renewables, pharmaceuticals, chemicals, financial services, food, engineering, ICT, tourism and retail.

Why are we asking for support?

These close economic links mean that issues and market failures emerging in any one of our local authority areas create impacts that are felt across the Mersey Dee area. Our economy now faces the **twin challenges of recovering from the COVID-19 pandemic and to access the opportunities offered by Global Britain**. Given the nature of our economy and some of its key employers, these have been particular issues for us.

In 2020, the UK economy was estimated to have shrunk by 9.9%⁷, the largest fall on record and probably the biggest economic shock since the start of the 18th century. It has been estimated that up to 2 million people across the country may not have worked for at least six months.

In our area, our sectoral mix means that there have been some particularly damaging economic effects from the pandemic:

- Almost 50,000⁸ workers (13% of eligible staff) were on furlough in January 2021. Additionally, ONS survey data showed 21% of businesses had paused trading and did not intend to restart trading in the next two weeks (which equates to around 6,950 businesses)⁹.
- Almost 50,000 workers in the MDA area were on furlough in January 2021 (13% of eligible staff)**
- Insolvency data from The Gazette further highlights the impact of the Coronavirus pandemic on businesses within the MDA with 144 businesses filing for insolvency between the months of May and December 2020. The number of insolvencies in December was 1,233% higher than that in May.

Our own modelling of the impacts of the pandemic on the Mersey Dee area has found that **an estimated 15% of our pre-pandemic GVA of £22.9bn (£3.4bn) was lost during 2020**. This is

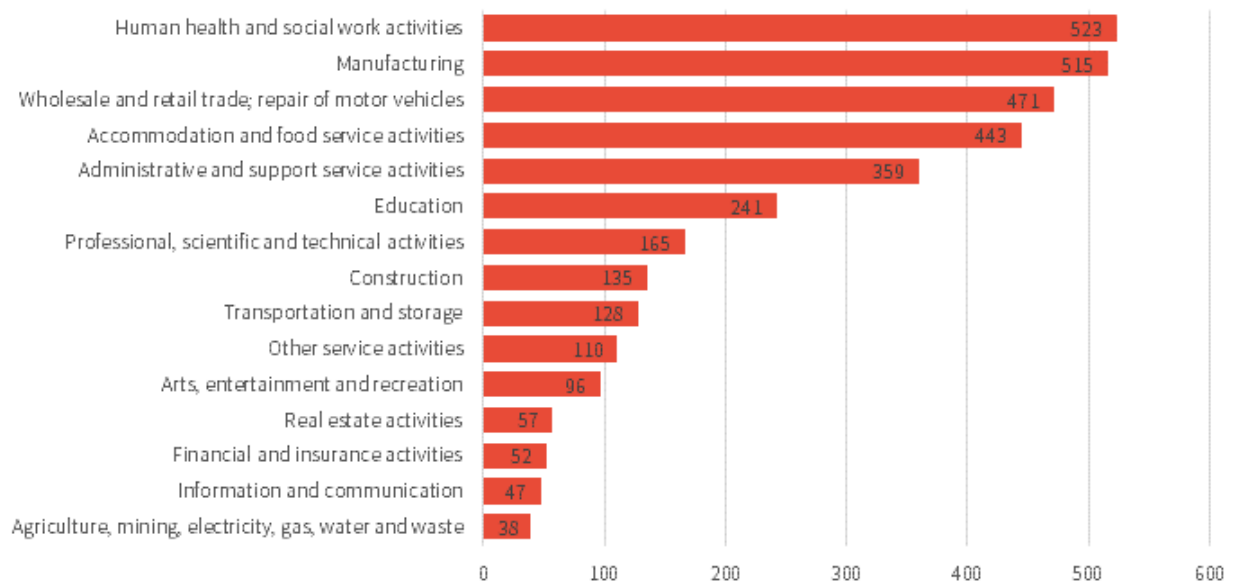
⁷ ONS, December 2020, Monthly GDP estimate

⁸ HMRC, Coronavirus Job Retention Statistics, January 2021

⁹ ONS, 2021, Business Impacts of Coronavirus, Wave 23, 11th January to 24th January

proportionally significantly higher than the fall experienced nationally. Manufacturing, and human health and social work experienced the largest losses. Wholesale and retail trade contracted as social distancing protocols were put in place and lockdowns ensued, and this is similarly the case for the accommodation and food sector.

Estimated GVA Loss by Sector (£m) for Mersey Dee Economy, 2020



Source: Hatch economic analysis

The most visible manifestations of these challenges are as follows:

- Airbus: One of the **Mersey Dee's** largest private sector employers announced 1,400 job losses from its site at Broughton following a 30% cut in production. Given the multiplier effects through companies impacted in the supply chain and through lost employee spending, **we estimate that this alone has cost the UK economy around £700 million in GVA and 11,000 job losses.** Much of this is in the MDA area, given the locations of employees and suppliers. This will have a major, long-term impact on our economy and its people if not mitigated.
- Town centres: unlike some other city regions, the Mersey Dee economy has no central node in which to focus efforts for the recovery. Multiple smaller town centres that were already facing a decline as retail destinations have been devastated by the pandemic. Whilst there is considerable uncertainty, the rise of homeworking and shift to online have probably changed the role of these town centres permanently.

Furthermore, **our anchor companies, many of which are multinationals, face increasing global competition.** This environment means that local plants need to compete internally with other global sites for continued investment. Structural shifts including our departure from the European Union and the need to decarbonise operations have intensified this competition. With 80% of our exports going to the EU, **our internationally oriented firms need to adapt to life outside the European Union,** and to what this means for their supply chains and international trade.

At the time of writing, we are facing the potential closure of the Vauxhall car plant at Ellesmere Port which has been making cars since 1964. Other manufacturers may be at risk of production moving to other countries on the continent unless local sites remain competitive.

Our strategic priorities

Partners in the region have responded swiftly to these challenges, identifying the need to develop a targeted package of support.

Our extensive engagement with stakeholders has identified a number of clear, near-term priorities in response to these twin economic shocks – but this package also looks beyond that short time horizon. Our aim is to catalyse a recovery that will create a stronger, more sustainable future for the Mersey Dee area. The themes presented below build on our established vision for the local economy, its strengths and longstanding structural challenges.

Our package confronts these challenges and builds on the corresponding opportunities for creating sustainable, inclusive growth in the Mersey Dee area across three cross-cutting strategic themes:



Supporting cleaner growth – the UK has adopted a target of achieving net zero emissions by 2050. Our mix of industries and energy assets leaves us ideally placed to lead this ambitious transition and to act as an exemplar region for low carbon development.

Connecting places, people and businesses – as a cross-border economy with multiple centres, the Mersey Dee area will be strengthened by improving the links between those places their business and people. Enhancing our connectivity is crucial.

Sustainable and inclusive growth – as the region recovers from the pandemic our aim is to look beyond a simple headline level of growth. We want to ensure that everyone benefits from the region’s success

We have then identified and agreed five investment priorities for our package.

Priority 1: Keeping our businesses competitive

The COVID-19 pandemic has hit our businesses extremely hard. Whilst we have been cushioned by the range of economic support measures put in place nationally, we know that once these (especially the Coronavirus Job Retention Scheme) are tapered back, redundancies among the **region's firms** may be expected to accelerate. The job losses announced by Airbus were driven by a huge downturn in the market for aircraft following the collapse of international air travel leading the firm to cut production by a third. This impact will inevitably work its way through the locally based supply chain unless those businesses are unable to diversify and adapt for new markets.

Airbus represents a major event that will have a disproportionate impact on employment and **risks the permanent loss of highly skilled engineers from the local labour market**. Yet the cost of the pandemic on jobs has also been far more widespread. Our town centres had already been suffering due to high business rates and the rise of online spending. Throughout 2020, many major retailers entered administration and social distancing regulations forced a far wider range of consumers to shift spending online. While this may spell trouble for many traditional retailers, the Office for National Statistics reported that the number of business creations in the last three months of 2020 was up by a quarter on the same period in 2019¹⁰. Surprisingly many of these were new retailers, adapting as the proportion of retail spending online soared to 35.2% in January 2021. This was the highest level on record¹¹ and shoppers are probably now forming lasting new habits. For better or worse, the pandemic has almost certainly changed the role of town centres for good and policy makers both locally and nationally will likewise have to adapt. Plus, with 11% of pre-pandemic employment¹² in the Mersey Dee area in the retail sector, the risk to jobs is high.

Despite these challenges - with some targeted support - the same strengths that brought multi-nationals like Airbus to the Mersey Dee and allowed home grown talent to flourish here will allow our businesses to adapt and thrive.

Simultaneously, **manufacturers in the region need to adapt to the new trading arrangements with the European Union**. Any additional complexity in trading with the UK potentially reduces the competitiveness of manufacturers in the Mersey Dee area and we now face the risk of production moving to other locations on the continent unless local sites remain competitive. Meanwhile, the cluster of financial services firms in Cheshire, that no longer have the same level of access to the single market, may also see jobs at risk.

This disruption to so many jobs across such a diversity of sectors risks leaving economic scars that are hard to heal. Yet the **Mersey Dee's** economic strengths also leave it uniquely placed to capitalise on some of the trends that are set to drive economic growth in the post-pandemic era. However, during periods of uncertainty most firms must face the difficult choice of putting their plans for growth on hold to ensure their survival. Indeed, across the UK business investment in the final quarter of last year was 19.2% lower than the year before - **we must seize this opportunity to keep our businesses competitive and help them to build back better**.

¹⁰ ONS, Business Demography, quarterly experimental statistics, October to December 2020.

¹¹ ONS, Retail Sales, Great Britain, January 2021.

¹² ONS, Business Register and Employment Survey, Employment, 2019

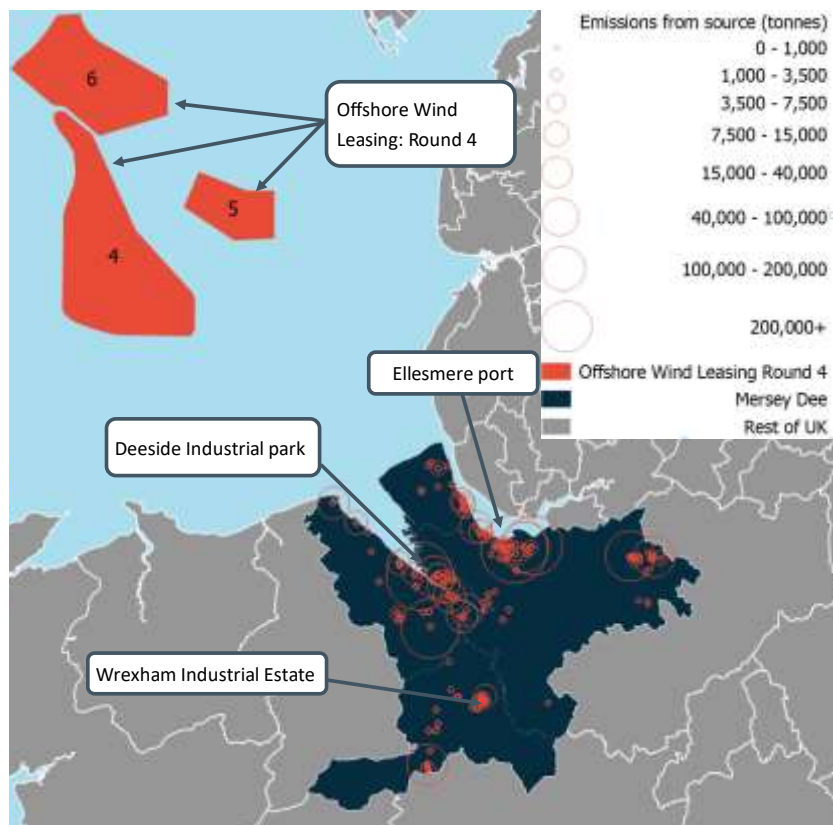
Priority 2: Decarbonising industry

The UK has set itself a legally binding target for reducing net greenhouse gas emissions to zero by 2050 and has made huge strides in reducing fossil fuel use in its production of electricity. Renewables now account for a third of electricity generation. This process means emissions from households and businesses that primarily rely on electricity for their energy needs have fallen rapidly. With renewables now typically representing the cheapest option for future electricity generation this trajectory looks set to be maintained as the UK transitions to net-zero emissions. Despite these gains two notable barriers to achieving net-zero in the timetable set out in legislation:

- Predictable power: due to their dependence on the weather conditions, wind and solar power – without storage capacity - are less predictable energy sources than traditional fossil fuelled or nuclear power stations. Other sources of low carbon power will be needed to ensure predictable electricity supply in a net zero world.
- Heavy industry: some industries have very significant needs for the generation of heat and power which are not easily electrified. These industries will not be in a position to benefit directly from the growth in cheaper renewable electricity and will need alternatives like low cost hydrogen or carbon capture and storage (CCS) to meet emissions targets while maintaining their competitiveness.

Nonetheless, the UK government's energy white paper states that by 2050, emissions from industry will need to fall by around 90 per cent from today's level¹³. This process looks most challenging for energy-intensive manufacturers and refineries.

These sectors account for 16% of UK greenhouse gas emissions and are geographically concentrated into a few industrial clusters that make up about half of the total. As major local employers, getting the transition to net zero emissions right in these clusters is essential to protect their local economies. This is especially true for the Mersey Dee area, given our cluster of heavy industry, especially around Ellesmere Port. Large industrial installations in the Mersey Dee were responsible for four times the emissions per capita than the national average.¹⁴ Indeed, total industrial and commercial emissions reached 4 million tonnes of CO₂ in 2018, and according to the National Atmospheric Emissions



¹³ BEIS, Energy White Paper, Powering Our Net Zero Future, 2020. p.118

¹⁴ Analysis of BEIS 2020, Local Authority territorial CO₂ emissions estimates 2005-2018 (kt CO₂), total emissions from large industrial installations per capita in Flintshire, Wrexham, Cheshire West and Chester and Wirral compared to UK.

Inventory, and the locations marked on the map above were directly responsible for almost 1.5 million tonnes of those emissions.¹⁵

The UK's stated long-term strategy is to let markets and carbon pricing incentivise the shift to low carbon technologies in industry - but over the next decade it is clear that upfront investment will be required to lay the groundwork for those markets to operate effectively. The impetus for achieving the net zero legislative target through this sort of investment has been given a boost with the **UK government's new Ten Point Plan for a Green Industrial Revolution and UK-wide Industrial Decarbonisation and Hydrogen strategies are due to be published this year.**

The extent of potential industrial uses for hydrogen and the existence of major carbon capture, utilisation and storage (CCUS) and hydrogen projects already in place makes **the Mersey Dee area a prime opportunity to invest in rapidly achieving one of the world's first net-zero industrial clusters.** The Mersey Dee area is already home to projects that will help deliver on UK Government targets for 5GW of hydrogen to be deployed by 2030 and capture 10Mt CO₂/year using CCUS. Its location places the Mersey Dee in an ideal position to link up with other parts of the hydrogen economy across the North West of England and North Wales. Indeed, there are numerous examples of both public sector and industry-led projects across the region, including:

- **Net Zero North West** – led by industry this collaboration aims to make the North West of England home to the **UK's first low carbon industrial cluster**, creating at least 33,000 jobs and seeing over £4bn invested in the region.
- **The North West Hydrogen Alliance and HyCymru** – both the North West of England and Wales have hydrogen industry membership bodies acting to advance the hydrogen industry on either side of the border.
- **HyNet North West** – a collaboration between Cadent and Progressive Energy, the project will be capable of generating 80% of the UK's **entire** target for **low carbon 'blue' hydrogen** in Cheshire by 2030.
- **Protos** is a strategic cluster of energy generation and energy intensive industry in Cheshire; with a masterplan extending to 280 hectares. Existing infrastructure includes a 50 MW windfarm and 26MW biomass facility with the opportunity for carbon capture and storage in future.
- The **UK government's** 2021 budget announced £4.8 million for a **hydrogen hub in Holyhead** to pilot the creation of hydrogen using renewable energy and its use as a zero-emission fuel for Heavy Goods Vehicles
- The **E-Port Smart Energy Masterplan** is considering how a local low-carbon smart energy system could be developed in Ellesmere Port. The master plan will set out a ten year private sector investment programme for developing a smart grid in Ellesmere Port that could be rolled out across the UK
- The North Wales growth Deal is exploring the development of a source of green hydrogen as part of the **Deeside Hydrogen Hub** project at the Deeside Industrial Park, with possible applications for decarbonisation of public or local authority transport.

¹⁵ Emissions from Point sources as calculated for the 2018 NAEI maps, National Atmospheric Emissions Inventory, 2020

With many other important projects coming forward in the wider area and building on the research taking place at the Thornton Science Park, the Mersey Dee is positioned to become a national if not

New projects off the coast of North Wales and North West England that could deliver almost 3.5 gigawatts of energy, enough to power 3.2 million homes, were recently announced following Offshore Wind Licensing Round 4.

global leader in the hydrogen and CCUS economy. While this was always going to be necessary for the UK to reach net zero, action taken now, to stimulate this emerging sector, will have the dual benefits of protecting the labour market from economic scarring and accelerating the transition to net zero.

Moreover, the expansion of renewable energy production brings further opportunities for the **Mersey Dee's** existing engineering and manufacturing supply chain to diversify its customer base and expand into new sectors as a national and global leader in low carbon energy.

Indeed, the Offshore Wind Growth Partnership has identified the need to bring new firms into the Offshore Wind supply chain from the automotive and other industries – but there is a requirement for joint support from ‘sector supply chain organisations and growth partnerships’ **to achieve this aim**. It is critical that as new wind projects are established in the region, the engineering capabilities of the Mersey Dee’s **businesses and households** are deployed to support the **government’s ambition** to raise the UK content into the offshore wind projects to at least 60%.

Priority 3: Skilling for the future

With the pandemic likely to have permanently changed the nature of retail and the role of the office in daily life, new entrants to the workforce and those working in sectors that may now be in permanent decline will have to adapt. The speed of this change and the breadth of its impact means there is a clear role for governments, both local and national, in managing this change. **The UK Government Plan for Growth** recognises this need, and with it the requirement to provide billions in additional revenue funding for:

- Jobcentre support – e.g. doubling the number of DWP work coaches
- Kickstart – helping young people at risk of long-term unemployment with fully-funded roles
- Restart – helping the long-term unemployed access additional support

Aside from help to find existing jobs, changes in the sectoral mix and the way people work after the pandemic is also expected to create new demands on the education system, to reskill the workforce for the future. Additionally, the Mersey Dee area’s **role in a major industrial cluster creates** a pressing need for decarbonisation across many local businesses. The level of technological and regulatory change that is necessary to meet net zero targets will create commercial pressures that are likely to demand an understanding of new plant and processes. At a precarious time for businesses, **such a fundamental change creates a requirement for new Green skills at all levels from apprentices through to business leaders**.

Education is a devolved matter and as such a potential border may exist in the skills system that is not recognised in the labour market. This can mean different employees of a company operating in the Mersey Dee may not always have access to the same support because of where they live, an issue that is unlikely to be faced by employers anywhere outside of the Mersey Dee given the unique nature of the cross-border economy. While the level of provision either side of the border is not necessarily at issue, **employers across the whole Mersey Dee economic area should be able to access the equivalent standard of support**, seamlessly, regardless of their location.

Universities	Colleges
University of Chester (Cheshire West and Chester and Wirral)	Cheshire College South and West (Cheshire West and Chester)
	Coleg Cambria (Flintshire and Wrexham)
Wrexham Glyndŵr University (Wrexham)	Wirral Metropolitan College (Wirral)
	North West Engineering College (Wirral)

There are six higher and further education providers in the MDA area, including two universities and four colleges.

The table above outlines the six higher and further education providers within the Mersey Dee area, although there are also a number of Private Training Providers operating in the area and links between a number of the Universities and Colleges with other sites outside of the area. For instance, University of Chester and University of Bangor are linked in their teacher training offer, and Wrexham **Glyndŵr** also operates in Denbighshire. *While these institutions offer a wide range of subjects, the educational offer in the region is especially strong on business and technical education.*

Over time these providers and their partners in businesses, from the major anchor employers and their supply chains down to smaller local firms, will naturally take ownership of the training programmes of the future. *However, the market for education is imperfect and without coordination this process may take time to achieve the critical mass needed to support the industries of the future.* This effect is compounded by uncertainty over new green technologies that are not yet operational and managers that are, in many cases, only at the early stage of embedding the transition to net zero into business plans.

However, the moment to achieve this is now:

- The impact of the pandemic has already changed the labour market and the opportunity to make major investments in net zero has arrived at the same time.
- With £12bn already pledged nationally towards the **Ten Point Plan for a Green Industrial Revolution** and major hydrogen, CCUS, tidal power and wind projects coming forward across region, new skills programmes and curricula need developing now to avoid acting as a brake on this progress.
- To ensure that green skills programmes are optimised and commercially viable under normal funding arrangements quickly will require *coordination, pump priming of new courses and capacity building for providers.*

Priority 4: Connecting our region

Opportunities for work are harder to reach for those living in disconnected communities. In parts of our region, poor connectivity and the poly-centric geography of the area can mean the cost of getting to work is prohibitively high for some lower paying jobs. Physical connectivity is limited by several major factors including:

- **Lack of integrated ticketing** between services – especially across the England/Wales border

- Lack of **connectivity between modes/services** for public transport users
- **Inaccessibility of major employment centres** to public transport, especially for shift workers
- Limited strategic cycle networks and **poor integration with public transport**

As the Mersey Dee area looks to recover following the economic collapse of 2020, the nature of work is likely to change. This may mean **digital connectivity is also an increasingly important factor in spreading opportunity across the region** as more jobs encourage working from home, at least some of the time. Parts of the Mersey Dee continue to suffer from poor virtual and in-person access to the workplace, which will cut those areas off from the benefits as the recovery takes hold. Notably, as an industrial hub, the ability for many in the region to work from home is also likely to be proportionally lower than in the more service-based economy of the UK's other city regions.

Across the Mersey Dee area and indeed further afield within North Wales, the private car is the dominant form of transport. With work trips and commuting heavily reliant on cars this is both a cause of increased pressure on the road network and the effect of under-investment in public infrastructure, especially rail. Slow journeys by car do not just cost commuters time getting to and from work but the congestion they produce has an impact on other road users. The burden on road capacity limits the ability of freight to **move freely into and out of the region's ports** and there are further hidden costs to other businesses and households.

In normal times, an estimated 12 million commuter trips took place across the England/Wales border each year and 85% of these were taken by car¹⁶. Compared to just 68% across the UK¹⁷

Active and sustainable travel

While a number of specific road improvements may still be required to unlock major new development sites, **the pandemic also creates the opportunity, and the need, to rethink the nature of transport in the Mersey Dee area.** With the right infrastructure in place, disconnected communities could be more closely linked to work opportunities without the need for putting more cars on the road. Short physical distances would make walking and cycling a viable mode of travel if only the infrastructure to link population centres to workplaces, healthcare, leisure and education opportunities or to connect to the wider public transport network were in place.

In a region so dominated by car travel, the benefits could be widespread:

- decarbonisation - the opportunity to rapidly reduce emissions from private car use
- health and well-being – for households that are at present reliant on their cars, enabling active methods of travel to become the most efficient and cost-effective route to work could make daily exercise routine.
- air pollution – active modes of transport and better public transport provision would reduce the level of air pollution from cars
- inclusive growth – the lower cost of cycling and walking could open up work opportunities to households that are unable to cover the higher cost of car travel

Each of the local authorities in the Mersey Dee area has a plan in place for increasing active travel and this is considered a priority for both the UK and Welsh Governments' transport strategies. However, for

¹⁶ Growth Track 360 analysis

¹⁷ ONS, Labour Force Survey, 2017

these strategies to work most effectively in support of the Mersey Dee economy, joining up these plans to ensure cross-border walking and cycling connectivity is essential.

Public Transport

On a larger scale, the arrival of HS2 services through Crewe and into Liverpool brings a new era of connectivity to the doorstep of the Mersey Dee area. This presents a chance to open up the economy to new opportunities across much more of the UK. However, institutions such as Transport for the North (TfN) and the Northern Transport Acceleration Council (NTAC) have been focused on larger schemes such as the Trans-Pennine route, meaning relatively small but high impact schemes at the border of England and Wales have been overlooked.

The Union Connectivity Review implicitly recognises **the importance of the UK's** cross-border areas. And as a centre of industrial and commercial activity, the Mersey Dee region might be described as a Union Powerhouse, yet it has still to be recognised as such in the planning of transport infrastructure investments. The high degree of planning for public transport in the Mersey Dee cross-border economic region presents some of the highest societal value project opportunities in the UK.

The Welsh component of the Mersey Dee region is located in the North of the nation, which is a high priority area for rail improvement by the Welsh Government. However, rail infrastructure investment is non-devolved, which requires our proposals to be a priority of the UK Government as well. Currently,

A typical journey from Wrexham to Manchester Airport takes 140 minutes by rail compared to just 50 minutes by car.

just 1% of cross border commuting is by rail, 80% less than the national average¹⁸. The geography of the railways means we require infrastructure investment on both sides of the border to realise economic benefits in the North Wales and Mersey Dee geography.

With most people in the region still dependent on their cars the public transport network still needs a major upgrade to compete. The lack of integration between services makes journeys seem inaccessible to the public and slow or irregular services make congested roads seem the more practical choice. **Improvements are required to ticketing, line speeds and service frequencies to truly enable inclusive cross-border connectivity and all the benefits that this entails.**

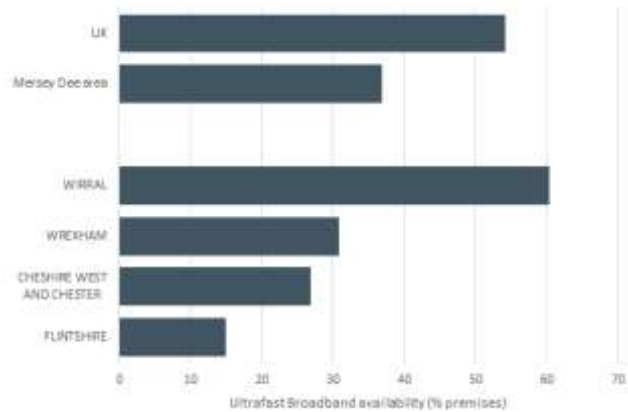
Reliance on private cars means infrastructure upgrades at industrial sites to handle electric vehicle charging or a big modal shift to public transport or active travel will be required for net-zero.

Currently there is limited public transport provision to these major employment sites creating issues over accessibility of jobs, congestion and emissions.

¹⁸ Growth Track 360

Priority 5: Digital connectivity

Digital connectivity is a nationwide challenge but even though some parts of the area, such as Wirral have above average access to Ultrafast broadband, there are particular issues around rural areas in the Mersey Dee area, and on average, the availability of ultrafast broadband is below the UK average.



Connected Corridors will support a host of potential applications including autonomous vehicles, logistics, vehicle telematics and passenger connectivity.

The North Wales Economic Ambition Board is already taking a lead on **upgrading the region's** digital connectivity. Through a combination of investment from the Welsh Government, UK Government and the local authorities, by the end of 2021 the entire public

sector in North Wales will be one of the best connected in the UK. There will be gigabit capability at almost all sites that require it to deliver high quality public services, and the North Wales Growth Deal Digital Programme intends to extend this impact to the private sector, where this opens up the opportunity for significant growth.

With the Digital Signals Processing Centre of Excellence at nearby Bangor University already a leader in its field, there is an outstanding opportunity to link this capability into the wider economy across North Wales and into the Mersey Dee Area. **The manufacturing strength of the Mersey Dee presents a host of prospective test-bed firms with the potential for digital innovation.**

The logistics networks that support those firms also stand to gain from the North Wales Connected Corridors project which will extend high bandwidth and capacity mobile coverage along key routes in North Wales. **As with most networks, the benefits of greater connectivity grow in a non-linear way.** With additional support, sitting alongside the investment brought forward by the North Wales Growth Deal, these **Connected Corridors could easily extend into England and at little additional cost could rapidly expand the pool of users that are able to benefit from the approach.**

Meanwhile, the Liverpool City Region has also started its own Digital Connectivity project to boost productivity and innovation. **The City region's plan** will:

- Build a 200+ km underground fibre network that will run through the City Regions major economic clusters, connect with **3 transatlantic cables and a supercomputer located at the Haretree Centre Daresbury.**
- Work in partnership with the private sector to develop the network. This will be partially achieved by adopting a Dig Once approach which is to install ducting at the same time as road, cycling and walking schemes are undertaken.

The marginal cost of installing duct infrastructure while roadworks are ongoing is relatively low and inconvenience to road users can be greatly reduced by combining works. Lower costs mean fibre connectivity becomes commercially viable much sooner across a wider area. The North Wales Digital Programme is also exploring a similar approach to providing publicly owned duct infrastructure to accelerate the roll out of fibre connectivity. As the Mersey Dee area partially overlaps with the

administrative areas covered by both programmes, the case for expanding procurement efforts to connect the dots between North Wales and the wider Liverpool City Region is strong.

Strategic fit and policy context

Despite the dramatic change in the economic context, the broad strategic direction for much government policy remains the same as it was before the pandemic struck. Indeed, the events of 2020 have solidified a number of policy positions. With interest rates now hitting historic lows and the economy in urgent need of fiscal stimulus – there is now a **once in a generation opportunity to invest in net zero, level up the economy and raise productivity.**

A core principle of our proposed package is that it helps to deliver on these major policy objectives and complements existing initiatives.

National	Regional:	Local:
UK: Build Back Better: Plan for Growth The Ten Point Plan for a Green Industrial Revolution Energy White Paper UK Digital Strategy Gear Change—active travel Union connectivity review Wales: Llwybr Newydd – a new Wales transport strategy Transforming Towns Prosperity for all: economic action plan A Manufacturing Future for Wales—framework for action Future Wales: The National Plan 2040	Liverpool City Region: Building Back Better Cheshire & Warrington LEP: Digital Infrastructure Plan, Strategic Economic Plan, Energy Plan North Wales Growth Deal Growth Track 360 West and Wales rail prospectus Mersey Dee Alliance: Growth Prospectus, Energy Prospectus	Cheshire West & Cheshire and Liverpool City Region: Local Cycling and Walking Infrastructure plans Wrexham and Flintshire walking and cycling plans Birkenhead Town Investment Plan Wrexham gateway masterplan

With the vaccine rollout gathering pace, attention has turned to engineering the economic recovery in the aftermath of the COVID-19 pandemic. The **Build Back Better plan for growth**, published in March 2021, sets out how the UK government plans to drive forward the economic recovery. The plan covers **the government’s approach to developing:** infrastructure, skills, innovation, net zero, levelling up and global Britain. Welsh Government have also issued a plan for the recovery from the economic damage of the coronavirus pandemic named **Our Economic Resilience & Reconstruction Mission**. The plan restates its commitment to place-making, green reconstruction and fair work, underpinned by investment in people and digital transformation with an emphasis on developing the vision of a well-being economy and inclusive growth.

Net zero

Perhaps the most important shift in UK policy in recent years has been driven by the amendment to the Climate Change Act setting a target of reaching net zero emissions by 2050. Further weight was added to this during 2020, when a **Ten Point Plan for a Green Industrial Revolution** was rolled out, alongside a new Energy White Paper. An Industrial Clusters mission was published early this year which sets out the aim to have at least one net-zero industrial cluster by 2040 and one low emission cluster by 2030. Industrial decarbonisation and hydrogen strategies are expected in 2021 to further support this aim.

Levelling up

Both governments have produced plans to tackle some of the spatial disparities that affect the two nations. Future Wales: The National Plan 2040 is the Welsh national development framework, which builds on the Future Generations (Wales) Act 2015 to set the direction for development in Wales to 2040. **Meanwhile, the UK government has recently started to focus on ‘levelling up’ the country.** The objective is to raise levels of opportunity outside the more affluent regions of London and the South East. Indeed, **the Build Back Better plan states that “the UK Government’s most important mission is to unite and level up the country.”**

One of the specific issues that falls under the levelling up agenda is the role played by towns. The Future Wales plan highlights the Welsh **Town Centre First** approach, whereby development should be geared toward bringing activity into town centres. The Transforming Towns initiative in Wales funded some of these interventions directly. In England, the Ministry for Housing Communities and Local Government (MHCLG) were preparing Town Deals for 101 towns across England before the pandemic hit. These are now being assessed with around half of the Town Investment Plans now having been progressed.

Transport

Both UK and Welsh government have issued transport strategies that focus on active and sustainable travel.

Llwybr Newydd or ‘New Path’ sets out **the Welsh Government’s** vision and 20-year ambitions for how transport can contribute to the wider social, environmental, economic and cultural well-being of people in Wales. Notably, right at the start of the strategy is a vision in which the private car takes a less prominent role in transport and there are fewer barriers to walking, cycling or public transport. And walking and cycling are placed at the top of the sustainable travel hierarchy.

The Department for Transport also released ‘**Gear Change**’ a vision for cycling and walking which states that the UK Government wants, and will fund, “*cities and towns across the UK to install first hundreds, then thousands, of miles of main road cycle tracks*”. This has led to local authorities producing their own Local Walking and Cycling Infrastructure plans.

An aerial photograph of a city street, likely in a historic town. The street is lined with multi-story buildings, including a prominent yellow stone building with classical architectural features and a black and white timber-framed building. A semi-transparent white rectangular box is overlaid on the middle of the image, containing the text '04: Our Proposed package'. The background shows a dense urban area with various buildings and a church spire, set against a backdrop of rolling hills under a cloudy sky.

04: Our Proposed package

04 Our Proposed Package

Our proposed fiscal stimulus package has been designed to address the key themes set out in the preceding section. We believe that it offers a compelling set of investable projects that will drive short term recovery, help deliver on national priorities and be capable of being delivered quickly. It has been designed to deliver strong strategic fit and complementarity with existing initiatives, and to be attractive to a range of funding sources.

Parameters of the package

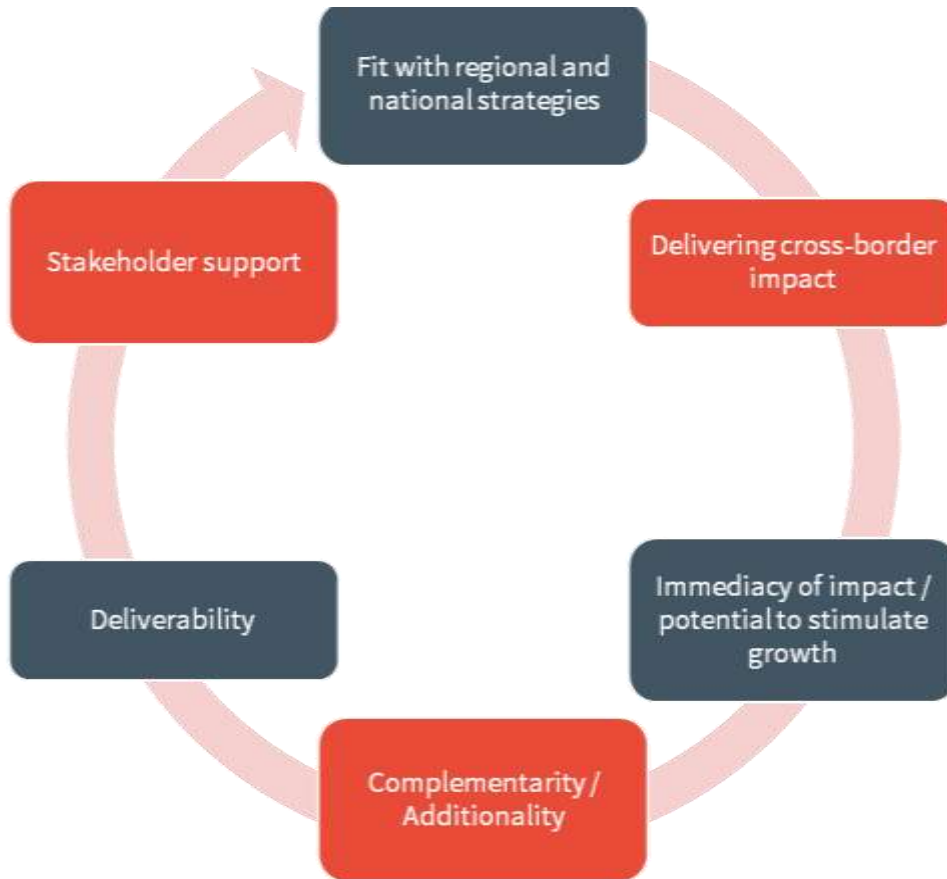
Our package is the result of an intensive and collaborative effort to develop and agree a compelling proposition.

The first step in this process was to agree a set of **key criteria / Critical Success Factors** that the package must deliver on. This was critical to ensure that our package is distinctive and fit for purpose.

These were as follows:

1. Strategic fit. Critically, any interventions within the package must have a strong strategic fit. This means not only that they align with the wider strategy and policy landscape; they need to make a demonstrable contribution to delivering on the priorities of national and local Government.
2. Delivering cross-border impact. All of the proposed investments should serve to benefit the **MDA's cross-border** functional economy, with a significant proportion explicitly targeting cross-border issues such as transport connectivity.
3. Immediacy of impact. Whilst projects will have different trajectories, we agreed that all projects need to be able to be delivered in the current Parliament and at least some of the investment should be able to take place in the next 12 months.
4. Additionality. There must be a clear and evidenced need for government intervention, resting on an identified market failure. This means that investment needs to:
 - Enable (new) projects to happen that would not otherwise have happened at all
 - Enable existing projects to be significantly accelerated where they are demonstrably held back by market failure
 - Significantly enhance the scale and impact of existing/planned projects.
5. Complementarity: linked to the preceding point, all interventions need to complement existing and planned projects elsewhere in the area and in adjacent locations. This includes major investment programmes such as the North Wales Growth Deal and the Liverpool City Region Devolution Deal

6. Private and public sector leverage: As a corollary of their strategic fit, projects need to have strong stakeholder support and to lever investment from the private and public sectors.
7. Deliverability. Finally, of course, it is important that projects are deliverable.



Project development

With these agreed criteria and critical success factors in place, we began an intensive and rigorous process of project development, in consultation with stakeholders. This included:

- An initial **request for projects** that fit the criteria
- A **project prioritisation process** to reduce and focus down this initial set of ideas, using the agreed criteria
- A set of **workshops and stakeholder engagement sessions** to further refine and develop the project ideas (these are outlined in Section 6). This involved all of the partner organisations, Welsh Government representatives, North Wales Economic Ambition Board representatives and representatives from the private sector.
- A parallel **consultation exercise with the private sector**, designed to collect their views on investment needs and opportunities and initial project ideas
- Sorting the projects into a set of **programmes** with common strategic drivers.

The proposed programmes

This process yielded a set of **five programmes**, each with their own distinct set of strategic objectives, linked by a golden thread of the overarching themes identified in the preceding section. Each programme contains a set of priority interventions that have been identified by partners as those that will deliver on our priorities.

Our proposed package will deliver **£1.2 billion in net additional economic benefits, benefitting 1 million residents, creating and safeguarding at least 5,000 jobs and levering in £450 million in private sector investment**. By funding or unlocking over £800 million in capital spending we will quickly support the construction sector, with **over 8,000 construction years of employment** supported to help boost economic recovery.

Our ask of Government is to support our priority projects and programmes through **£400 million** of funding.

The proposals have been designed to offer an attractive, investable set of propositions suitable for funding by a range of potential funding streams. However, with a need to act fast and businesses facing almost unprecedented levels of uncertainty there is a requirement for short-term revenue funding to accelerate these plans as well as the major capital investments that will cement growth in the long-term.

The five programmes are summarised below. While the projects are separated into programmes according to their primary aims, all support the high-level priorities for the package as a whole:

- To create **sustainable, inclusive growth** – levelling up the country, creating opportunity, fair work and inclusive growth
- To improve connectivity across the Mersey Dee and **strengthen England-Wales links**
- To **Build Back Better** - investing in net zero, better jobs & higher productivity.

Programme	Rationale and objectives	Key project activities	Total investment ask	Outputs / Impact
Skills and business support	Support our businesses and workers to recover, remain competitive and to capitalise on the opportunities presented by the Green Industrial Revolution.	A £60m business challenge fund, targeted business support and skills/employment brokerage for firms and employees in the manufacturing sector, pump priming new skills programmes for the Green Industrial Revolution.	Capital: £70m Revenue: £9m Total: £79m	<ul style="list-style-type: none"> • £130m of private investment unlocked • 300+ firms in the manufacturing supply chain supported • 2,000+ jobs safeguarded • a new Business centre for Green Recovery • 450,000 tonnes of CO₂ saved
Low carbon energy infrastructure	Propel the Mersey Dee area towards becoming a low carbon industrial hub at the forefront of the emerging global hydrogen and CCUS economy.	Fund a strategic hydrogen demonstration facility for the UK, design and consenting for 100km blue hydrogen pipeline, development funding for hydrogen and CCUS hubs, design work for a tidal energy project on the Mersey and associated centre of excellence.	Capital: £95m Revenue: £12m Total: £107m	<ul style="list-style-type: none"> • Strategic hydrogen demonstration facility • 100km hydrogen pipeline • £250m private investment • 5-10 hydrogen & CCUS hubs • tidal energy project centre of excellence.

Programme	Rationale and objectives	Key project activities	Total investment ask	Outputs / Impact
Transport	Lay the groundwork for a cleaner, more modern cross-border transport network in which the car is no longer the default. To improve workplace accessibility and increase the number of trips by active modes for example walking or cycling.	Fund a cross-border active travel network, fund the infrastructure required for cross-border integrated ticketing, development funding for a range of key cross-border rail schemes.	Capital £90m, Revenue: £25m, Total: £115m	<ul style="list-style-type: none"> • 100km of high-quality cycling and walking infrastructure • New ticketing infrastructure for 20 stations, 400 buses across 50 routes and 9 operators. • 3 shovel-ready rail schemes.
Place based support	Ensure that our town and city centres are more resilient, vibrant and dynamic as we recover from the impact of the pandemic.	A fund managed flexibly across the Mersey Dee area will be used to support a range of areas across the MDA to support businesses and employment. £20m funding for enabling works to the Wrexham Gateway development.	Capital: £70m Revenue: £5m Total: £75m	<ul style="list-style-type: none"> • Private sector investment of £80m • bridge works • links to active and public transport • new start-up, meanwhile and entrepreneurial space • town centre biodiversity and green space.

Programme	Rationale and objectives	Key project activities	Total investment ask	Outputs / Impact
Digital	Supporting our businesses and workers to recover from the pandemic, remain competitive, innovate and to capitalise on the opportunities presented by the UK's exit from the EU and the Green Industrial revolution.	Installing high bandwidth and capacity wireless connectivity along major transport routes (5G and LPWAN), connecting logistics and transport hubs to manufacturing bases; expand the fibre network more rapidly through efficient roll out of a publicly funded duct network; expand the use of digital technology in town centres.	Capital: £27m Revenue: £3m Total: £30m	<ul style="list-style-type: none"> • 130km of 5G and LPWAN connectivity along key transport routes • 55 new deployments of 'smart town' infrastructure.

Business support & skills

Business Challenge Fund

Our ask of the Fiscal Stimulus Package: £60m public investment

With businesses large and small in need of rapid support, to ensure the recovery does not stall as the pandemic related restrictions subside, we propose a Business Challenge Fund for the MDA area.

The fund seeks to drive immediate investment and growth by local businesses, stimulating the economy and building back better/greener whilst also supporting the long-term sustainable development of key sectors and employers and their integrated supply chains throughout the cross-border region. The ultimate aim of the Business Challenge Fund is to provide additional impetus to businesses seeking to increase their productivity and accelerating the journey to net zero at a time when the economic fallout from the COVID-19 pandemic means returns to private investment may appear uncertain.

In providing targeted support we will protect and grow the number of high value jobs, lever in further private sector investment and increase productivity. To achieve this the Business Challenge fund would be made up of two key pillars of activity:

- Competitive Grant funding – businesses would bid for gap funding or other financial support for investments that meet the **fund's criteria**.
- Net-Zero Accelerator loans – 0% interest loads for applicable investment in decarbonisation.

Competitive Grant funding

To accelerate and decarbonise investment across the Mersey Dee area the grant funding will support three specific aims:

1. **Commercialisation/Scale-up of new technologies** – Accelerated support to help deliver key sector wide projects early benefitting businesses and their supply chains. Projects must facilitate SME access to the assets in question and the UK leading projects that could be accelerated include:
 - Tata Steel Construction Campus - **Tata Steel's site in the Deeside Enterprise Zone, Flintshire**, has the potential to become a Construction Centre of Excellence with space for 1.2 million sq. ft of industrial property. Using raw steel from Port Talbot in South Wales the site already produces 400,000 tonnes of coated steel products a year and is a supplier to the construction, domestic appliance and automotive industries, with 40% of this exported from the UK. The plans **could potentially also incorporate AMRC's Centre of Excellence 'Design for Modular Assembly'**.
 - National Centre for Packaging and Innovation - an AMRC/Wales & CPI multi-site development in Wirral & Flintshire. This centre for sustainable packaging research would accelerate commercialisation of sustainable packaging from materials and consumer/industrial packaging, through to full lifecycle management and traceability. Potential Industrial partners in the Mersey Dee area include Unilever, Iceland, EconPro, Food & Drink Federation, KK Fine Foods.
 - Sustainable Aviation Research Park led by AMRC - linking locally based international aerospace manufacturing to R&D **(beyond wing developments) to 'pilot' projects utilising local airport, hydrogen production and port facilities**. Potential partners include Aerocare, Airbus, Magellan, ElectroImpact and Raytheon.

2. **Commercial Sites & Premises** – Enabling low carbon premises for local companies through new developments or re-purposing of existing premises. Grant funding targeted only at project elements that enable a market leading low carbon, operational base for businesses e.g. incorporating low carbon construction, renewables onsite generation, EV installation etc.
3. **Reshoring of Supply Chains** – Gap funding to help secure the reshoring of up to 15 suppliers to the region, delivering productivity and net zero benefits for their key anchor customers in the cross-border area whilst boosting jobs, investment and GVA. Funding would be focused on specific connecting infrastructure (e.g. substations, digital connectivity etc...) **for the commercial sites in question, where a major employer has a prospect for reshoring a major part of its supply chain but the commercial site in question needs additional accelerated investment to make it ‘supplier ready’.**

Net-Zero Accelerator loans

Where businesses in key sectors and their cross-border supply chains, have an evidence-based case for investments that will aid their efforts to decarbonise they will be supported by 0% interest loans to make those investments.

How this supports the cross-border economy:

The Challenge Fund will allow locally led investment to get to those of our businesses that are able to drive forward the recovery, decarbonising their operations and supply chains and linking them to the accelerated delivery of world class R&D / commercialisation facilities in the region. By ensuring the parameters of the grant fund are set to lever in private sector funding and that loans are targeted at green investment – we will not only ensure good value for the taxpayer but also match UK and Welsh **government’s** commitment to:

- **Build back better** – by investing in net zero and supporting the Ten Point plan for a Green Industrial Revolution
- **Strengthen England-Wales links** – we will boost the cross border labour market
- **Support levelling up** – by rapidly disseminate funds to the areas that need it most.

The Challenge Fund is expected to provide low carbon commercial premises for 290 businesses, to safeguard 1,800 jobs and decarbonise and accelerate **key projects such as Wrexham’s Food Technology Park**. The Net-Zero Accelerator loans programme will also drive productivity and deliver savings in excess of 450,000 tonnes of Carbon, leveraging at least £80m of private sector investment and supporting 270 jobs.

Skills and other business support

Our ask of the Fiscal Stimulus Package: £19m public investment

The energy sector has long been identified as a local strength in the Mersey Dee and the infrastructure to build up a net-zero industrial cluster is now falling into place around the existing energy assets in the North West. However, there is a long road ahead to meet the net-zero target. To jointly combat the current downturn in demand for key sectors through diversification and to ensure businesses get ready for net-zero we propose acting quickly, with appropriate revenue funding to deliver:

- Technical Business Centre for Green Recovery – the project aims to upskill and reskill the workforce in the MDA area with relevant industry-led clean growth skills for the green industrial revolution to service the rapidly developing low carbon cluster (particularly what may become one of or the world's first Net Zero Industrial Cluster). It will assist with upskilling the advanced manufacturing supply chains in the area aiding diversification. Utilising existing funding streams such as Apprenticeships and Skills Boot Camps the project would aim to be self-sufficient beyond a pump priming period
- Offshore Energy Alliance (OEA) – the OEA would like to offer 30 companies who supply the aerospace sector and were directly impacted by the Airbus/aerospace sector decline, a chance to go through the Fit for Offshore Wind Programme. A further programme of business support activities to support the offshore wind sector in procuring local suppliers would also be developed. This would include supply chain capability mapping; employment and skills; networking events; supply chain meet the buyer events; supply chain qualification programmes etc.

- Fit for the Future – this programme will offer short-term additional support to businesses and employees in affected priority sectors. The programme will offer business diagnostic services, enhanced skills and employment brokerage across the border and clear signposting to existing services. The aim is to ensure consistent provision, without gaps between areas for those in at risk sectors. For those individuals made redundant or at risk of redundancy via the change in demand from Airbus and other anchor employers a skills assessment and training plan will be provided. Provision will be developed where appropriate training is not readily available and a brokerage service will be developed to bring these individuals to emerging opportunities.

How this supports the cross-border economy:

We will coordinate activity to intensively support businesses in some of the region's priority sectors to diversify into other areas, especially clean energy. This will help the successful role out of some of the other low energy investments proposed in this package as well as the **UK's own** net-zero ambitions in the **Ten Point Plan for a Green Industrial Revolution**.

The management and business support to be provided here will further **build on the UK government's Plan for Jobs**, including the Help to Grow programmes, only with renewed focus on the specific strengths and needs of the Mersey Dee economy and its unique cross-border structure.

All of which will speed the recovery, build a more resilient economy and help us develop world-leading, exportable Green energy capability to boost growth nationwide.

Place

Our ask of the Fiscal Stimulus Package: £75m public investment

While we recognize the value of the work being delivered in both England and Wales in relation to the issues facing town centres nationwide – the Town Fund and Transforming Towns programmes, respectively – we propose an additional funding stream for the Mersey Dee area to support holistic improvement of a number of the places that have not been able to access existing funds.

While it is acknowledged that each town centre is individual in character, common challenges include:

- Vacant floor space
- Poor quality retail premises
- Declining footfall in town centres
- Lack of quality housing and urban living opportunities
- Lack of affordable commercial space
- Economic inequality
- Lack of affordable commercial space
- Unattractive and underutilized public realm

A key objective of the scheme will be to connect new start-ups and entrepreneurs with improved, viable spaces within town centres. Targeted acquisitions of property, new green space and biodiversity projects will add vibrancy and help manage the transition of some of the region's town centres from fading retail hubs towards more vibrant locations as cultural, residential and employment hubs. **Coordinating this funding across four highly connected local authority areas** will boost the effectiveness of its management and the movement of

consumers and businesses across borders within the MDA region justifies a central coordination of the overall scheme administration, monitoring and learning.

Meanwhile, the Wrexham Gateway project is first transport linked transforming towns pilot in Wales. Ensuring seamless access to key city core sites has been identified specifically as a chance to transform the gateway into Wrexham town centre. There is an existing masterplan that is poised to regenerate Wrexham General Station, link to improved rail connectivity/active travel schemes, and maximise the regional impact of the Racecourse Football Stadium, which has been hosting international football matches since 1877. The proposed infrastructure works will de-risk the project for and lever in private sector investment of over £60m.

How this supports the cross-border economy:

The Wrexham Gateway investment will include bridge works, road access, walkways, cycleways, hard and soft landscaping, street lighting and street furniture and will unlock around £80m of private sector investment.

The wider funding package will support growth and sustainability across the **Mersey Dee area's multiple** centres as the economy and the role of the town centre adjusts to life after covid. This flexible pot of funding will allow local leaders to coordinate their interventions across the functional economic geography to meet the specific challenges faced by the region. We expect businesses will be able to provide match funding.

This will enable stakeholders within the small, independent business sector and creative industries all of which have been hit hard by the pandemic and will increase the vibrancy of our town centre spaces post-covid.

Low carbon energy infrastructure

Our ask of the Fiscal Stimulus Package: £115m public investment

The North Wales-North West England cross border area aims to be one of the first Hydrogen-CCUS large scale deployment areas in the world. With additional funding the Mersey Dee area is perfectly located to capitalise on the growing hydrogen and CCUS economy.

HyNet

Additional public funding to advance the design stage and secure consents for Phase 3A of the HyNet pipeline would accelerate access to blue hydrogen for a larger range of businesses across the MDA – particularly in North Wales.

HyNet could also develop and build a new UK strategic product testing facilities/demonstration facility linked to the Thornton Science Park.

Without a cheap and reliable source of hydrogen manufacturers are unable to run full machine tests on potential new equipment. This will hold back advances in the type of technology that will be essential to providing low carbon alternative solutions and drive the UK toward net zero. The facility is intended to be open access to all manufacturers and if the capital requirements for the following items can be publicly funded – equipment manufacturers are likely to bear the cost of hydrogen used for testing purposes:

- Hydrogen upgrading facility
- Pipeline
- Demonstration facility

Hydrogen Hubs

A further £40m fund will be made available to address the market failures that hold back the deployment of newer green technologies such as hydrogen and CCUS.

An advanced candidate is the **Deeside Hydrogen Hub** project, being brought forward under the North Wales Growth Deal. This aims to develop a hydrogen hub around the Deeside Industrial Park in Flintshire as a new location for the production of green hydrogen. Although the project is initially being developed by the North Wales Economic Ambition Board, once a hydrogen source has been established further public sector investment will complement the proposal, by accelerating deployment and commercialisation of new technologies such as:

- Heavy goods vehicles.
- Local authority fleet
- Passenger transport vehicles

Tidal

There is potential for a 3GW Tidal Range project in the Mersey and given the extensive benefits this project could hold for local manufacturers over many years the Mersey Dee Alliance would like to support the Liverpool City region in funding the next phase of the front end engineering and design work as well as providing development funding to progress a potential North West Tidal Energy Centre of Excellence.

How this supports the cross-border economy:

The proposals above will assist with enabling the UK Government's 2030 ambitions to support:

- the creation of a low carbon industrial cluster
- generating 5GW of low carbon hydrogen capacity
- capturing 10MtCO₂/year using CCUS

The direct investment in design and consenting work for HyNet pipeline will unlock around £250m of private sector investment and deliver around 100km of new pipeline, creating further opportunities to develop skills locally.

Transport

Active Travel

Our ask of the Fiscal Stimulus Package: £85m public investment

We want to rapidly accelerate provision of a single network of active travel routes across the Mersey Dee area by 2025. This will facilitate convenient access by bike and by foot to and from key employment, leisure, commercial and educational facilities.

- The major employment sites that would be opened up to increased access via the Active Travel network include: Birkenhead, Wirral Waters, the A41 corridor, Ellesmere Port, Ellesmere Port Industrial Area, Chester, Deeside Industrial Park, Wrexham Industrial Estate and Broughton.
- The proposals are also designed to improve access to and use of the public transport network. The Active Travel network will link to the Borderlands (Wrexham-Bidston) rail line which allows onward connections from North Wales through to Liverpool and proposed new stations e.g. Deeside Parkway.

The proposals would create a cross-boundary network of high-quality routes designed in accordance with rigorous standards set out in the Department for Transport and Welsh Government's guidance. The project will bring together and coordinate the four local authority members of the Mersey Dee Alliance to progress their own plans, with support from Transport for Wales as a local transport development & delivery body with specialist Active Travel team/expertise.

How this supports the cross-border economy:

We have identified a network of around 100km of cycling and walking infrastructure within the **plans of the Mersey Dee Alliance's four local authority members**. Both UK and Welsh government transport priorities recognise the significant value of walking and cycling to our residents and our economy. UK government estimates that:

- Health - Physical inactivity costs the NHS up to £1bn per annum, with further indirect costs calculated at £8.2bn
- Wellbeing - 20 minutes of exercise per day cuts risk of developing depression by 31% and increases productivity of workers
- Congestion - new cycle routes in London are moving 46% of the people in only 30% of the road space
- Local businesses - Up to 40% increase in shopping footfall by well-planned improvements in the walking environment
- Environment - doubling cycling and increasing walking could lead to savings of £567 million annually from air quality alone and can help reduce the

In the context of this Fiscal Stimulus Package, investing in this low cost transport infrastructure is especially important for open up additional opportunities to residents and improve access to major employment sites. Connecting more people to better jobs is the best way to foster inclusive growth throughout the region. The labour market will function better, reducing potential periods of unemployment and facilitating better matching between employers and potential employees.

Public transport

Our ask of the Fiscal Stimulus Package: £30m public investment

The Mersey Dee area has long suffered from underinvestment in public transport infrastructure and a range of important capital spending projects that are under development urgently need capital support to move forward. However, in order to meet the immediate needs of our fiscal stimulus package two short-term investments are required:

- £20m in revenue to fund development work that will enable up to £225m of potential rail capital projects to advance
- £10m in capital to fund the infrastructure and technology platforms required to institute cross-border integrated contactless ticketing

How this supports the cross-border economy:

The revenue funding package would enable North Wales Mainline and Borderlands enhancements to be expediated by Transport for Wales over the next 3 years. This will enable 3 shovel-ready schemes Deeside Parkway Station, Shotton and Chester Station (i.e. Stage E Plan of Works/GRIP 5/Full Business Case) and a further 6 schemes to be taken forward to single option selection and Preliminary Design (Stage C Plan of Works/Outline Business Case). Not only will this accelerate much-needed public investment in new rail infrastructure, helping to level up the region. By increasing the certainty of future rail investment will inspire confidence for private investors into the MDA.

Meanwhile, integrated ticketing across modes and operators would both boost access to jobs for people across the MDA over the longer term.

The funding outlined here will provide integrated ticketing across:

- 20 train stations
- 400 buses
- 50 routes
- 9 operators

By creating better integrated transport links we will also allow a better integrated labour market. This means improved matching of those who have lost their jobs due to the pandemic with new educational and work opportunities.

Wider strategic transport infrastructure projects

The long-term prosperity and competitiveness of our employers, people and places has been held back over time by under-investment in our transport and digital infrastructure. These immediate asks of the Fiscal Stimulus Package sit in the context of a wider set of transport infrastructure priority investments including:

- The North Wales Metro – a capital investment programme must follow the development work above to realise these benefits
- The A494 River Dee crossing – this vital river crossing that carries more daily trips than the Severn bridge needs replacing
- The Chester - Broughton Growth Corridor – improve access to Chester City centre and unlock development sites
- The A483 junctions 3-6 – an expansion of **one of Wrexham's key** employers is dependent on these congestion relieving works
- M53 and M56 interventions – improving access to Manchester and Liverpool by improving capacity and resilience

Digital

Our ask of the Fiscal Stimulus Package: £30m public investment

The physical and digital connectivity of the Mersey Dee is not as good as it could or should be to support the **region's** households and businesses.

The North Wales Growth Deal, Liverpool City Region and the Cheshire and Warrington Local Enterprise Partnership have all begun work on separate digital connectivity programmes that will address those issues across the Mersey Dee area. The connected nature of the Mersey Dee economy means there is ample opportunity to expand on these programmes, adding real value in joining up the work across three major areas:

- Connected corridors – the North Wales Growth deal will develop high bandwidth and capacity mobile coverage (5G and LPWAN) on major transport networks. With additional funding these connected corridors could be continued across the England/Wales border towards Manchester and Liverpool.
- Fibre duct installation – both the Liverpool City Region and North Wales Economic Ambition Board intend to use public funds to accelerate roll out of the fibre network. With innovation around the installation of ducting required for future fibre installation across a broader range of locations network can be made accessible to commercial operators. With additional funding to join up this effort across the Mersey Dee area, growth of the network could be better coordinated, and procurement options explored over this much larger geography.

- Town centre digital - the project will enable business communities and place managers to better understand the performance of their High Streets and to make investment decisions based on robust and dynamic data sets. Digital technology will be installed in Town Centres across the Mersey Dee area and resources deployed to ensure procurement of technology and uptake of relevant insights from the data collected are efficient.

How this supports the cross-border economy:

The Mersey Dee area is a recognised economic geography covering an area which overlaps the administrative boundaries of the North Wales Economic Ambition Board, the Cheshire and Warrington LEP and the Liverpool City Region. This package means Mersey Dee Alliance members have the opportunity to coordinate digital infrastructure provision across those boundaries, **building a network of connectivity that is bigger than the sum of its parts.**

In the aftermath of COVID-19, with opportunities to work from home increasing, greater digital connectivity across the border will help the Mersey Dee economy overcome some of its physical connectivity challenges. Further afield, expanding the benefits of ongoing investment in **5G connectivity further along transport corridors holds huge potential for logistics firms and manufacturers**, in particular as they adapt to new customs requirements for trade with the EU. Indeed, as a consequence of this expansion in digital infrastructure and the close proximity of the Digital Signals Processing centre of excellence at Bangor University we hope to **facilitate the role of advanced manufacturing businesses for example in the food processing sector to act as test-beds for further 5G innovation.**

A photograph of a high-speed train at a station platform. The train is white with a red stripe and has its doors open. The platform has a corrugated metal roof and a sign with the number '1' and an arrow. A semi-transparent brown box is overlaid on the train, containing the text '05: How we will deliver'.

05: How we will deliver

How we will deliver

05

We have the established structures, capacity and partnerships to deliver quickly and effectively. Our partnership has a strong track record in the effective and efficient delivery of major projects.

We do not propose, or need, to create new governance structures to deliver the fiscal stimulus package. The MDA will provide central co-ordination of the package of investments, with Cheshire West and Chester – as the lead authority for the partnership - acting as the accountable body. Individual projects would be delivered by a range of lead partners including our member local authorities, Transport for Wales and we will contract with the private sector as appropriate.

Our existing governance structure is summarised below:

- MDA Board comprises seven partners: Flintshire, Wrexham, Wirral and Cheshire West and Chester Councils, Liverpool City Region Combined Authority, University of Chester, Wrexham Glyndwr University, Welsh Government. The representatives are Local Authority Leaders and Cabinet Members, Vice Chancellors/Dean of Business School, Welsh Government Minister.
- The North Wales Mersey Dee Business Council acts as advisor to the Board.
- The Directors Group, comprising senior officers, from all partners, reports to and supports and advises the Board.
- The Strategy Group, comprising lead officers and Welsh Government officials reports to the Board and the Directors Group. This group oversees, monitors and directs work as agreed by the Board. The Secretariat supports the Board, the Directors Group and the Strategy Group.
- Growth Track 360 is the collaborative body for the MDA leading on cross border transport connectivity.

Mersey Dee Alliance Governance Structure



Local Growth Partnerships



06: Stakeholder support



Stakeholder Support

06

We have been working intensively and collaboratively with our partners in the region to develop our fiscal stimulus proposition. This has been done through a process of consultation, a series of listening exercises and interactive workshops to gather views, test ideas and refine proposals.

As a consequence, our package has strong support from key public and private sector organisations in our region.



Bwrdd Uchelgais Economaidd Gogledd Cymru
North Wales Economic Ambition Board

“Our vision for North Wales recognises the value of our cross border economies and the relationships we have with neighbouring areas. We welcome any bid by cross border partners that attracts investment. This added investment will deliver better infrastructure, skills and employment opportunities for people on both sides of the border, and further afield. The Mersey Dee Alliance have drawn on insights and learning from North Wales with specific focus on building investment proposals that extend and complement what is already committed within the North Wales Growth Deal. This joined up way of working is essential to ensure we deliver fairly against our shared economic priorities.”

Cllr Dyfrig Siencyn

“Mae ein gweledigaeth ar gyfer y Gogledd yn cydnabod gwerth ein heconomiâu trawsffiniol a'r perthnasau sydd gennym gydag ardaloedd cyfagos. Rydym yn croesawu unrhyw gais gan bartneriaid trawsffiniol sy'n denu buddsoddiad. Bydd y buddsoddiad ychwanegol hwn yn cyflawni gwell isadeiledd a chyfleoedd cyflogaeth a sgiliau i bobl naill ochr i'r ffin, ac ymhellach. Mae Cynghrair Merswy Dyfrdwy wedi tynnu ar fewnwelediadau a gwersi a ddysgwyd gan y Gogledd gyda ffocws penodol ar adeiladu cynigion buddsoddi sy'n ymestyn yr hyn sydd eisoes wedi'i ymrwymo o fewn Cynllun Twf Gogledd Cymru, ac sy'n cyd-fynd â hynny. Mae'r ffordd gydlynol hon o weithio yn hanfodol i sicrhau ein bod yn cyflawni'n deg yn erbyn y blaenoriaethau economaidd yr ydym yn eu rhannu.”

Cllr Dyfrig Siencyn



**LIVERPOOL
CITY REGION**
COMBINED AUTHORITY

METRO MAYOR
LIVERPOOL CITY REGION

“The Liverpool City Region Combined Authority is happy to offer its support for a fiscal stimulus package for the Mersey Dee Alliance. We are only too aware of the impact of the Coronavirus pandemic on our cross-border economy and it is vital that the Government steps in to provide immediate, targeted support. The Mersey Dee area has shown its resilience and resourcefulness in the past, rebuilding a strong, modern manufacturing economy after traditional industries declined. A stimulus package would not only support the existing business base but would also enable our cross-border economy to take a lead in the industries of the future, such as hydrogen and tidal energy, as well as boosting physical and digital connectivity, and encouraging sustainable and inclusive growth.”

Steve Rotheram, Metro Mayor of the Liverpool City Region



“Cheshire & Warrington LEP actively supports this outline proposition for a fiscal stimulus package. There is a clear need for additional short term and quickly delivered stimulus in the MDA. Business leaders wrote to the Prime Minister at the height of the pandemic to raise their concerns about the especially large impact on the MDA economy as a consequence of the area straddling places subject to a number of different sets of restrictions. Additional support to restore the health of this key cross border economy is therefore essential.”

AIRBUS

“Airbus is a global leader in aerospace, defence, space and related services. We are the largest aeronautics and space company in Europe and a pioneer of cutting-edge technologies and products for our global customer base. It’s vital for our business to nurture talent, skills, research and development and strong supply chain relationships across the English / Welsh border and beyond.

Funding for the region has the potential to significantly accelerate key investment for research, innovation and skills and help reinforce local supply chains for Airbus and the wider advanced manufacturing sector in the cross border region. This would be something very much welcomed by us. ”



“Vauxhall Motors, based in Ellesmere Port, who are part of the wider Stellantis automotive group, strongly support the Mersey Dee Alliance proposition for the Fiscal Stimulus Package. The recent impact of the coronavirus pandemic on business in the area has been significant and hugely detrimental to the lives of people and businesses, resulting in many closures and subsequent job losses. A stimulus package to improve transport links, connectivity and green energy could not come at a better time for the area to promote a resurgence of confidence for the local economy.”

TATA STEEL

“The Steelworks at Shotton has been an integral part of Deeside for 125 years. We are proud to be part of the Mersey Dee business community and care passionately about its future and the opportunities it can bring to the area. We wholeheartedly support the Mersey Dee Alliance Fiscal Stimulus Package”



“As a major local employer in the area, we welcome this key initiative. Driving the longer-term agenda for a sustainable future, along with significant investment, into our region will further enable it to compete on the global stage.”



“Essar backs the fiscal stimulus package proposed by the Mersey Dee Alliance and urges the Government to support investment in raising the region’s profile, growing its competitiveness and continuing to promote it as a pivotal location in the UK. It is clear that businesses in the area have faced significant challenges as a result of the Coronavirus pandemic and a stimulus package will be crucial taking advantage of the major opportunities for the development and growth of a low carbon and sustainable economy in the Mersey Dee region.”



“Encirc fully supports the proposed Fiscal Stimulus Package for the Mersey Dee Economy. Businesses of all sizes and sectors have been informing us about the challenges they are facing following the Coronavirus outbreak and the significant adjustments they have made following the end of the Brexit Transition Period on 31st December 2020.

It is crucial that the region delivers a stimulus package that will enable businesses to overcome these challenges and drives them forward as the UK moves into a new trading era and towards a sustainable and carbon neutral future.

“At Encirc we stand at the forefront of the container glass industry globally in our efforts to decarbonise meet the Government’s net zero target. It is essential that we have strong regional businesses and partners so that we can work together to tackle sustainable goals collectively. The proposed stimulus package will be an important element in achieving that.”



“Urenco UK Limited supports this bid for a fiscal stimulus package. The need for additional short-term financial support for the cross-border area in key sectors is clear. We have a diverse labour market and an integrated supply chain locally, and during COVID-19 we have seen a number of companies in our supply chain suffer economic challenges. This funding will enable the Mersey Dee Alliance to deliver immediate key sector cross border investment, over and above what is currently planned nationally and in Wales, which is of critical importance to recharge the local economy.”



“Net Zero North West is the cluster representative body for all industrial decarbonisation activity in the North West of England. We see collaboration with key industrial energy suppliers and energy intensive manufacturers in North Wales (and particularly the Mersey dee region), as pivotal to the future low carbon energy mix of North West England. We are fully supportive of the proposed Fiscal Stimulus Package bid and believe it to be crucial to future growth for the Mersey Dee Economy”.



“We are delighted to support this application for a fiscal stimulus package for the Mersey Dee Economy. The regions focus on clean, sustainable and inclusive growth fits seamlessly with the core values of our organisation. The regions ambition for improved cross border connectivity through improved digital infrastructure fits perfectly with our operational focus.”



“The West Cheshire and North Wales Chamber of Commerce fully supports the proposed Fiscal Stimulus Package for the Mersey Dee Economy. Businesses of all sizes and sectors have been informing us about the challenges they are facing following the Coronavirus outbreak and the significant adjustments they have made following the end of the Brexit Transition Period on 31st December 2020.

It is crucial that the region delivers a stimulus package that will enable business to overcome these challenges and drives them forward as the UK moves into a new trading era and towards a sustainable and carbon neutral future.”



“As the regional umbrella body for the private sector, the North Wales Mersey Dee Business Council supports this outline bid for a fiscal stimulus package. The need for additional short term and quickly delivered stimulus for the cross-border area key sectors is clear. Our cross-border economy, labour market and integrated supply chains linked to major employers on or near the border, has meant during the economic impacts associated with COVID we have lost substantial business growth and thousands of high value jobs. The special nature of the Mersey Dee economy means that delivering immediate targeted additional cross border investment, over and above that at national UK and Wales levels, is an absolute imperative.”



Over the past year Wirral Chamber of Commerce has supported and encouraged businesses throughout and Wirral and the wider region. It is both clear and essential that within this time period, and the months ahead, there is a greater need than ever to target and address the economic challenges ahead both nationally and internationally. Through discussions with business leaders and cross border representatives there is a collective agreement that fundamental action is required to deliver investment, crucial for job creation and protection, through a business package bringing strong support to offer competition and growth to businesses facing challenges as the UK goes forward in a new trading era.

A number of other stakeholders in the Mersey Dee area have also contributed time and resources to help develop the Fiscal Stimulus proposition:



HyNet North West





07: Taking the Package Forward

Taking the Package Forward

Our proposed fiscal stimulus package has been designed to address the urgent need to stimulate economic recovery in the Mersey Dee economy. We believe that our proposed programmes provide a compelling set of investment propositions that will drive short term economic recovery whilst delivering on national objectives for low carbon transition and growth, levelling up opportunity and developing skills and capabilities for the future. Our proposals will also help strengthen England-Wales connectivity.

Our partners in the public and private sectors are fully behind the package and recognise the urgent need to deliver.

We recognise that this is the starting point in a conversation. The proposals have been designed to offer an attractive, investable set of propositions suitable for funding by a range of potential funders.

The MDA will:

- Engage with the UK and Welsh Governments to take forward and negotiate funding for the proposals in the Strategic Proposition.
- Use the election period for the Welsh Senedd to engage with business and partners to further refine and develop our proposals, for example the Business Innovation and Challenge Fund
- Continue to work closely with our neighbouring Local Growth Partnerships to ensure that MDA proposals are complementary and add value to existing propositions like the LCR CA Recovery Plan, the North Wales Growth Deal and the Cheshire and Warrington Recovery Plan.

We are ready to deliver this quickly and to work with Government to make this happen.

We welcome feedback from Government on our proposals, and we look forward to working collaboratively to take this forward.

For more information, please contact us below.

Mersey Dee Alliance

Email: mda@cheshirewestandchester.gov.uk

Telephone: 0151 356 6567

HATCH



Eitem ar gyfer y Rhaglen 9



CORPORATE RESOURCES OVERVIEW AND SCRUTINY COMMITTEE

Date of Meeting	Thursday, 16 th September 2021
Report Subject	Budget 2022/23 – Stage 2 Overview
Cabinet Member	Cabinet Member for Finance, Procurement and Social Value
Report Author	Corporate Finance Manager, Chief Executive
Type of Report	Strategic

EXECUTIVE SUMMARY

This Committee has a key role in overseeing the contribution of the Overview and Scrutiny Committees to the budget examination and setting process.

We are now entering Stage 2 of the budget process for the 2022/23 financial year.

A report detailing the minimum additional budget requirement for 2022/23 and an early financial forecast for the two following financial years was reported to Cabinet and this Committee in July.

As part of its feedback, this Committee confirmed the expectation that all of the Overview and Scrutiny Committees should undertake a rigorous challenge of the pressures which make up the budget requirement within their area of responsibility.

The role of this Committee is to scrutinise the cost pressures within Corporate Services and Corporate Financing in addition to overseeing the overall budget process. This report reminds members of the latest budget position and the agreed approach to budget setting for 2022/23. A separate report on the agenda details the cost pressures that come under the committees remit.

The report also sets out the limited solutions available to fund these cost pressures. The funding strategy is highly dependent on sufficient national funding for local government.

Based on the current additional minimum budget requirement we would need an annual uplift in Welsh Government Grant of a minimum of 4.5%. This expectation has been communicated to Welsh Government via the Welsh Local Government Association and separately.

RECOMMENDATIONS

1	That the Committee notes the report and supports the approach for the individual Overview & Scrutiny Committees.
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REPORT DETAILS

1.00	EXPLAINING THE BUDGET POSITION FOR 2022/23
1.01	As in recent years the budget for 2022/23 will be considered in stages. The first stage was concluded in July which established a robust baseline of cost pressures. The review by Overview and Scrutiny Committees throughout September and October will form Stage 2. Stage 3 will cover the solutions to reach a legal and balanced budget.
1.02	A report detailing the minimum additional budget requirement for 2022/23 and an early financial forecast for the two following financial years was reported to Cabinet and this Committee in July. As part of its feedback this Committee confirmed the expectation that all of the Overview and Scrutiny Committees should undertake a rigorous challenge of the pressures which make up the budget requirement within their area of responsibility.
1.03	The role of this Committee is to scrutinise the cost pressures within Corporate Services and Corporate Financing in addition to overseeing the overall budget process. This report reminds Members of the latest budget position and the agreed approach to budget setting for 2022/23. A separate report on the agenda details the cost pressures that come under the committees remit.
1.04	The July report advised of a minimum budget requirement of an additional £16.750m of revenue resources in 2022/23. The most significant cost pressures are national pay awards, and service demand costs within the two portfolios of Education and Youth and Social Care.
1.05	Explaining the Forecast All inflationary, demand-led service and other cost pressures have been reviewed and evaluated.

	<p>The cost pressures have been categorised as:</p> <ul style="list-style-type: none"> - Prior Year Decisions/ Approvals - Loss of Income - Legislative/Unavoidable Indexation - Issues requiring national resolution - National Funding Requirements (Pay Awards) - Strategic Considerations - Capacity/New Posts 																																														
1.06	<p>The full details of the additional budget requirement are attached to this report in Appendix 1. A summary is given below.</p> <p><u>Table 1. Revised Summary 2022/23</u></p> <table border="1" data-bbox="320 674 1362 1346"> <thead> <tr> <th rowspan="3">Summary of Pressures</th> <th colspan="3">2022/23</th> </tr> <tr> <th>L</th> <th>M</th> <th>T</th> </tr> <tr> <th>£m</th> <th>£m</th> <th>£m</th> </tr> </thead> <tbody> <tr> <td>Prior Year Decisions/Approvals</td> <td>0.806</td> <td>0.773</td> <td>0.742</td> </tr> <tr> <td>Income Loss</td> <td>0.200</td> <td>0.490</td> <td>0.760</td> </tr> <tr> <td>Legislative/Unavoidable Indexation Pressures</td> <td>1.145</td> <td>1.245</td> <td>1.345</td> </tr> <tr> <td>National Resolution Pressures</td> <td>2.560</td> <td>2.975</td> <td>3.864</td> </tr> <tr> <td>National Funding Requirement (Pay)</td> <td>4.918</td> <td>6.788</td> <td>10.164</td> </tr> <tr> <td>Strategic Decisions</td> <td>5.807</td> <td>7.513</td> <td>10.153</td> </tr> <tr> <td>New Posts - Capacity</td> <td>0.811</td> <td>0.861</td> <td>0.911</td> </tr> <tr> <td>New Posts - Other</td> <td>0.502</td> <td>0.502</td> <td>0.502</td> </tr> <tr> <td>Total Pressures</td> <td>16.749</td> <td>21.145</td> <td>28.440</td> </tr> </tbody> </table>	Summary of Pressures	2022/23			L	M	T	£m	£m	£m	Prior Year Decisions/Approvals	0.806	0.773	0.742	Income Loss	0.200	0.490	0.760	Legislative/Unavoidable Indexation Pressures	1.145	1.245	1.345	National Resolution Pressures	2.560	2.975	3.864	National Funding Requirement (Pay)	4.918	6.788	10.164	Strategic Decisions	5.807	7.513	10.153	New Posts - Capacity	0.811	0.861	0.911	New Posts - Other	0.502	0.502	0.502	Total Pressures	16.749	21.145	28.440
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1.07	<p>Strategic Funding Solutions</p> <p>The solutions available to the Council to fund the cost pressures are three-fold:-</p> <ul style="list-style-type: none"> - Government Funding (Aggregate External Finance) - Local Taxation and Income - Service Efficiencies <p>We can also consider suppressing the budget requirement by not making full budget provision for some risks and treating them as ‘open risks’ to be managed in-year.</p> <p>The funding strategy is highly dependent on sufficient national funding for local government. Based on the current additional minimum budget requirement we would need an annual uplift in Welsh Government Grant of a minimum of 4.5%.</p>																																														

1.08	<p>Update on Service Efficiencies</p> <p>In July we reported that a realistic minimum target of £2m was estimated as a contribution to the budget for 2022/23. Work has been undertaken over the Summer with all services working to identify areas that can contribute to this target.</p> <p>To date a figure of £1.250m has been identified as a realistic and achievable efficiency figure and work is ongoing on a number of areas.</p>																
1.09	<p>Review of Service Balances</p> <p>As part of its feedback on the July report, this Committee requested that all service reserves and balances be reviewed to ensure that they were still required for their original purpose and to see if any cost pressures could be met from the release of these to un-earmarked reserves. A report will be brought back to this Committee in October following the completion of this work.</p> <p>It should be noted however that any use of reserves should be for cost pressures that are one-off or time limited.</p>																
1.10	<p>Next Steps</p> <p>This is the first meeting of the series of Overview and Scrutiny Committees that will take place through September and October. The timetable of all committees is detailed below and the feedback from all meetings will be brought back to this committee on 14 October.</p> <p><u>Table 2. Summary of Scrutiny Meetings</u></p> <table border="1" data-bbox="320 1263 1410 1603"> <thead> <tr> <th data-bbox="320 1263 1083 1301">Overview and Scrutiny Meeting</th> <th data-bbox="1091 1263 1410 1301">Date</th> </tr> </thead> <tbody> <tr> <td data-bbox="320 1312 1083 1375">CRO&SC – Corporate Services review</td> <td data-bbox="1091 1312 1410 1375">16/9/21</td> </tr> <tr> <td data-bbox="320 1375 1083 1413">Education, Youth and Culture</td> <td data-bbox="1091 1375 1410 1413">16/9/21</td> </tr> <tr> <td data-bbox="320 1413 1083 1451">Social & Health</td> <td data-bbox="1091 1413 1410 1451">30/9/21</td> </tr> <tr> <td data-bbox="320 1451 1083 1489">Environment and Economy</td> <td data-bbox="1091 1451 1410 1489">12/10/21</td> </tr> <tr> <td data-bbox="320 1489 1083 1527">Housing and Assets</td> <td data-bbox="1091 1489 1410 1527">13/10/21</td> </tr> <tr> <td data-bbox="320 1527 1083 1565">CRO&SC – Collective view</td> <td data-bbox="1091 1527 1410 1565">14/10/21</td> </tr> <tr> <td data-bbox="320 1565 1083 1603"></td> <td data-bbox="1091 1565 1410 1603"></td> </tr> </tbody> </table>	Overview and Scrutiny Meeting	Date	CRO&SC – Corporate Services review	16/9/21	Education, Youth and Culture	16/9/21	Social & Health	30/9/21	Environment and Economy	12/10/21	Housing and Assets	13/10/21	CRO&SC – Collective view	14/10/21		
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1.11	<p>Budget Timeline</p> <p>An outline of the local budget timeline at this stage is set out in the table below:</p>																

Table 3: Budget Timeline

Date	Event
September/October	Overview and Scrutiny Committees
19 October	Cabinet
20/21 December	WG Draft Budget/Provisional Settlement
14 December	Cabinet
18 January	Cabinet
15 February	Cabinet and Council
1 March	WG Final Budget/Settlement

2.00 RESOURCE IMPLICATIONS

- 2.01 **Revenue:** the revenue implications for the 2022/23 budget are set out in the report.
- Capital:** there are no new implications for the approved capital programme for either the current financial year or for future financial years – the capital programme will be subject to a separate report

3.00 CONSULTATIONS REQUIRED / CARRIED OUT

- 3.01 Member and Group Leader Briefings June/July 2021
Corporate Resource Overview and Scrutiny Committee
Individual Scrutiny Meetings September/October

4.00 RISK MANAGEMENT

- 4.01 As set out in the report.

5.00 APPENDICES

- 5.01 None

6.00 LIST OF ACCESSIBLE BACKGROUND DOCUMENTS

- 6.01 MTFs and Budget 2022/23 Cabinet Report 13th July 2021
Presentation to CROSC July 2021

7.00	CONTACT OFFICER DETAILS
7.01	<p>Contact Officer: Gary Ferguson, Corporate Finance Manager</p> <p>Telephone: 01352 702271</p> <p>E-mail: gary.ferguson@flintshire.gov.uk</p>

8.00	GLOSSARY OF TERMS
8.01	<p>Medium Term Financial Strategy (MTFS): a written strategy which gives a forecast of the financial resources which will be available to a Council for a given period, and sets out plans for how best to deploy those resources to meet its priorities, duties and obligations.</p> <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>Budget Requirement: The amount of resource required to meet the Councils financial priorities in a financial year.</p> <p>Forecast: An estimate of the level of resource needed in the future based on a set of demands or priorities.</p> <p>Capital: Expenditure on the acquisition of non-current assets or expenditure which extends the useful life of an existing asset.</p> <p>Revenue Support Grant: the annual amount of money the Council receives from Welsh Government to fund what it does alongside the Council Tax and other income the Council raises locally. Councils can decide how to use this grant across services although their freedom to allocate according to local choice can be limited by guidelines set by Government.</p> <p>Specific Grants: An award of funding from a grant provider (e.g. Welsh Government) which must be used for a pre-defined purpose.</p> <p>Welsh Local Government Association: the representative body for unitary councils, fire and rescue authorities and national parks authorities in Wales.</p> <p>Financial Year: the period of 12 months commencing on 1 April.</p>

Local Government Funding Formula: The system through which the annual funding needs of each council is assessed at a national level and under which each council's Aggregate External Finance (AEF) is set. The revenue support grant is distributed according to that formula.

Aggregate External Finance (AEF): The support for local revenue spending from the Welsh Government and is made up of formula grant including the revenue support grant and the distributable part of non-domestic rates.

Provisional Local Government Settlement: The Provisional Settlement is the draft budget for local government published by the Welsh Government for consultation. The Final Local Government Settlement is set following the consultation.

Funding Floor: a guaranteed level of funding for councils who come under the all-Wales average change in the annual Settlement. A floor has been a feature of the Settlement for many years.

Mae'r dudalen hon yn wag yn bwrpasol

Eitem ar gyfer y Rhaglen 10



CORPORATE RESOURCES OVERVIEW AND SCRUTINY COMMITTEE

Date of Meeting	Thursday, 16 th September 2021
Report Subject	Budget 2022/23 – Stage 2
Cabinet Member	Cabinet Member for Finance, Procurement and Social Value
Report Author	Corporate Finance Manager, Chief Executive
Type of Report	Strategic

EXECUTIVE SUMMARY

As in past years the budget for 2022/23 will be built up in stages.

The first stage was concluded in July where we established a robust baseline of cost pressures. The review by Overview and Scrutiny Committees throughout September and October will form stage 2 with Stage 3 being the identification of the funding solutions to ensure a legal and balanced budget.

In July, Cabinet and Corporate Resources Overview and Scrutiny Committee received the updated position on the budget for 2022/23 which showed that we have a minimum additional revenue budget requirement of an estimated £16.750m. The cost pressures identified were referred to the respective Overview and Scrutiny Committees with a request that they all undergo a rigorous review.

A further request was made that all service reserves and balances be reviewed to ensure that they were still required for their original purpose, and to see if any pressures could be met or eased from the release of any to the general reserve. Work is ongoing on this review and the details will be presented at the October meeting.

The details of the cost pressures for Corporate Services and Corporate Financing – which fall within the remit of this Committee - are included within this report. The Committee is invited to review these cost pressures and risks, and to advise on any areas of cost efficiency it believes should be explored further and the reasoning behind the request.

A slide presentation will be made at the meeting.

RECOMMENDATIONS

1	That the Committee reviews and comments on the Corporate Services and Corporate Financing cost pressures.
2	That the Committee advises on any areas of cost efficiency it believes should be explored further.

REPORT DETAILS

1.00	EXPLAINING THE BUDGET POSITION 2022/23		
1.01	The first stage for budget setting was concluded in July where we established a robust baseline of cost pressures. The review by Overview and Scrutiny Committees throughout September and October will form stage 2 with Stage 3 being the identification of the funding solutions to reach a legal and balanced budget.		
1.02	In July, Cabinet and Corporate Resources Overview and Scrutiny Committee received the updated position on the budget for 2022/23 which showed that we have a minimum additional revenue budget requirement of an estimated £16.750m. The cost pressures identified were referred to the respective Overview and Scrutiny Committees with a request that they all undergo a rigorous review.		
1.03	The purpose of this report is to set out in detail of the cost pressures for Corporate Services and Corporate Finance that are included within the minimum budget requirement.		
1.04	Corporate Portfolio Pressures These are set out in the paragraphs which follow.		
1.05	<u>Table 1: Governance Pressures</u>		
	Pressure Title	£m	Note
	Prior Year Decision/Approval		
	Unrealised Efficiency		
	<ul style="list-style-type: none"> Registration Service 	(0.036)	1.
	Legislative/Unavoidable Pressures	Indexation	
	<ul style="list-style-type: none"> Independent Review Panel for Wales (IRPW) 	0.029	2.
	<ul style="list-style-type: none"> Increased Microsoft Licencing Costs 	0.177	3.
	<ul style="list-style-type: none"> Business Systems Inflationary Rises 	0.016	4

Strategic Decisions		
• Members Broadband Allowance	0.025	5.
• Digital Strategy Pressures	0.301	6.
New Posts		
• Capacity & Resilience – Legal Services	0.058	7.

1. Registration Services – This reflects a pressure for loss of income in 21/22 which was one off and will therefore drop out from the base for 2022/23.
2. Independent Review Panel for Wales (IRPW) – An estimate of the annual increase to Members allowances which is due to be notified to Councils by the end of the year.
3. Increased Microsoft Licencing Costs – The pressure reflects the anticipated increased cost of the renewal of the Microsoft agreement in March 2022 due to enhanced security requirements and an increase in the number of users.
4. Business Systems Inflationary Rises – The pressure represents a 3% increase in the cost of business software maintenance agreements in 2022/23.
5. Members Broadband Allowances – The pressure is due to the introduction of a Members allowance for broadband as part of the Independent Remuneration Panel for Wales 2020 Annual Report.
6. Digital Strategy Pressures – Additional Pressures to support the delivery of the digital strategy including connectivity upgrades, software and additional resources.
7. Capacity and Resilience – Legal Services. This pressure is to address additional workloads in legal services. As set out in section 1.10, a number of requests for additional posts have been prioritised and will be included in an accelerated approvals report to Cabinet in September.

1.06

Table 2: People and Resources Pressures

Pressure Title	£m	Note
Prior Year Decisions/Approvals		
• P2P Upgrade	(0.019)	1.
Strategic Decisions		
• E Procurement Tools	0.041	2.
New Posts - Capacity		
• Occupational Health	0.074	3.
• Employment Services	0.035	4.

1. P2P Upgrade – The Purchase to Pay system (P2P) is the system by which purchase orders are raised within the Council and is an integral system that enables electronic invoicing. In 21/22 a one off pressure was included which drops out in 22/23.
2. E Procurement Tools – This pressure relates to Basware software which is linked to the P2P system reducing manual intervention. This has previously been funded by Welsh Government but is due to cease in March 2022.
3. Occupational Health - This pressures relates to additional increases in workload within the Occupational Health Team over the last 18 months. As set out in section 1.10, a number of requests for additional posts and resources have been prioritised and will be included in an accelerated approvals report to Cabinet in September.
4. Employment Services – A number of Itrent system improvements have been on hold for some time due to the capacity of this team. This pressure is for a fixed term contract for a period of 12 months to implement some key projects.

1.07

Table 3: Corporate Financing Pressures

Pressure Title	£m	Note
Prior Year Decisions/Approvals		
• Minimum Revenue Provision (MRP)	0.301	1.
• 21 st C Schools Band B Borrowing costs	0.128	2.
Legislative/Unavoidable Indexation		
• Coroner Service Fee Increase	0.027	3.
• North Wales Fire and Rescue Authority	0.331	4.
National Funding Requirement		
• NJC Pay Award 21/22 (Non Schools)	0.799	5.
• NJC Pay Award 22/23 (Non Schools)	1.790	6

1. Minimum Revenue Provision (MRP) – This is the amount set aside for the repayment of debt for historical capital spend following the change of policy to the annuity method.
2. 21st C Schools Band B Borrowing costs – These are the borrowing costs for the schemes that have already been approved.
3. Fee Increase for Coroners Service – An estimate of the increase required for the next financial year.
4. North Wales Fire and Rescue Authority (NWFRA) – An estimate of the increase required for the next financial year. This figure is based on the levy increase from the previous budget. The final figure may be higher or lower than this estimate
5. NJC Pay Award 2021/22 – Potential Pay award in year net of the provision made in the 21/22 budget for posts under £24,000. This is still subject to negotiation and an increased offer has been made since the calculation of this pressure (from 1.5% to 1.75%).
6. NJC Pay Award 22/23 – Estimate of an additional pay award in 22/23 with a range of scenarios modelled from 1% to 3%. Includes incremental increases and assumes an increase of 1.5% for 21/22. This will be subject to amendment once the final pay offer has been agreed.

1.08

Table 4: Chief Executive Office Pressures

Pressure Title	£m	Note
New Post - Capacity		
<ul style="list-style-type: none"> • Strategic Executive Officer 	0.063	1.

1. **Strategic Executive Officer** – This position replaces the Income Generation and Marketing Manager post which has been adapted as a new post within a mini restructure of the Chief Executive’s portfolio following changes to the former Corporate Business and Communications team. As set out in section 1.10, a number of requests for additional posts have been prioritised and will be included in an accelerated approvals report to Cabinet in September.

1.09

Table 5: Summary of Pressures

Portfolio	Low (£m)
Governance	0.570
People & Resources	0.131
Corporate Financing	3.376
Chief Executive	0.063
Total	4.140

1.10

Organisational Capacity

The capacity of the organisation has been reduced over a number of years, in some areas of service management and operations, due to the need to reduce budget overheads to achieve our efficiency targets. The experience of managing the pandemic and endemic situation over the past 18 months has led to some increases in workload in certain areas, and the Council has set out some priorities which will require additional capacity in the Council Plan and through the leadership of the Council.

The Chief Executive and Chief Officer Team have reviewed these capacity needs in depth. We have prioritised a number of requests for additional posts to supplement operational teams for consideration by the Overview and Scrutiny Committees as potential cost pressures for 2022/23 onwards. These requests are all supported by business cases. Our recommendation to Council will be that these requests are supported in order of priority. The extent to which this list of requests can be funded will depend on the financial “headroom” we will have when we are on the verge of setting the annual budget in the new year.

From amongst this set of requests a small number have been prioritised for accelerated approval within 2021/22 and in advance of the annual budget setting. This accelerated approval will be the subject of a separate report to Cabinet in September.

1.11

Budget Timeline

An outline of the local budget timeline at this stage is set out in the table below:

Table 6: Budget Timeline

Date	Event
September/October	Overview and Scrutiny Committees
20/21 December	WG Draft Budget/Provisional Settlement
14 December	Cabinet
18 January	Cabinet
15 February	Cabinet and Council
1 March	WG Final Budget/Settlement

2.00	RESOURCE IMPLICATIONS
2.01	<p>Revenue: the revenue implications for the 2022/23 budget are set out in the report.</p> <p>Capital: there are no new implications for the approved capital programme for either the current financial year or for future financial years – the capital programme will be subject to a separate report</p>

3.00	CONSULTATIONS REQUIRED / CARRIED OUT
3.01	<p>Member and Group Leader Briefings June/July 2021 Corporate Resource Overview and Scrutiny Committee Individual Scrutiny Meetings September/October</p>

4.00	RISK MANAGEMENT
4.01	As set out in the report.

5.00	APPENDICES
5.01	None

6.00	LIST OF ACCESSIBLE BACKGROUND DOCUMENTS
6.01	MTFS and Budget 2022/23 Cabinet Report 13 th July 2021 Presentation to CROSC July 2021

7.00	CONTACT OFFICER DETAILS
7.01	<p>Contact Officer: Gary Ferguson, Corporate Finance Manager Telephone: 01352 702271 E-mail: gary.ferguson@flintshire.gov.uk</p>

8.00	GLOSSARY OF TERMS
8.01	<p>Medium Term Financial Strategy (MTFS): a written strategy which gives a forecast of the financial resources which will be available to a Council for a given period, and sets out plans for how best to deploy those resources to meet its priorities, duties and obligations.</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.

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.

Budget Requirement: The amount of resource required to meet the Councils financial priorities in a financial year.

Forecast: An estimate of the level of resource needed in the future based on a set of demands or priorities.

Capital: Expenditure on the acquisition of **non-current assets** or expenditure which extends the useful life of an existing asset.

Revenue Support Grant: the annual amount of money the Council receives from Welsh Government to fund what it does alongside the Council Tax and other income the Council raises locally. Councils can decide how to use this grant across services although their freedom to allocate according to local choice can be limited by guidelines set by Government.

Specific Grants: An award of funding from a grant provider (e.g. Welsh Government) which must be used for a pre-defined purpose.

Welsh Local Government Association: the representative body for unitary councils, fire and rescue authorities and national parks authorities in Wales.

Financial Year: the period of 12 months commencing on 1 April.

Local Government Funding Formula: The system through which the annual funding needs of each council is assessed at a national level and under which each council's Aggregate External Finance (AEF) is set. The revenue support grant is distributed according to that formula.

Aggregate External Finance (AEF): The support for local revenue spending from the Welsh Government and is made up of formula grant including the revenue support grant and the distributable part of non-domestic rates.

Provisional Local Government Settlement: The Provisional Settlement is the draft budget for local government published by the Welsh Government for consultation. The Final Local Government Settlement is set following the consultation.

Funding Floor: a guaranteed level of funding for councils who come under the all-Wales average change in the annual Settlement. A floor has been a feature of the Settlement for many years.

Eitem ar gyfer y Rhaglen 11



CORPORATE RESOURCES OVERVIEW AND SCRUTINY COMMITTEE

Date of Meeting	Thursday, 16 th September 2021
Report Subject	Flintshire Financial Sustainability Assessment Report
Cabinet Member	Cabinet Member for Finance, Social Value and Procurement
Report Author	Chief Executive and Corporate Finance Manager
Type of Report	Operational

EXECUTIVE SUMMARY

A Financial Sustainability Assessment across all Welsh Councils has been undertaken by Audit Wales and the report for Flintshire is appended to the attached Cabinet report which will be presented on 21 September.

RECOMMENDATIONS

1	Members are asked to note and comment on the report and to bring any relevant matters to the attention of Cabinet.
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REPORT DETAILS

1.00	EXPLAINING THE FINANCIAL SUSTAINABILITY ASSESSMENT
1.01	The background to the project and the Audit Wales report is included in the attached Cabinet Report. A representative from Audit Wales will be in attendance at the meeting.

2.00	RESOURCE IMPLICATIONS
2.01	No additional resource implications arising directly from the report.

3.00	IMPACT ASSESSMENT AND RISK MANAGEMENT
3.01	As set out in the report

4.00	CONSULTATIONS REQUIRED/CARRIED OUT
4.01	The report will be shared with Cabinet on 21 September and Governance and Audit Committee on 27 September.

5.00	APPENDICES
5.01	Appendix 1 – Cabinet Report 21 September Appendix 2 – Audit Wales Report

6.00	LIST OF ACCESSIBLE BACKGROUND DOCUMENTS
6.01	<i>None</i>

7.00	CONTACT OFFICER DETAILS
7.01	Contact Officer: Gary Ferguson, Corporate Finance Manager Telephone: 01352 702271 E-mail: gary.ferguson@flintshire.gov.uk

8.00	GLOSSARY OF TERMS
	See attached report

CABINET

Date of Meeting	Tuesday, 21 September 2021
Report Subject	Flintshire Financial Sustainability Assessment Final Report
Cabinet Member	Cabinet Member for Finance, Social Value and Procurement
Report Author	Chief Executive and Corporate Finance Manager
Type of Report	Operational

EXECUTIVE SUMMARY

A Financial Sustainability Assessment across all Welsh Councils has been undertaken by Audit Wales and the report for Flintshire is attached as Appendix 1.

Audit Wales worked with Welsh Government, Welsh Local Government Association and the Society of Welsh Treasurers in planning the review. The project is the second part (Phase 2) of their review into financial sustainability in Welsh Councils - Phase 1 was a baseline assessment of the initial impact of COVID-19 on local Councils' financial position.

The summary and findings in the report outlines a fair reflection of the Council's financial position and there are no new issues to report. Therefore, a formal response has not been prepared as per usual practice.

The report will also be presented to Corporate Resources Overview and Scrutiny Committee on 16 September and Governance and Audit Committee on 27 September.

RECOMMENDATIONS

1	That Cabinet note the report from Audit Wales.
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REPORT DETAILS

1.00	EXPLAINING THE FINANCIAL SUSTAINABILITY ASSESSMENT
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1.01	A Financial Sustainability Assessment across all Welsh Councils has been undertaken by Audit Wales and the report for Flintshire is attached as Appendix 1.
1.02	Audit Wales worked with Welsh Government, Welsh Local Government Association and the Society of Welsh Treasurers in planning the review. The project is the second part (Phase 2) of their review into financial sustainability in Welsh councils - Phase 1 was a baseline assessment of the initial impact of COVID-19 on local Councils' financial position.
1.03	The aims of the project were: <ul style="list-style-type: none"> • to explain from an independent perspective the initial impact of COVID-19 on local authorities' financial position and anticipated impact going forward (including identifying key risks to financial sustainability over the short and medium term). • to gain assurance that local authorities are putting in place proper arrangements to maintain financial sustainability in view of the ongoing COVID-19 pandemic. • to identify notable practice in meeting the financial challenges associated with COVID-19 both from within Wales and elsewhere that may be replicable in other local authorities in Wales.
1.04	A local report has been prepared for each Council and a national summary report is also being prepared and will be issued later in the year.
1.05	The summary and findings in the report outlines a fair reflection of the Council's financial position and there are no new issues to report. Therefore, a formal response has not been prepared as per usual practice.
1.06	The report will also be presented to Corporate Resources Overview and Scrutiny Committee on 16 September and Governance and Audit Committee on 27 September.

2.00	RESOURCE IMPLICATIONS
2.01	None directly arising from the report.

3.00	IMPACT ASSESSMENT AND RISK MANAGEMENT
3.01	As set out in the reports.

4.00	CONSULTATIONS REQUIRED/CARRIED OUT
4.01	The report will be shared with Corporate Resources Overview and Scrutiny Committee on 16 September and Governance and Audit Committee on 27 September.

5.00	APPENDICES
5.01	Appendix 1 – Audit Wales Financial Sustainability Assessment

6.00	LIST OF ACCESSIBLE BACKGROUND DOCUMENTS
6.01	None

7.00	CONTACT OFFICER DETAILS
7.01	<p>Contact Officer: Gary Ferguson, Corporate Finance Manager Telephone: 01352 702271 E-mail: gary.ferguson@flintshire.gov.uk</p>

8.00	GLOSSARY OF TERMS
	<p>Medium Term Financial Strategy (MTFS): a written strategy which gives a forecast of the financial resources which will be available to a Council for a given period, and sets out plans for how best to deploy those resources to meet its priorities, duties and obligations.</p> <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: Expenditure on the acquisition of non-current assets or expenditure which extends the useful life of an existing asset.</p> <p>Revenue Support Grant: the annual amount of money the Council receives from Welsh Government to fund what it does alongside the Council Tax and other income the Council raises locally. Councils can decide how to use this grant across services although their freedom to allocate according to local choice can be limited by guidelines set by Government.</p> <p>Specific Grants: An award of funding from a grant provider (e.g. Welsh Government) which must be used for a pre-defined purpose.</p> <p>Welsh Local Government Association: the representative body for unitary councils, fire and rescue authorities and national parks authorities in Wales.</p>

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Aggregate External Finance (AEF): The support for local revenue spending from the Welsh Government and is made up of formula grant including the revenue support grant and the distributable part of non-domestic rates.

Financial Sustainability Assessment – Flintshire County Council

Audit year: 2020-21

Month/Year issued: July 2021

Document reference: 2448A2021-22

This document has been prepared as part of work performed in accordance with section 17 of the Public Audit (Wales) Act 2004 (the 2004 Act) and section 18 of the Local Government (Wales) Measure 2009. It may also inform a study for improving value for money under section 41 of the 2004 Act, and/or an examination undertaken by the Auditor General under section 15 of the Wellbeing of Future Generations Act (Wales) 2015.

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We welcome correspondence and telephone calls in Welsh and English. Corresponding in Welsh will not lead to delay. Rydym yn croesawu gohebiaeth a galwadau ffôn yn Gymraeg a Saesneg. Ni fydd gohebu yn Gymraeg yn arwain at oedi.

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

Contents

Summary report

What we looked at and why 4

Detailed report

The Council's focus is on improving its financial resilience by addressing budgetary pressures in key demand-led service areas 5

The immediate impact of COVID-19 on the Council's financial sustainability has been mitigated by additional Welsh Government funding 5

The Council has a clear, well communicated financial strategy; it is focused on improving its resilience by addressing budgetary pressures in key demand-led service areas 6

The Council's usable reserves have increased in 2020-21 but in the previous years the use of reserves to help balance the budget has decreased their levels which the Council recognises significantly limits its resilience to service risk 9

The Council has a track record of keeping closely to its planned budgets in most areas 11

The Council has a track record of delivering planned savings: however, identifying and delivering savings will be more challenging going forward 12

The Council's liquidity ratio has been at the same level for the last three years 13

Summary report

What we looked at and why

- 1 We undertook this assessment as financial sustainability continues to be a risk to councils putting in place proper arrangements to secure value for money in the use of resources. In part, this was informed by experiences of some councils in England, our knowledge of the financial situation in councils in Wales, and the general trend of decreasing resources for local government combined with rising demand for some services. We undertook a similar project in 2019-20, before the COVID-19 pandemic.
- 2 Our 2020-21 assessment on councils' financial sustainability was in two phases. Phase 1 was a baseline assessment of the initial impact of COVID-19 on local councils' financial position. Phase 1 drew on: the year-end position for 2019-20; the position at the end of quarter 1 for 2020-21; and projections for quarter 2 for 2020-21. Following Phase 1, in October 2020 we published a national summary report – **Financial Sustainability of Local Government as a result of the COVID-19 Pandemic**¹. We found that councils and the Welsh Government have worked well together to mitigate the impact of the pandemic to date, but the future sustainability of the sector is an ongoing challenge.
- 3 The pandemic has had an immediate and profound effect on public sector finances as a whole and, as a consequence, on councils' financial position. The summary report set a high-level baseline position, including the reserves position of local councils before the pandemic. It also set out the initial financial implications of the pandemic for local councils and the scale of the anticipated challenge going forward.
- 4 This report concludes phase 2 of our financial sustainability assessment work during 2020-21. As part of this we are producing a local report for each of the 22 principal councils in Wales.
- 5 We undertook this assessment during March 2021.

¹ Audit Wales, [Financial Sustainability of Local Government as a Result of the COVID-19 Pandemic](#), October 2020.

Detailed report

The Council's focus is on improving its financial resilience by addressing budgetary pressures in key demand-led service areas

The immediate impact of COVID-19 on the Council's financial sustainability has been mitigated by additional Welsh Government funding

6 This section sets out the impact that COVID-19 has had to date on the Council's financial position and the extent to which this has been mitigated by additional funding from the Welsh Government.

7 We found that:

- the Council estimates that most of its COVID-19 related expenditure and lost income in 2020-21 is covered by Welsh Government funding.
- the Council has estimated that about £0.6 million of additional COVID-19 related expenditure and £0.3 million of income loss during 2020-21 will not be covered by the additional funding from the Welsh Government.
- the Council recognises there will be a continued impact of the pandemic on specific service areas during 2021-22.
- the Council anticipates a fall in council tax collection rates (98.7% in 2021-22) due to the decreasing numbers of furloughed and an increase in newly unemployed residents as a direct result of the pandemic. The Council has budgeted for a reduction of 0.2% in its council tax collection rate for 2021-22, which equates to £0.180 million in cash terms to recognise the anticipated impact.

Exhibit 1: the cost to the Council of COVID-19 in 2020-21²

The table below shows the Council's estimated additional expenditure and lost income in 2020-21 as a result of COVID-19 and how much of this was mitigated by extra funding from the Welsh Government³.

The additional amount the Council estimates it will have spent as a result of COVID-19 over 2020-21.	£14 million
The amount of income the Council estimates it will have lost as a result of COVID-19 over 2020-21.	£4.5 million
The amount of additional funding the Council estimates it will receive from the Welsh Government over 2020-21 to mitigate the impact of COVID-19.	£18.1 million
Additional funding from Welsh Government to cover "savings not achieved" and "digital transformation.	£2.4 million
The cost to the Council of COVID-19 over 2020-21 after extra funding from the Welsh Government is taken into account.	£0.9 million

The Council has a clear, well communicated financial strategy; it is focused on improving its resilience by addressing budgetary pressures in key demand-led service areas

Why strategic financial planning is important

- 8 A clear and robust financial strategy is important to identify the likely level of funding available to a council, as well as the anticipated level of demand for, and cost of, providing services. Given the recent and anticipated funding pressures facing all councils it is also important to identify how it intends to respond to those pressures, and particularly how they will meet projected funding gaps.
- 9 Public services have been significantly impacted by the pandemic and, in this context, mitigating the impact on councils will not only depend on the actions that

² Source: Flintshire County Council self-assessment to Audit Wales. March 2021

³ In July 2021 the Council still has a number of claims not confirmed by the Welsh Government.

they are able to take, but also to a large degree on the amount of resources allocated by governments. We recognise that a key issue for councils in trying to financially plan over the medium term remains uncertainty around both the level of funding they will receive from government, and their own income streams, such as council tax and fees and charges.

10 We found that:

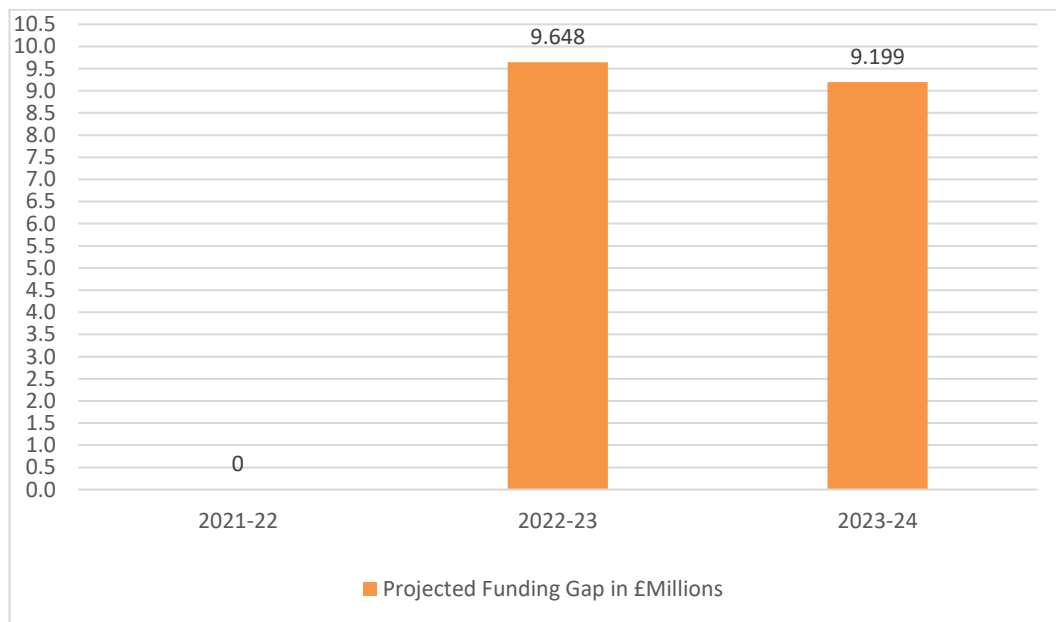
- the Council has a clear and well-articulated medium term financial strategy for the period 2021-2024 but its reliance on lobbying Welsh Government for improved funding in order to set a balanced budget remains a high risk approach. The Council's stated policy remains that it is not prepared to compromise the range, quality, or safety of services to deliver a balanced budget. The Council contends that the options to cut budgets whilst maintaining services at a level acceptable to communities and both safe and compliant with statute are now largely exhausted.
- the Council has not made any major changes to its approach to developing the Medium-Term Financial Strategy (MTFS) in 2021 as it has been focussed on managing the pandemic. The current MTFS clearly set out a funding gap, relative to its 2019-20 net cost of services, of £16.75 million. The combined forecast for the next two years is just under £19 million. The Council recognises that longer-term projections would be useful in helping it to plan further ahead and is in the process of refreshing its MTFS.
- the Council is focused on improving its resilience by addressing budgetary pressures in key demand-led service areas such as education and out of county placements. In the 2021-22 budget the Council plans to make a significant investment in education and schools with a funding increase of 3.6%. To address the cost of out of county placements and improve its service, the Council is planning to develop its own residential care home provision for children and young people over the next three financial years through the delivery of a range of projects. These included new emergency provision to enable an effective response to crisis situations and small group homes to enable children to live within their local community.
- the Council has a good track record of collecting council tax but performance declined from 98.2% in 2018-19 to 97.9% in 2019-20 although it remains in the top quartile for performance in Wales⁴. Council tax income in Flintshire has increased from 23% of net revenue sources in 2010-11 to 31% in 2019-20.

⁴ Source: Statistics for Wales – council tax collection rates in Wales 2019-20

- the Council has undertaken other significant service transformation to improve productivity in several areas by implementing new service delivery models (leisure, libraries and facilities) and has realised some additional income. During the period 2021-24 the Council plans to continue to take a multistrand approach through the following initiatives:
 - further reshaping of services/modernisation programmes;
 - exploring benefits arising from regional/collaboration programmes;
 - making changes to fees, charges and income generation; and
 - considering alternative delivery models.

Exhibit 2: the Council projected funding gap for the years 2021-24

This graph shows the funding gap that the Council has identified for the following years.



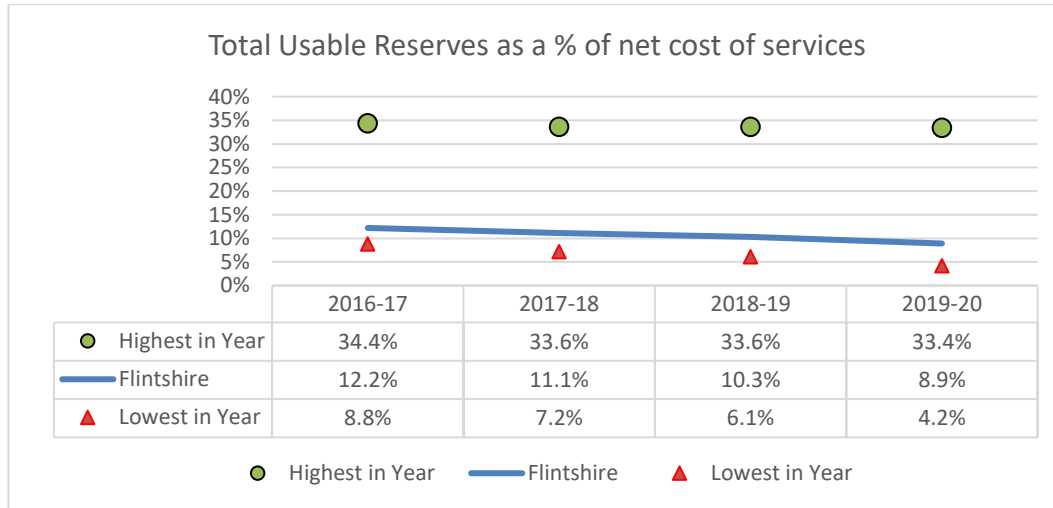
The Council's usable reserves have increased in 2020-21 but in the previous years the use of reserves to help balance the budget has decreased their levels which the Council recognises significantly limit its resilience to service risk

Why sustainable management of reserves is important

- 11 Healthy levels of useable reserves are an important safety net to support financial sustainability. As well as being available to fund unexpected funding pressures, useable reserves can also be an important funding source to support 'invest to save' initiatives designed to reduce the ongoing cost of providing services. Councils that show a pattern of unplanned use of reserves to plug gaps in their revenue budget that result in reductions of reserve balances reduce their resilience to fund unforeseen budget pressures in future years.
- 12 We found that:
- the Council's policy on reserves sets out how the Council manages and reviews its reserves position. Cabinet and Overview and Scrutiny receive information via the regular budget monitoring reports.
 - over the three years 2016-18 to 2018-19 the planned use of £6.5 million of reserves has been used to help set a balanced budget.
 - the Council's useable reserves have increased to around £38.5 million in March 2021 from £24.3 million in March 2020.
 - the Council acknowledges that using reserves in setting a balanced budget will 'significantly limit the Council's resilience to service risk' and its overall sustainability.

Exhibit 3: amount of reserves vs annual budget

This exhibit shows the amount of usable reserves the Council had during 2020-21 and the previous four years as a proportion of the net cost of the services the Council delivers.



	2016-17	2017-18	2018-19	2019-20	2020-21
Net Cost of Services in £ millions ⁵	258.2	258	265.5	273.3	
Total Useable Reserves in £ millions ⁶	31.5	28.6	27.3	24.3	
Total Useable Reserves as a % of net cost of services ⁷	12.2	11.1	10.3	8.9	
Comparison with the other councils of Wales	16	17	16	21	not available

⁵ Value used is the net cost of services charged to the general fund from the Expenditure Funding Analysis, less any Housing Revenue Account cost of services, plus precepts, levies and debt interest. Source: Statement of Accounts

⁶ By usable reserves we mean the total general fund balance, together with earmarked reserves that councils are not legally prevented from redirecting to use for another purpose. Source: Statement of Accounts

⁷ Audit Wales calculation.

The Council has a track record of keeping closely to its planned budgets in most areas

Why accurately forecasting expenditure is important

- 13 It is important that overspending and underspending are kept under control and that actual expenditure is as close to the levels planned as possible. A council that is unable to accurately forecast and plan expenditure runs the risk of creating unforeseen financial pressures that may compromise the ability to set a balanced budget. Significant patterns of underspending may be reducing the ability of a council to deliver its key objectives or meet its statutory responsibilities
- 14 We found that:
- in the two years from 2018-19 to 2019-20, the Council has kept closely to its planned budgets in most areas, delivering 98% of its planned savings in both years.
 - although in December 2020 the Council was anticipating an overall revenue overspend in 2020-21 due to the impact of the pandemic, additional Welsh Government support in the Spring 2021 allowed the Council to keep to its planned budget. The Council does not anticipate an overall overspend in 2020-21 once final payments are received from the Welsh Government.
 - in 2021-22 the Council foresees possible areas of risk for potential overspends due to unknown pay rises, social care pressures, and demand-led services. In 2021-22 a total of £2.363 million budget efficiencies reduction is planned for all services, except schools, and the Council recognise the need for regular specific monitoring and reporting of budget delivery.

Exhibit 4: amount of overspend/underspend relative to total net revenue budget

The following exhibit shows the amount of overspend or underspend for the Council's overall net revenue budget for the last four years and also the year to date as at 4 March 2021.

	2016-17	2017-18	2018-19	2019-20	2020-21
Original Net revenue budget £ millions ⁸	251.99	255.16	264.39	271.35	285.98
Actual Net Revenue Outturn ⁹	249.95	253.05	263.72	270.91	285.06
Amount of overall underspend ¹⁰	2.04	2.11	0.67	0.44	0.92
Percentage difference from net revenue budget	0.81%	0.83%	0.25%	0.16%	0.32%

The Council has a track record of delivering planned savings: however, identifying and delivering savings will be more challenging going forward

Why the ability to identify and deliver savings plans is important

15 The ability to identify areas where specific financial savings can be made, and to subsequently make those savings, is a key aspect of ensuring ongoing financial sustainability against a backdrop of increasing financial pressures. Where savings plans are not delivered this can result in overspends that require the use of limited reserves whilst increasing the level of savings required in future years to compensate for this. Where savings plans are not delivered and service areas are required to make unplanned savings, this increases the risk either of savings not being aligned to the Council's priorities, or of 'short-term' solutions that are not sustainable over the medium term.

We found that:

- the Council has an improving track record in delivering the specific savings it has identified. In 2015-16 the Council reported that it achieved 83% of its planned savings. Over successive years the Council has improved its position, delivering 98.1% of its planned savings in 2019-20.

⁸ Value used is the net cost of services charged to the general fund from the Expenditure Funding Analysis, less any Housing Revenue Account cost of services, plus precepts, levies and debt interest. Source: Statement of Accounts

⁹ By usable reserves we mean the total general fund balance, together with earmarked reserves that councils are not legally prevented from redirecting to use for another purpose. Source: Statement of Accounts

¹⁰ Audit Wales calculation.

- this improvement has been reflected in the performance targets the Council sets itself within its MTFS.

Exhibit 5: savings delivered during 2019-20 to 2020-21 as a percentage of planned savings

The following exhibit sets how much money the Council intended to save from its savings plans during 2018-19 and 2019-20 and how much of this it actually saved as well as estimated figures for 2020-21.

	2018-19	2019-20	2020-21 estimate
Total planned savings in £ millions ¹¹	5.51	6.82	5.21
Planned savings achieved in £ millions ¹²	5.41	6.13	5.36
Planned savings not achieved in £ millions	0.10	0.69	(0.15) above target
Percentage of savings achieved	98%	90.0%	103%

The Council's liquidity ratio has been at the same level for the last three years

Why the Council's liquidity position is important

- 16 Why gauging current assets to current liabilities (liquidity) is important:
- an indicator of how a council manages its short-term finances.
 - while it is commonly used to examine whether organisations are able to pay their debts in the short term, this is unlikely to be a risk for councils given their ability to take short-term borrowing. It does also, however, act as an indicator of how a council manages its short-term finances.
 - councils with low liquidity ratios should ensure they have arrangements in place to meet their liabilities.

¹¹ Value used is the net cost of services charged to the general fund from the Expenditure Funding Analysis, less any Housing Revenue Account cost of services, plus precepts, levies and debt interest. Source: Statement of Accounts

¹² By usable reserves we mean the total general fund balance, together with earmarked reserves that councils are not legally prevented from redirecting to use for another purpose. Source: Statement of Accounts

- there may be additional costs for councils that rely on short-term borrowing to pay debts.
- councils with very high liquidity ratios should consider whether they are managing their current assets in the most effective way.

17 We found that:

- the Council has maintained the same liquidity ratio over the last three years.
- the Council has a Treasury management strategy in place that sets out arrangements to meet liabilities. The strategy is reviewed annually and is subject to scrutiny by the Audit Committee.

Exhibit 6: working capital ratio 2015-16 to 2019-20

	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21 estimate
Current Assets ¹³	65	52.5	78.8	76.3	86	N/A
Current Liabilities ¹⁴	36.8	51.9	94.1	91.6	104.3	N/A
Working Capital Ratio	1.8	1.0	0.8	0.8	0.8	N/A

¹³ Current Assets, includes: Short Term Investments; Assets held for sale; Inventories; Short Term Debtors; and Cash and equivalent

¹⁴ Current Liabilities, includes Short Term Borrowing; Short Term Creditors; and Provisions due in one year.



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We welcome correspondence and telephone calls in Welsh and English.
Rydym yn croesawu gohebiaeth a galwadau ffôn yn Gymraeg a Saesneg.

Eitem ar gyfer y Rhaglen 12



CORPORATE RESOURCES OVERVIEW AND SCRUTINY COMMITTEE

Date of Meeting	Thursday, 16 th September 2021
Report Subject	Revenue Budget Monitoring 2021/22 Month 4 and Capital Programme 2021/22 Month 4
Cabinet Member	Cabinet Member for Finance, Social Value and Procurement
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 2021/22 (Month 4) Report and the Capital Programme 2021/22 (Month 4).

RECOMMENDATIONS

1	That the committee considers and comments on the Revenue Budget Monitoring 2021/22 (Month 4) 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 2021/22 (Month 4) report. Any specific matters for attention will be noted and reported back to the Cabinet when it considers the report.

REPORT DETAILS

1.00	EXPLAINING THE REVENUE BUDGET MONITORING POSITION 2021/22 (MONTH 4), CAPITAL PROGRAMME 2021/22 (MONTH 4)
1.01	The Revenue Budget Monitoring 2021/22 (Month 4) report will be presented to Cabinet on Tuesday 21st September, 2021. A copy of the report is attached as Appendix A to this report.
1.02	The Capital Programme 2021/22 (Month 4) report will be presented to Cabinet on Tuesday 21st September, 2021. A copy of the report is attached as Appendix B to this report.

2.00	RESOURCE IMPLICATIONS
2.01	As set out in Appendix A; Revenue Budget Monitoring 2021/22 (Month 4), Capital Programme 2021/22 (Month 4).

3.00	IMPACT ASSESSMENT AND RISK MANAGEMENT
3.01	As set out in Appendix A; Revenue Budget Monitoring 2021/22 (Month 4), in Appendix B; Capital Programme 2021/22 (Month 4).

4.00	CONSULTATIONS REQUIRED / CARRIED OUT
4.01	None required.

5.00	APPENDICES
5.01	Appendix A; Revenue Budget Monitoring 2021/22 (Month 4) Appendix B; Capital Programme 2021/22 (Month 4)

6.00	LIST OF ACCESSIBLE BACKGROUND DOCUMENTS
6.01	None required.

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

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>

Mae'r dudalen hon yn wag yn bwrpasol



CABINET

Date of Meeting	Tuesday, 21 September 2021
Report Subject	Revenue Budget Monitoring 2021/22 (Month 4)
Cabinet Member	Cabinet Member for Finance, Social Value and Procurement
Report Author	Corporate Finance Manager
Type of Report	Operational

EXECUTIVE SUMMARY

An interim budget monitoring report was presented to Cabinet in July. Based on high level assumptions the potential variations to budget identified by Portfolios equated to a minimum net additional expenditure requirement of £1m.

This is the first detailed update and takes into account grant funding being claimed through the Welsh Government Hardship Fund.

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 £0.739m (excluding the impact of the pay award which will be met by reserves)
- A projected contingency reserve balance as at 31st March, 2022 of £5.057m

Housing Revenue Account

- Net in-year revenue expenditure forecast to be £0.495m higher than budget
- A projected closing balance as at 31st March, 2022 of £3.978m

To assist with managing risks and mitigating the overall projected overspend, the review of non-essential spend and a vacancy management process continues.

RECOMMENDATIONS

APPENDIX A

1	To note the report and the estimated financial impact on the 2021/22 budget.
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REPORT DETAILS

1.00	EXPLAINING THE REVENUE BUDGET MONITORING 2021/22																																
1.01	<p>Council Fund Projected Position</p> <p>An interim budget monitoring report was presented to Cabinet in July. Based on high level assumptions the potential variations to budget identified by Portfolios equated to a minimum net additional expenditure requirement of £1m. This is the first detailed update and takes into account grant funding being claimed through the Welsh Government Hardship Fund.</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 £0.739m (excluding the impact of the pay award which will be met by reserves) • A projected contingency reserve available balance as at 31 March 2022 of £5.057m. <p>To assist with managing risks and mitigating the overall projected overspend, the review of non-essential spend and a vacancy management process continues.</p> <p>Our ability to mitigate financial risks arising from the pandemic largely depends on the continuation of funds for hardship and income loss by Welsh Government which is now confirmed to March, 2022.</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" style="width: 100%; border-collapse: collapse;"> <thead> <tr style="background-color: #d9ead3;"> <th style="text-align: center;">Portfolio/Service Area</th> <th style="text-align: center;">Approved Budget</th> <th style="text-align: center;">Projected Outturn</th> <th style="text-align: center;">In-Year Over / (Under) spend</th> </tr> <tr style="background-color: #d9ead3;"> <th></th> <th style="text-align: center;">£m</th> <th style="text-align: center;">£m</th> <th style="text-align: center;">£m</th> </tr> </thead> <tbody> <tr> <td>Social Services</td> <td style="text-align: right;">70.587</td> <td style="text-align: right;">71.375</td> <td style="text-align: right;">0.788</td> </tr> <tr> <td>Out of County Placements</td> <td style="text-align: right;">12.921</td> <td style="text-align: right;">13.818</td> <td style="text-align: right;">0.897</td> </tr> <tr> <td>Education & Youth</td> <td style="text-align: right;">9.030</td> <td style="text-align: right;">8.692</td> <td style="text-align: right;">(0.338)</td> </tr> <tr> <td>Schools</td> <td style="text-align: right;">101.937</td> <td style="text-align: right;">101.937</td> <td style="text-align: right;">0.000</td> </tr> <tr> <td>Streetscene & Transportation</td> <td style="text-align: right;">31.466</td> <td style="text-align: right;">32.022</td> <td style="text-align: right;">0.556</td> </tr> <tr> <td>Planning Env & Economy</td> <td style="text-align: right;">6.160</td> <td style="text-align: right;">6.106</td> <td style="text-align: right;">(0.054)</td> </tr> </tbody> </table>	Portfolio/Service Area	Approved Budget	Projected Outturn	In-Year Over / (Under) spend		£m	£m	£m	Social Services	70.587	71.375	0.788	Out of County Placements	12.921	13.818	0.897	Education & Youth	9.030	8.692	(0.338)	Schools	101.937	101.937	0.000	Streetscene & Transportation	31.466	32.022	0.556	Planning Env & Economy	6.160	6.106	(0.054)
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APPENDIX A

	People & Resources	4.631	4.537	(0.094)
	Governance	10.196	9.659	(0.537)
	Strategic Programmes	4.648	4.658	0.010
	Housing & Assets	17.172	17.001	(0.171)
	Chief Executive	2.417	2.287	(0.130)
	Central & Corporate Finance	26.292	26.104	(0.188)
	Total	297.457	298.196	0.739
1.03	The reasons for the projected variances are summarised within Appendix 1 and shows the detail of all variances over £0.050m and a summary of minor variances for each portfolio.			
	Significant Variances to highlight this month			
1.04	<p>Social Services £0.788m</p> <p>The net projected overspend is as a result of a number of factors :</p> <ul style="list-style-type: none"> • <u>Adult Social Care - Older People (£0.231m)</u> In house care provision is projected to underspend by £0.312m, day centres currently remain closed with service provision projected to resume January, 2022, Integrated Care Fund (ICF) slippage and Winter Pressures funding are anticipated to occur this year and are projected to fund a proportion of Residential Care. Extra Care is underspent due to reduced levels of demand • <u>Adult Social Care - Adults of Working Age £0.292m</u> A projected overspend on the cost of social care for people within the Mental Health Service including nursing, residential, domiciliary care and direct payments. This is mitigated by reduced care package costs for young people transferring into Adult Social Services and a saving in staffing costs resulting from a number of staff have been seconded to other Services • <u>Children's Services £1.008m</u> Legal costs are anticipated to overspend due to the number of cases on-going and the requirement to engage external legal professionals. Foster placements are increasing in demand and payments to foster carers, foster agencies and special guardianship payments have all contributed to an overspend position. The overspend is further exacerbated by an increase in staffing costs ensuring that adequate levels of child protection are maintained. This is mitigated by the flexible use of grant funding from Welsh Government resulting in some saving in the base budget allocation, together with a projected in-year underspend within Residential Placements associated with the opening of a registered Children's Home within the County. • <u>Safeguarding and Commissioning £0.023m</u> 			

APPENDIX A

	<p>There has been a requirement to appoint an additional Independent Reviewing Officer on a temporary fixed term basis to mitigate current service risks and pressures</p> <p>The Portfolio overspend as a whole is mitigated due to the Welsh Government Hardship Fund supporting in-house residential, supported living, homecare and extra care services. The majority of this funding relates to staff costs (£0.300m) which are reported within their respective service areas.</p>
1.05	<p>Education and Youth (£0.338m)</p> <p><u>Inclusion and Progression</u></p> <ul style="list-style-type: none"> In-year efficiencies have been identified in the Minority Ethnic Achievement Grant (MEAG) and Educational Psychology Services. The MEAG service has received in excess of (£0.200m) grant funding for 2021/22 which is being utilised to recruit temporary fixed term posts resulting in an underspend within the core budget allocation. The Educational Psychology Service have recruited to 3 posts for part year costs only of (£0.072m). <p><u>Integrated Youth Provision</u></p> <ul style="list-style-type: none"> Savings on building cleaning expenditure at Youth Centres closed due to the pandemic contribute a further (£0.058m) of savings. <p><u>School Improvement Systems</u></p> <ul style="list-style-type: none"> An underspend in Early Entitlement following the maximisation of grant funding and the release of core budget also contributes (£0.149m) for the Portfolio.
1.06	<p>Streetscene & Transportation £0.556m</p> <p><u>Highways Network</u></p> <ul style="list-style-type: none"> Flooding and additional drainage costs totalling £0.050m within Highways Network. <p><u>Transportation</u></p> <ul style="list-style-type: none"> Additional bus re-procurement and park and ride costs of £0.200m, two additional school days costing £0.049m, offset by (£0.144m) in underspends on local bus services due to not all services returning fully due to the pandemic. <p><u>Regulatory Services</u></p> <ul style="list-style-type: none"> Car Parking income shortfalls of £0.100m through non-charging up to 30th September and based on WG Income Loss funding criteria. <p><u>Impact of COVID-19</u></p> <ul style="list-style-type: none"> Additional costs as a result of COVID-19 total £0.320m and these do not currently meet the criteria of Hardship Funding. Additional cleaning/maintenance costs at Alltami Depot £0.050m, additional Waste receptacles £0.090m, hired plant maintenance and repairs £0.090m plus contractors and traffic management costs of

APPENDIX A

	<p>£0.090m. The eligibility of these costs will continue to be discussed and challenged with WG.</p>
1.08	<p>Housing & Assets (£0.171m)</p> <p><u>Industrial Units</u></p> <ul style="list-style-type: none"> This relates to unbudgeted additional income received as result of a new power generation lease (£0.230m) <p><u>Caretaking & Security</u></p> <ul style="list-style-type: none"> Salary savings from vacant posts totalling (£0.063m). <p><u>Benefits</u></p> <ul style="list-style-type: none"> Increase in the bad debt provision in respect of overpayments within Benefits totalling £0.099m. <p>Minor variances across the Portfolio account for the remainder of £0.023m.</p>
1.09	<p>Governance (£0.537m)</p> <p><u>Revenues</u></p> <ul style="list-style-type: none"> Potential projected surplus on the Council Tax Collection Fund (£0.193m) together with the balance brought forward from Welsh Government COVID Admin Grants (£0.080m) <p><u>Customer Services</u></p> <ul style="list-style-type: none"> Higher than anticipated fee income levels resulting from the resumption of Ceremonies following the relaxation of the majority of COVID restrictions (£0.065m) <p><u>Democratic Services</u></p> <ul style="list-style-type: none"> Reduced take up of Members Allowances and efficiencies on travelling expenses due to remote meetings (£0.097m) <p><u>ICT</u></p> <ul style="list-style-type: none"> Reduced expenditure on Records Management costs and minor variances across the service (£0.050m) <p>The remaining underspend is as a result of minor variances and commitment challenge across the Portfolio (£0.059m)</p>
1.10	<p>Central & Corporate Finance (£0.188m)</p> <p>There was a significant underspend on the pension contribution account in 2020/21 with (£0.300m) contributing towards the 2021/22 budget. Based on the contributions to date a positive variance of around (£0.290m) is projected at this stage of the current year. This is mitigated by the shortfall in historic workforce efficiencies together with the forfeiture of staff car parking permit income.</p>
1.11	<p>Tracking of In-Year Risks and Emerging Issues</p>

APPENDIX A

	<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>
1.12	<p>Council Tax Income</p> <p>Council Tax collection figures in quarter 1 for 2021/22 are 29.39%, this is compared to 28.50% for the same period in 2020/21 - an increase of 0.89% or £0.900m in cash terms.</p> <p>This current position is showing significant signs of improvement, and the quarter 1 outturn in 2021/22 is only 0.2% off pre-pandemic collection rates in 2019/20. All recovery processes have now been resumed to maximise income whilst still providing support to residents in need. This performance data will continue to be closely monitored and tracked on a monthly basis to ensure collections continue to improve.</p>
1.13	<p>Pay Award (Teacher and Non Teacher)</p> <p>Based on the UK Government position on public sector pay no general provision was included in the 2021/22 budget other than funding to reflect the intention to provide for those staff earning less than £0.024m.</p> <p><u>NJC (Green Book)</u> National negotiations are ongoing and the initial offer by Employers of a 1.5% uplift would add a minimum further £0.160m to the pay bill for schools and £0.799m for non-schools. In the absence of any further funding being made available this will need to be met from the Contingency Reserve and built into the base budget from 2022/23. This offer has recently been increased to 1.75% which will further increase the impact on reserves.</p> <p><u>Teachers</u> National negotiations are ongoing although based on a 1.75% uplift this would add a minimum further £0.736m to the pay bill for schools in 2021/22, with the full year impact in 2022/23 being £1.282m. Representations will continue to be made for further funding to meet these additional costs, although if unsuccessful it is likely that the council and schools will need to cost share the burden.</p>
1.14	<p>Council Tax Reduction Scheme</p> <p>Council Tax Reduction Scheme (CTRS) – Based on current demand, costs are currently projected to be within budget although there is potential for a surge in demand from October when the UK Government furlough scheme ends.</p> <p>No additional funding is currently anticipated from Welsh Government in 2021/22 although this is expected to be subject to review in the event of significant pressures emerging across Wales in the second half of the year.</p>

APPENDIX A

1.15	<p>Social Care Recovery Funding</p> <p>Further details are awaited from Welsh Government on potential funding that may become available under the Social Care Recovery Fund. The purpose of the grant will be to support appropriate recovery of social care services in local authority areas across Wales. It is anticipated that this funding can be assigned to existing cost pressures within the Portfolio which will have a positive impact on the outturn – updates will be provided in future reports.</p>
1.16	<p>Other Tracked Risks</p> <p>In addition, there are a number of risks being tracked that may be subject to change and these are summarised below:</p>
1.17	<p>MTFS Impact</p> <p>Cabinet considered the latest projection for the MTFS in July which showed a budget gap of £16.750m, with individual scrutiny meetings scheduled to take place during September and October. Further work is ongoing with close alignment to the revenue budget monitoring throughout the year to consider any emerging issues.</p> <p>Any efficiencies not achievable during 2021/22 will need to be included as a further pressure together with the impact on any grant funding that does not continue into 2022/23.</p> <p>All Portfolios consider their financial position, the risks within their service and the impacts on the Medium Term on a monthly basis as part of their Portfolio Management Team meetings.</p>
1.18	<p>Out of County Placements</p> <p>There continues to be significant pressure on this volatile budget arising from the full year impacts of new placements made during 2020/21, including several new high cost placements which were agreed in March after the budget for 2021/22 had been set. At present, the projected overspend for the current cohort of placements is £0.897m. With 8 months of the year remaining and the high potential for further new placements to emerge, it is anticipated that the final overspend may be significantly in excess of £1m.</p>
1.19	<p>Homelessness</p> <p>There is a risk that demands on the service will continue to increase with the impacts of removal of restrictions on landlords to seek repossessions. In addition, the economic impacts on residents in the rented sector and owner occupiers following the end of the furlough scheme at the end of September continue to cause concern.</p> <p>There is additional support in place with strategic use of the increased Housing Support Grant funding, but this may still not be sufficient.</p>

APPENDIX A

1.20	<p>Achievement of Planned In-Year Efficiencies</p> <p>The 2021/22 budget contains £2.363m of specific efficiencies which are tracked and monitored throughout the year. In 2020/21 the level of efficiency achievement was 100% which was an improvement on the 90% achieved during the previous year. The Council aims to achieve a 95% rate in 2021/22 as reflected in the MTFS KPI's.</p> <p>The current assessment of the efficiencies to be achieved in 2021/22 shows that all of the efficiencies will be achieved. The risk remains that any under-achievement of efficiencies will have a negative impact on the 2021/22 budget. 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>
1.21	<p>Unearmarked Reserves</p> <p>The final level of Council Fund Contingency Reserve brought forward into 2021/22 was £5.973m as detailed in the 2020/21 outturn report. However, this increased to £6.444m when taking account of the budgeted contribution to Reserves in the 2021/22 budget. This is the amount available for general purposes following the set-aside of £3.0m for a COVID-19 Emergency Funding. There will be a requirement to meet any unfunded impacts of the pay awards from the Contingency Reserve as detailed in para 1.13 following the outcome of the national pay award negotiations.</p> <p>Taking into account the projected in-year position and previously agreed allocations the amount remaining within the Contingency Reserve is £5.057m. (Appendix 3)</p>
1.22	<p>Earmarked Reserves</p> <p>A summary of earmarked reserves as at 1 April 2021 and an estimate of projected balances as at the end of the financial year will be included in the month 5 report.</p>
1.23	<p>Housing Revenue Account</p> <p>The 2020/21 Outturn Report to Cabinet on 13 July 2021 showed an un-earmarked closing balance at the end of 2020/21 of £5.039m and a closing balance of earmarked reserves of £1.869m.</p>
1.24	<p>The 2021/22 budget for the HRA is £37.825m which includes a movement of £0.566m to reserves.</p>
1.25	<p>The monitoring for the HRA is projecting in year expenditure to be £0.495m higher than budget and a closing un-earmarked balance as at 31 March 2022 of £3.978m, which at 10.5% of total expenditure satisfies the prudent approach of ensuring a minimum level of 3%. Appendix 4 attached refers.</p>

APPENDIX A

1.26	The budget contribution towards capital expenditure (CERA) is £13.442m.
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2.00	RESOURCE IMPLICATIONS
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2.01	As set out within the report.
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3.00	IMPACT ASSESSMENT AND RISK MANAGEMENT
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3.01	The Revenue Budget Monitoring Report reflects the three categories of risks covered in the main section of the report. These are in-year risks and emerging issues, achievement of planned in-year efficiencies and other tracked risks. These risks are included from paragraph 1.04 to 1.17.
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4.00	CONSULTATIONS REQUIRED/CARRIED OUT
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4.01	None specific.
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5.00	APPENDICES
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5.01	Appendix 1: Council Fund – Budget Variances Appendix 2: Council Fund – Programme of Efficiencies Appendix 3: Council Fund – Movement on Un-earmarked Reserves Appendix 4: Housing Revenue Account Variances
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6.00	LIST OF ACCESSIBLE BACKGROUND DOCUMENTS
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6.01	Various budget records.
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7.00	CONTACT OFFICER DETAILS
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7.01	Contact Officer: Dave Ledsham Strategic Finance Manager Telephone: 01352 704503 E-mail: dave.ledsham@flintshire.gov.uk
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8.00	GLOSSARY OF TERMS
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	These are provided corporately on the Infonet (link) and maintained by the Executive Office
	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>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> <p>Projected Outturn: projection of the expenditure to the end of the financial year, made on the basis of actual expenditure incurred to date.</p> <p>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.</p> <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>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.</p> <p>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.</p>
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Budget Monitoring Report
Council Fund Variances

MONTH 4 - SUMMARY

Service	Approved Budget (£m)	Projected Outturn (£m)	Annual Variance (£m)	Impact of Covid-19 (£m)	Cause of Major Variances greater than £0.050m	Action Required
Social Services						
Adult Social Care - Older People						
Localities	19.211	19.179	-0.032		The net cost of residential care is reporting an overspend of £0.043m. This includes the cost of residential care placements net of the income received for this service, such as property charges and contributions from health. Day care is £0.023m under budget and will not resume until safe to do so, this is currently assumed to be at the beginning of January 2022. Domiciliary and Direct Payments are reporting a combined overspend of £0.059m, this service is under considerable demand pressures.	
Resources & Regulated Services	8.627	8.450	-0.177		The Councils in-house care provision is projected to underspend by £0.312m. Day care is underspent by £0.013m, day centres are closed and will only be opened once it is safe to do so. The day centre staff are being deployed to residential care to assist in delivering the service, however the staff costs are still recorded against the day care budget. Homecare is £0.130m overspent and there is increasing demand for this service. Residential care is expected to underspend by £0.237m although there is an assumption that ICF slippage and Winter Pressure funding will occur this year and contributions from these are included within the financial projections. Extra care is underspent by £0.056m due to the level of demand.	
Minor Variances	1.263	1.240	-0.022			
Adult Social Care - Adults of Working Age						
Children to Adult Transition Services	0.503	0.450	-0.054		The underspend is due to the current costs of care packages for young people transferring into Adult Social Services, net of any contributions from Welsh Government and health.	
Professional and Administrative Support	0.329	0.269	-0.060		Not all staff are currently paid at top of grade and there are also some staff who have been seconded from this service.	
Residential Placements	1.791	2.195	0.404		The overspend 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.	

Tudalen 227

Budget Monitoring Report
Council Fund Variances

MONTH 4 - SUMMARY

Service	Approved Budget (£m)	Projected Outturn (£m)	Annual Variance (£m)	Impact of Covid-19 (£m)	Cause of Major Variances greater than £0.050m	Action Required
Minor Variances	30.474	30.476	0.001			
Children's Services						
Family Placement	2.700	2.853	0.153		The overspend is due to service demand from the number of foster placements. In some instances these avoid having to make expensive Out of County placements. The main pressures are payments to foster carers, foster agencies and special guardianship payments.	
Grants	0.268	0.213	-0.055		There is an assumption that the Welsh Government will allow for a flexible approach in the use of grants as occurred in 2020/21 which would result in some costs within this service to be grant funded.	
Family Support	0.368	0.422	0.054		Increased number of support worker hours are required due to current demand.	
Legal & Third Party	0.210	0.581	0.371		Legal costs are overspent due to the number of cases going through the courts and use of some external legal professionals. Direct Payments have also increased in demand.	
Residential Placements	0.599	0.449	-0.150		This is an in-year underspend associated with the opening of a registered Childrens Home within Flintshire, in-year grant funding from the Young People and Childrens Services Transformation Fund is being used to offset start up costs.	
Professional Support	5.387	5.963	0.576		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. There are £0.110m agency adoption costs included within the projected spend, these costs are normally avoided as adoptions are made through the North Wales Adoption Agency, however due to a drop in the number of available adopters alternative agencies are required.	
Minor Variances	0.425	0.484	0.059			
Safeguarding & Commissioning						
Safeguarding Unit	0.953	1.014	0.061		There has been a requirement to appoint an additional Independent Reviewing Officer on a temporary fixed term basis to mitigate current service risks and pressures.	

Budget Monitoring Report
Council Fund Variances

MONTH 4 - SUMMARY

Service	Approved Budget (£m)	Projected Outturn (£m)	Annual Variance (£m)	Impact of Covid-19 (£m)	Cause of Major Variances greater than £0.050m	Action Required
Impact of Covid-19	0.000	-0.300	-0.300	-0.300	Welsh Government is providing financial assistance through the hardship funding for the Councils in-house residential, supported living, homecare and extra care services. Most additional costs incurred due to Covid are staff costs which are reported within their respective service areas.	
Minor Variances	-2.523	-2.561	-0.038			
Total Social Services (excl Out of County)	70.587	71.375	0.788	-0.300		
Out of County						
Children's Services	8.417	9.338	0.921		The pressure reflects the current cohort of placements - a significant number of new placements were made in the second half of 2020/21 resulting in full year impacts in 2021/22 -	
Education & Youth	4.504	4.480	-0.024		The current projected underspend on this element of the pooled budget reflects the current cohort of placements however this may reduce if further new placements are made in the remainder of the year	
Total Out of County	12.921	13.818	0.897	0.000		
Education & Youth						
Inclusion & Progression	4.462	4.390	-0.072		In year efficiencies have been identified in the MEAG (Minority Ethnic Achievement Grant) service £0.040m and Educational Psychologists service £0.020m. The MEAG service received £0.200m more in grant funding for 21-22. This funding has been used to recruit temporary posts, resulting in core budget being underspent. The Educational Psychologists service have recruited 3 Assistant EPs. The in year saving has arisen due to posts not being a full year cost.	
Integrated Youth Provision	1.018	0.959	-0.059		Due to savings on building cleaning at Youth Centres closed due to the COVID-19 pandemic	

Budget Monitoring Report
Council Fund Variances

MONTH 4 - SUMMARY

Service	Approved Budget (£m)	Projected Outturn (£m)	Annual Variance (£m)	Impact of Covid-19 (£m)	Cause of Major Variances greater than £0.050m	Action Required
School Improvement Systems	1.823	1.669	-0.155		The underspend in Early Entitlement includes the maximisation of the Early Years Pupil Deprivation Grant (EYPDG) by allocating existing staff against the grant - £18,500. An efficiency of £0.100m has been identified in relation to WG top-up funding for non-maintained settings, releasing core budget of £0.095m and resources mitigated by utilising EYPDG £0.005m. £0.050m contingency remains within the budget to cover any increased Spring Term 22 costs.	
Minor Variances	1.727	1.674	-0.052			
Total Education & Youth	9.030	8.692	-0.338	0.000		
Schools	101.937	101.937	-0.000			
Streetscene & Transportation						
Service Delivery	8.696	8.654	-0.042		The service has a recurring revenue pressure of £0.050m security costs following vandalism at the Household Recycling Centres from prior years. Street-lighting is also incurring a £0.120m pressure on the Community Council Income Budget target. This has been largely offset by Workforce Agency costs in excess of £0.200m which have been recovered through Covid Claims.	
Highways Network	7.847	7.911	0.064		Additional overspend of £0.050m in staff costs related to flooding and drainage costs.	
Transportation	9.750	9.879	0.129		Local Bus transport incurred a revenue pressure of: £0.100m in Service 5 local Bus re-procurement and £0.100m implementation of the Deeside shuttle bus Park and Ride. Also additional costs of £0.049m due to increased number of 7 school days opposed to budgeted 5 school days. The total additional costs have been partially offset by projected underspend of (£0.144m) in local bus services contributed by the global pandemic as not all services have returned. However this underspend could significantly reduce once the service recovers from the pandemic.	
Regulatory Services	5.173	5.258	0.085		Car parking income currently reflects the projected loss of £0.100m, in line with the WG Income Loss funding eligibility criteria.	

Budget Monitoring Report
Council Fund Variances

MONTH 4 - SUMMARY

Service	Approved Budget (£m)	Projected Outturn (£m)	Annual Variance (£m)	Impact of Covid-19 (£m)	Cause of Major Variances greater than £0.050m	Action Required
Impact of Covid-19	0.000	0.320	0.320	0.320	Service Delivery has a recurring revenue pressure of £0.050m for additional cleaning/maintenance costs in Alltami depot as a result of the Pandemic. Waste operations are showing additional costs of £0.090m in receptacles due to higher demand in waste collections as an effect of people working form home. This service area is also experiencing additional revenue pressure of £0.090m in Hired Plant maintenance and repairs. Additional costs of £0.090m incurred in Contractors spend and Traffic Management. The service was unable to provide required training and recruitment delays during the Covid-19 Pandemic.	The eligibility of these costs will continue to be discussed and challenged with WG.
Total Streetscene & Transportation	31.466	32.022	0.556	0.320		
Planning, Environment & Economy						
Community	0.883	0.978	0.095		Overspend is as a result of fee income shortfalls in both Licensing and Pest Control.	This may improve following the second quarter of the year as the Welsh Government COVID Fee Income Loss grant panel will assess delayed income and may address the shortfall.
Management & Strategy	1.311	1.188	-0.123		Vacant posts across the service	
Minor Variances	3.966	3.939	-0.027			
Total Planning & Environment	6.160	6.106	-0.055	-0.000		
People & Resources						
HR & OD	2.465	2.455	-0.009			
Corporate Finance	2.166	2.082	-0.084			
Total People & Resources	4.631	4.537	-0.093	0.000		
Governance						
Democratic Services	2.121	2.028	-0.092	0.001	The underspend in the main follows the reduced take up of Members Allowances and savings from travelling expenses due to remote meetings, together with commitment challenge across the service	
ICT	4.445	4.395	-0.050	0.019	Reduced expenditure on Records Management and minor variances across the service. Revised contribution to Denbighshire CC for Procurement Contract	

Budget Monitoring Report
Council Fund Variances

MONTH 4 - SUMMARY

Tudalen 232

Service	Approved Budget (£m)	Projected Outturn (£m)	Annual Variance (£m)	Impact of Covid-19 (£m)	Cause of Major Variances greater than £0.050m	Action Required
Customer Services	0.998	0.935	-0.063		Favourable variance is due to higher than anticipated fee income levels resulting from the resumption of Ceremonies following the relaxation of the majority of COVID restrictions.	
Revenues	0.476	0.200	-0.275		Favourable variance as a result of the potential projected surplus on the Council Tax Collection Fund (£0.193m), Welsh Government Lockdown Grant Admin grant and minor variances across the service	
Minor Variances	2.157	2.100	-0.057			
Total Governance	10.196	9.659	-0.538	0.020		
Strategic Programmes						
ADM's & CAT's	4.648	4.657	0.010			
Total Strategic Programmes	4.648	4.658	0.010	0.000		
Housing & Assets						
Caretaking & Security	0.262	0.199	-0.063		Projected underspend is due to salary savings on vacant posts	
Industrial Units	-1.237	-1.467	-0.230		Additional unbudgeted income from new power generation lease	
Benefits	12.850	12.949	0.099		Pressures arising from bad debt provision increase in respect of overpayments - there is a potential however for an improvement in the overall position for the service if WG confirm ongoing support from COVID-19 Hardship Fund for additional staffing costs beyond September	
Minor Variances	5.296	5.320	0.024			
Total Housing & Assets	17.172	17.001	-0.171	0.000		
Chief Executive's	2.417	2.287	-0.130		Vacant Posts across the Service	
Central & Corporate Finance	26.292	26.104	-0.188		Over recovery of planned pension contributions recouped against actuarial projections based on the level of contributions received during the year. Final outturn on Matrix rebates, and inflation pressures anticipated but not required	
Grand Total	297.457	298.195	0.738	0.040		

2021/22 Efficiencies Outturn Tracker - M4

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
		2021/22 £m	2021/22 £m	2021/22 £m		
Portfolio						
Corporate						
Employer Pension Contributions	Reduced requirement due to recovery	Rachel Parry Jones	0.300	0.300	0.000	C G
Workforce - Vacant Post	Reduction of Post	Rachel Parry Jones	0.030	0.030	0.000	C G
Remote Working Impacts	Reduced Operating Costs	Rachel Parry Jones	0.070	0.070	0.000	C G
Remote Working Impacts	Reduced Travel	All	0.200	0.200	0.000	C G
Price Inflation	Removal of Price Inflation	Rachel Parry Jones	0.113	0.113	0.000	C G
Total Corporate Services			0.713	0.713	0.000	
Housing & Assets						
Property Savings (inc Demolition of Phases 3&4; utility savings)		Neal Cockerton	0.450	0.450	0.000	C G
NDR Inflationary Savings		Neal Cockerton	0.120	0.120	0.000	C G
Climate Change Levy		Neal Cockerton	0.295	0.295	0.000	C G
Total Housing & Assets			0.865	0.865	0.000	
Social Services						
Vacancy Management Saving	Appropriate Vacancy Management	Neil Ayling	0.030	0.030	0.000	O G
Strategic Use of Grant Funding	Core Funding Replacement Solution	Neil Ayling	0.060	0.060	0.000	O G
Social Care Workforce Grant		Neil Ayling	0.430	0.430	0.000	O G
Total Social Services			0.520	0.520	0.000	
Education & Youth						
Integrated Youth Provision	Youth Centres - Premises	Claire Homard	0.020	0.020	0.000	O G
Total Education & Youth			0.020	0.020	0.000	
Streetscene & Transportation						
Discretionary Transport Review - Post 16 Transport	Joint with Education	Steve O Jones	0.200	0.200	0.000	O R
Total Streetscene & Transportation			0.200	0.200	0.000	
Planning, Environment & Economy						
Planning Policy	Reduction of Post	Andy Roberts	0.045	0.045	0.000	C G
Total Planning, Environment & Economy			0.045	0.045	0.000	
Total 2021/22 Budget Efficiencies			2.363	2.363	0.000	

Tudalen 233

	%	£
Total 2021/22 Budget Efficiencies	100	2.363
Total Projected 2021/22 Budget Efficiencies Underachieved	0	0.000
Total Projected 2021/22 Budget Efficiencies Achieved	100	2.363
Total 2021/22 Budget Efficiencies (Less Previously agreed Decisions)		
Total Projected 2021/22 Budget Efficiencies Underachieved	0	0.000
Total Projected 2021/22 Budget Efficiencies Achieved	0	0.000

Corporate Efficiencies Remaining from Previous Years

Income Target Remaining	£m
Income Target Efficiency remaining from Previous Years	All Portfolios 0.051
Total Income Efficiency Remaining	0.051 (0.051)

Movements on Council Fund Unearmarked Reserves

	£m	£m
Total Reserves as at 1 April 2021	14.061	
Less - Base Level	(5.769)	
Total Reserves above base level available for delegation to Cabinet		8.292
Add - Transfer to Reserve Budget 2021/22		0.471
Less - COVID-19 Emergency Funding Allocation*		(2.317)
Less - Investment in Change (approved Month 2)		0.400
Less - Severe Weather (approved Month 2)		0.250
Less Month 4 projected outturn		0.739
Less - projected national pay award increase		
Total Contingency Reserve available for use		5.057

Budget Monitoring Report
Housing Revenue Account Variances

MONTH 4 - SUMMARY

Service	Revised Budget (£m)	Projected Outturn (£m)	Variance (£m)	Cause of Major Variance	Action Required
Housing Revenue Account					
Income	(37.259)	(36.770)	0.489	We are currently projecting a pressure of £0.380m due to loss of income in relation to vacant properties. Of this, £0.267m relates to void properties, £0.044m relates to the utilities charges on void properties and £0.063m relates to void garages. There is also a pressure of £0.105m relating to an assumed reduction in rental income on new build properties which were included in the Business Plan. There are other minor variances of £0.010m.	
Capital Financing - Loan Charges	8.047	8.047			
Estate Management	1.931	1.928	(0.004)	Minor variances	
Landlord Service Costs	1.469	1.501	0.032	Minor variances	
Repairs & Maintenance	10.431	10.414	(0.017)	Minor variances	Early indications from our supplier suggest an increase in the costs of some sourced Materials, this will be monitored closely over the next couple of months.
Management & Support Services	2.658	2.653	(0.005)	Efficiency in respect of salary costs of (£0.065m). Additional cost of the IT project work £0.050m. Other minor variances of £0.010m.	
Capital Expenditure From Revenue (CERA)	13.442	13.442			
HRA Projects	(0.153)	(0.153)	(0.001)	Minor variances	
Contribution To / (From) Reserves	(0.566)	(0.566)			
Total Housing Revenue Account	(0.000)	0.495	0.495		

Tudalen 235

Mae'r dudalen hon yn wag yn bwrpasol



CABINET

Date of Meeting	Tuesday, 21 st September 2021
Report Subject	Capital Programme Monitoring 2021/22 (Month 4)
Cabinet Member	Cabinet Member for Finance, Social Value and Procurement
Report Author	Corporate Finance Manager
Type of Report	Operational

EXECUTIVE SUMMARY

The report summarises changes made to the Capital Programme 2021/22 since it was set in December 2020 to the end of Month 4 (July 2021), along with expenditure to date and projected outturn.

The Capital Programme has seen a net increase in budget of £29.595m during the period which comprises of:-

- Net budget increase in the programme of £14.360m (See Table 2 - Council Fund (CF) £21.975m, Housing Revenue Account (HRA) (£7.615m));
- Introduction of Carry Forward from 2020/21 of £15.635m (CF £15.635m, HRA £0.000m)
- Identified savings at Month 4 (£0.400m) (CF).

Actual expenditure was £25.355m (See Table 3).

Capital receipts received in the first quarter of 2021/22, along with savings identified, total £0.683m. This gives a revised projected surplus in the Capital Programme at Month 4 of £2.795m (from an opening funding position surplus of £2.112m) for the 2021/22 – 2023/24 Capital Programme, prior to the realisation of additional capital receipts and/or other funding sources.

RECOMMENDATIONS

	Cabinet are requested to:
1	Approve the overall report.
2	Approve the carry forward adjustments set out at 1.17.
3	Approve the additional allocations, as set out in 1.20.

REPORT DETAILS

1.00	EXPLAINING THE CAPITAL PROGRAMME MONITORING POSITION – MONTH 4 2021/22																																																																													
1.01	<p>Background</p> <p>The Council approved a Council Fund (CF) Capital Programme of £12.706m for 2021/22 at its meeting on 8th December 2020 and a Housing Revenue Account (HRA) Capital Programme of £34.835m for 2021/22 at its meeting on 16 February, 2021.</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 2021/22. 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="2">REVISED PROGRAMME</th> <th>Original Budget 2021/22</th> <th>Carry Forward from 2020/21</th> <th>2021/22 Savings</th> <th>Changes - This Period</th> <th>Revised Budget 2021/22</th> </tr> <tr> <th>£m</th> <th>£m</th> <th>£m</th> <th>£m</th> <th>£m</th> </tr> </thead> <tbody> <tr> <td>People & Resources</td> <td>0.350</td> <td>0.260</td> <td>0.000</td> <td>0.000</td> <td>0.610</td> </tr> <tr> <td>Governance</td> <td>0.422</td> <td>0.505</td> <td>0.000</td> <td>0.004</td> <td>0.931</td> </tr> <tr> <td>Education & Youth</td> <td>5.877</td> <td>7.570</td> <td>0.000</td> <td>2.993</td> <td>16.440</td> </tr> <tr> <td>Social Services</td> <td>1.020</td> <td>0.598</td> <td>0.000</td> <td>1.551</td> <td>3.169</td> </tr> <tr> <td>Planning, Environment & Economy</td> <td>0.168</td> <td>0.850</td> <td>0.000</td> <td>1.162</td> <td>2.180</td> </tr> <tr> <td>Streetscene & Transportation</td> <td>2.015</td> <td>2.527</td> <td>(0.400)</td> <td>14.292</td> <td>18.434</td> </tr> <tr> <td>Strategic Programmes</td> <td>0.550</td> <td>1.425</td> <td>0.000</td> <td>1.200</td> <td>3.175</td> </tr> <tr> <td>Housing & Assets</td> <td>2.304</td> <td>1.900</td> <td>0.000</td> <td>0.773</td> <td>4.977</td> </tr> <tr> <td>Council Fund Total</td> <td>12.706</td> <td>15.635</td> <td>(0.400)</td> <td>21.975</td> <td>49.916</td> </tr> <tr> <td>HRA Total</td> <td>34.835</td> <td>0.000</td> <td>0.000</td> <td>(7.615)</td> <td>27.220</td> </tr> <tr> <td>Programme Total</td> <td>47.541</td> <td>15.635</td> <td>(0.400)</td> <td>14.360</td> <td>77.136</td> </tr> </tbody> </table>	REVISED PROGRAMME	Original Budget 2021/22	Carry Forward from 2020/21	2021/22 Savings	Changes - This Period	Revised Budget 2021/22	£m	£m	£m	£m	£m	People & Resources	0.350	0.260	0.000	0.000	0.610	Governance	0.422	0.505	0.000	0.004	0.931	Education & Youth	5.877	7.570	0.000	2.993	16.440	Social Services	1.020	0.598	0.000	1.551	3.169	Planning, Environment & Economy	0.168	0.850	0.000	1.162	2.180	Streetscene & Transportation	2.015	2.527	(0.400)	14.292	18.434	Strategic Programmes	0.550	1.425	0.000	1.200	3.175	Housing & Assets	2.304	1.900	0.000	0.773	4.977	Council Fund Total	12.706	15.635	(0.400)	21.975	49.916	HRA Total	34.835	0.000	0.000	(7.615)	27.220	Programme Total	47.541	15.635	(0.400)	14.360	77.136
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1.04	<p>Carry Forward from 2020/21</p> <p>Carry forward sums from 2020/21 to 2021/22, totalling £15.635m (CF £15.635m, HRA £0.000m), were approved as a result of the quarterly monitoring reports presented to Cabinet during 2020/21.</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 £14.360m (CF £21.975m, HRA (£7.615m)). 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 1369 1610"> <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>Transportation Grants</td> <td style="text-align: center;">1.06</td> <td style="text-align: right;">11.127</td> </tr> <tr> <td>Waste Services</td> <td style="text-align: center;">1.07</td> <td style="text-align: right;">2.216</td> </tr> <tr> <td>Children's Services</td> <td style="text-align: center;">1.08</td> <td style="text-align: right;">1.551</td> </tr> <tr> <td>School Modernisation</td> <td style="text-align: center;">1.09</td> <td style="text-align: right;">1.504</td> </tr> <tr> <td>Primary Schools</td> <td style="text-align: center;">1.09</td> <td style="text-align: right;">1.230</td> </tr> <tr> <td>Theatr Clwyd</td> <td style="text-align: center;">1.10</td> <td style="text-align: right;">1.200</td> </tr> <tr> <td>Highways</td> <td style="text-align: center;">1.11</td> <td style="text-align: right;">0.949</td> </tr> <tr> <td>Energy Services</td> <td style="text-align: center;">1.12</td> <td style="text-align: right;">0.711</td> </tr> <tr> <td>Other Aggregate Increases</td> <td></td> <td style="text-align: right;">1.487</td> </tr> <tr> <td></td> <td></td> <td style="text-align: right;">21.975</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;">0.000</td> </tr> <tr> <td>Total</td> <td></td> <td style="text-align: right;">21.975</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;">0.000</td> </tr> <tr> <td colspan="3">Decreases</td> </tr> <tr> <td>SHARP</td> <td style="text-align: center;">1.13</td> <td style="text-align: right;">(7.351)</td> </tr> <tr> <td>Other Aggregate Decreases</td> <td></td> <td style="text-align: right;">(0.264)</td> </tr> <tr> <td></td> <td></td> <td style="text-align: right;">(7.615)</td> </tr> <tr> <td>Total</td> <td></td> <td style="text-align: right;">(7.615)</td> </tr> </tbody> </table>	CHANGES DURING THIS PERIOD				Para	£m	<u>COUNCIL FUND</u>			Increases			Transportation Grants	1.06	11.127	Waste Services	1.07	2.216	Children's Services	1.08	1.551	School Modernisation	1.09	1.504	Primary Schools	1.09	1.230	Theatr Clwyd	1.10	1.200	Highways	1.11	0.949	Energy Services	1.12	0.711	Other Aggregate Increases		1.487			21.975	Decreases			Other Aggregate Decreases		0.000			0.000	Total		21.975	<u>HRA</u>			Increases			Other Aggregate Increases		0.000			0.000	Decreases			SHARP	1.13	(7.351)	Other Aggregate Decreases		(0.264)			(7.615)	Total		(7.615)
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1.06	<p>It is usual in the early part of the financial year to receive notification of funding allocations that were not available at budget setting time. This is the case with the Local Transport, Active Travel, Road Safety and Safe Routes grants from Welsh Government (WG). These grants will provide a range of transportation schemes across the County.</p>																																																																																	
1.07	<p>In addition to the above, WG funding has been introduced for improvement works at Standard Yard and Greenfield Waste Transfer Stations, along with funding to purchase two electric waste vehicles.</p>																																																																																	

1.08	There has also been an introduction of grant funding from WG relating to the refurbishment of properties to develop in house residential care provision for children.
1.09	Introduction of grant funding from WG relating to school extension and improvement works at Ysgol Glanrafon, Mold and school modernisation programme at the Queensferry Campus.
1.10	Introduction of grant funding for the redevelopment of Theatr Clwyd. The grant is for the final design and technical stage of the project, before the commencement of construction.
1.11	Introduction of the Highways Refurbishment grant from WG, which will support the Council's core funding allocation of £0.600m for the Highway Asset Management Plan.
1.12	Introduction of prudential borrowing for the Solar Farm scheme in Connah's Quay.
1.13	Re-profiling of prudential borrowing for the Strategic Housing and Regeneration Programme (SHARP), due to delays in the number of schemes programmed in for this financial year.
1.14	<p>Capital Expenditure compared to Budget</p> <p>Expenditure as at Month 4, across the whole of the Capital Programme was £25.355m. The breakdown of expenditure is analysed in Table 3, along with the percentage spend against budget.</p> <p>This shows that 32.87% of the budget has been spent (CF 37.22%, HRA 24.89%). Corresponding figures for Month 4 2020/21 were 11.91% (CF 9.10%, HRA 22.02%).</p>
1.15	The table also shows a projected underspend (pending carry forward and other adjustments) of £4.299m on the Council Fund and a break even position on the HRA.

Table 3

EXPENDITURE	Revised Budget	Cumulative Expenditure Month 4	Percentage Spend v Budget	Projected Outturn	Variance Budget v Outturn (Under)/Over
	£m	£m	%	£m	£m
People & Resources	0.610	0.000	0.00	0.610	0.000
Governance	0.931	0.117	12.57	0.836	(0.095)
Education & Youth	16.440	8.369	50.91	16.440	0.000
Social Services	3.169	1.175	37.08	3.169	0.000
Planning, Environment & Economy	2.180	0.609	27.94	1.608	(0.572)
Streetscene & Transportation	18.434	6.241	33.86	16.458	(1.976)
Strategic Programmes	3.175	1.097	34.55	2.216	(0.959)
Housing & Assets	4.977	0.972	19.53	4.280	(0.697)
Council Fund Total	49.916	18.580	37.22	45.617	(4.299)
Disabled Adaptations	0.850	0.163	19.18	0.850	0.000
Energy Schemes	0.510	1.027	201.37	0.960	0.450
Major Works	0.726	0.116	15.98	0.726	0.000
Accelerated Programmes	0.561	0.159	28.34	0.561	0.000
WHQS Improvements	16.530	5.265	31.85	16.080	(0.450)
Modernisation / Improvements	1.342	0.000	0.00	1.342	0.000
SHARP Programme	6.701	0.045	0.67	6.701	0.000
Housing Revenue Account Total	27.220	6.775	24.89	27.220	(0.000)
Programme Total	77.136	25.355	32.87	72.837	(4.299)

1.16 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 2022/23 has been identified, this is also included in the narrative.

1.17 **Carry Forward into 2022/23**
During the quarter, carry forward of £4.299m (all CF) has been identified which reflects reviewed spending plans across all programme areas; these amounts can be split into 2 areas, those required to meet the cost of programme works and/or retention payments in 2022/23 and Corporate provision that are allocated as requested and approved.

1.18 The Corporate provision is as follows:-

- Community Asset Transfers - Community groups have a number of years to draw down their funding once approved. These sums are set aside to ensure that funds are available when called upon.

1.19 Information relating to each programme area is contained in Appendix B and summarised in Table 4 below:

Table 4

CARRY FORWARD INTO 2022/23	Month 4 £m
Governance	0.095
Planning, Environment & Economy	0.572
Streetscene & Transportation	1.976
Strategic Programmes	0.959
Housing & Assets	0.697
Council Fund	4.299
TOTAL	4.299

1.20

Additional Allocations

Additional allocations have been identified in the programme in this quarter as follows:

- County Hall kitchen upgrade - £0.070m. Funding required to make changes to the Bistro at County Hall, including new equipment to improve health and safety and access, to support NEWydd service delivery.

This can be funded from within the current 'headroom' provision.

- Disability Discrimination Act (DDA) Adaptations Programme Projects - This is a statutory requirement on Local Authorities to complete adaptations. There is a cost pressure of £0.200m on DDA Projects due to the size of the schemes in 2021/22. It is proposed to underwrite this by bringing forward £0.200m from the 2022/23 programme.

1.21

Savings

The following saving have been identified in the programme in this quarter.

- Greenfield Waste Transfer Station - £0.400m. Following a successful grant application, core funding allocated to developments at Greenfield Waste Transfer Station can be released back into the Capital Programme.

1.22

Funding of 2021/22 Approved Schemes

The position at Month 4 is summarised in Table 5 below for the three year Capital Programme between 2021/22 – 2023/24:-

Table 5

FUNDING OF APPROVED SCHEMES 2021/22 - 2023/24		
	£m	£m
Balance carried forward from 2020/21		(1.968)
Increases		
Shortfall in 2021/22 to 2023/24 Budget	1.317	
		<u>1.317</u>
Decreases		
Additional GCG - 2021/22 Confirmed	(1.461)	
Actual In year receipts	(0.283)	
Savings	(0.400)	<u>(2.144)</u>
Funding - (Available)/Shortfall		(2.795)

- 1.23 The final outturn funding surplus from the 2020/21 – 2022/23 Capital Programme was £1.968m.
- The 2021/22 – 2023/24 Capital Programme was approved on the 8th December 2020, with a funding deficit of £1.317m. Following the final local government settlement, the Council received additional funding and this resulted in the programme being in a surplus position of £0.144m over the three year period. This surplus carry forward led to an opening funding position surplus of £2.112m.
- Capital receipts received in the first quarter of 2021/22, along with savings identified, total £0.683m. This gives a revised projected surplus in the Capital Programme at Month 4 of £2.795m for the 2021/22 – 2023/24 Capital Programme, prior to the realisation of additional capital receipts and/or other funding sources.
- 1.24 **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.
- 1.25 Table 6 below shows a summary of the 2020/201 actual expenditure, the 2021/22 revised budget and budgets for future years as approved by Council at its meeting of 8th December, 2020. Further detail can be found in Appendix C, including details of the 2021/22 spend to Month 4.

Table 6

INVESTMENT IN COUNTY TOWNS			
	2020/21 Actual £m	2021/22 Revised Budget £m	2022 - 2024 Budget £m
Buckley / Penyffordd	10.157	5.279	3.668
Connah's Quay / Shotton	1.412	2.286	3.442
Flint / Bagillt	2.181	0.738	8.144
Holywell / Caerwys / Mostyn	1.457	8.629	1.359
Mold / Treuddyn / Cilcain	5.655	6.305	6.386
Queensferry / Hawarden / Sealand	5.825	7.647	3.878
Saltney / Broughton / Hope	4.841	4.038	0.000
Unallocated / To Be Confirmed	1.256	3.230	17.676
Total	32.784	38.152	44.553

- 1.26 The inclusion of actuals for 2020/21 and approved schemes for future years allows a slightly fuller picture of investment plans. However, expenditure which has occurred in years' prior to 2020/21 has not be included, and the expenditure and budgets reported should be considered in that context.
- 1.27 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.
- 1.28 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.
- 1.29 Information on the split between internal and external funding can be found in Appendix C.
- 1.30 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		
	2020/21 Actual £m	2021/22 Budget £m
Holywell	0.136	4.930
Flint	0.189	3.130
Deeside & Saltney	2.151	2.730
Buckley	3.568	3.630
Mold	1.160	3.030
Connah's Quay & Shotton	0.632	0.877
Total	7.836	18.327

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 adverse weather during the first quarter of the calendar year caused significant damage to the highway network. Assessments are ongoing but impacts are likely to be numerous and expensive, resulting in a cost pressure to the programme. This will be reported in the second quarter of the financial year once cost certainty is obtained.</p> <p>The impact of the pandemic will continue to be monitored closely during this financial year. Due to the re-profiling of schemes from the 2020/21 and resources available to manage and deliver schemes, the levels of planned expenditure in 2021/21 may be affected, resulting in a high level of carry forward requests to re-phase budgets into the 2022/23 programme.</p> <p>In addition to the above there are currently indications that material supplies, and demand, are being impacted by overseas supply market disruption leading to potential cost increases, higher tender prices and project delays.</p> <p>Grants received will also to be closely monitored 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>

	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 been made for these receipts in reporting the Council's capital funding position.
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4.00	CONSULTATIONS REQUIRED/CARRIED OUT
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4.01	No consultation is required as a direct result of this report.
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5.00	APPENDICES
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5.01	Appendix A: Capital Programme - Changes during 2021/22
5.02	Appendix B: Variances
5.03	Appendix C: Investment in Towns

6.00	LIST OF ACCESSIBLE BACKGROUND DOCUMENTS
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6.01	Capital Programme monitoring papers 2021/22.
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7.00	CONTACT OFFICER DETAILS
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7.01	Contact Officer: Chris Taylor, Strategic Finance Manager Telephone: 01352 703309 E-mail: christopher.taylor@flintshire.gov.uk
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8.00	GLOSSARY OF TERMS
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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>
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Capital Receipts: Receipts (in excess of £10,000) realised from the disposal of assets.

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 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.

APPENDIX A

CAPITAL PROGRAMME - CHANGES DURING 2021/22

	Original Budget 2021/22	Carry Forward from 2020/21	2021/22	Changes (Current)	Revised Budget 2021/22
			Savings		
	£m	£m	£m	£m	£m
Council Fund :					
People & Resources					
'Headroom'	0.350	0.210	0.000	0.000	0.560
Corporate Finance - H & S	0.000	0.050	0.000	0.000	0.050
	0.350	0.260	0.000	0.000	0.610
Governance					
Information Technology	0.422	0.505	0.000	0.004	0.931
	0.422	0.505	0.000	0.004	0.931
Education & Youth					
Education - General	0.445	3.454	0.000	(0.515)	3.384
Primary Schools	1.400	0.400	0.000	0.680	2.480
Schools Modernisation	3.525	0.217	0.000	1.504	5.246
Secondary Schools	0.207	3.400	0.000	0.884	4.491
Special Education	0.300	0.099	0.000	0.440	0.839
	5.877	7.570	0.000	2.993	16.440
Social Services					
Services to Older People	0.656	0.506	0.000	0.000	1.162
Children's Services	0.364	0.092	0.000	1.551	2.007
	1.020	0.598	0.000	1.551	3.169
Planning, Environment & Economy					
Closed Landfill Sites	0.000	0.250	0.000	0.000	0.250
Engineering	0.038	0.372	0.000	0.075	0.485
Energy Services	0.000	0.000	0.000	0.711	0.711
Ranger Services	0.040	(0.022)	0.000	0.000	0.018
Townscape Heritage Initiatives	0.050	0.180	0.000	0.173	0.403
Private Sector Renewal/Improv't	0.040	0.070	0.000	0.203	0.313
	0.168	0.850	0.000	1.162	2.180
Streetscene & Transportation					
Waste	1.150	1.230	(0.400)	2.216	4.196
Cemeteries	0.265	0.000	0.000	0.000	0.265
Highways	0.600	1.234	0.000	1.178	3.012
Local Transport Grant	0.000	0.017	0.000	10.898	10.915
Solar Farms	0.000	0.046	0.000	0.000	0.046
	2.015	2.527	(0.400)	14.292	18.434

APPENDIX A (Cont.)

	Original Budget 2021/22	Carry Forward from 2020/21	2021/22	Changes (Current)	Revised Budget 2021/22
			Savings		
	£m	£m	£m	£m	£m
Strategic Programmes					
Leisure Centres	0.250	0.107	0.000	0.000	0.357
Play Areas	0.200	0.350	0.000	0.000	0.550
Libraries	0.000	0.009	0.000	0.000	0.009
Theatr Clwyd	0.100	0.959	0.000	1.200	2.259
	0.550	1.425	0.000	1.200	3.175
Housing & Assets					
Administrative Buildings	0.644	0.424	0.000	0.000	1.068
Community Asset Transfers	0.000	0.697	0.000	0.000	0.697
Affordable Housing	0.000	0.000	0.000	0.582	0.582
Disabled Facilities Grants	1.660	0.779	0.000	0.191	2.630
	2.304	1.900	0.000	0.773	4.977
Housing Revenue Account :					
Disabled Adaptations	1.114	0.000	0.000	(0.264)	0.850
Energy Schemes	0.510	0.000	0.000	0.000	0.510
Major Works	0.726	0.000	0.000	0.000	0.726
Accelerated Programmes	0.561	0.000	0.000	0.000	0.561
WHQS Improvements	16.530	0.000	0.000	0.000	16.530
Modernisation / Improvements	1.342	0.000	0.000	0.000	1.342
SHARP Programme	14.052	0.000	0.000	(7.351)	6.701
	34.835	0.000	0.000	(7.615)	27.220
Totals :					
Council Fund	12.706	15.635	(0.400)	21.975	49.916
Housing Revenue Account	34.835	0.000	0.000	(7.615)	27.220
Grand Total	47.541	15.635	(0.400)	14.360	77.136

PEOPLE & RESOURCES

Capital Budget Monitoring 2021/22 - Month 4

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'	0.560	0.000	0.560	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	0.610	0.000	0.610	0.000	0	0.000			

GOVERNANCE

Capital Budget Monitoring 2021/22 - Month 4

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	0.931	0.117	0.836	(0.095)	-10	0.000	Laptop Replacement Programme – due to global shortage of laptops, £0.095m will be required to be carry forward into 2022/23.	Carry Forward - Request approval to move funding of £0.095m to 2022/23.	
Total	0.931	0.117	0.836	(0.095)	-10	0.000			

Variance = Budget v Projected Outturn

EDUCATION & YOUTH

Capital Budget Monitoring 2021/22 - Month 4

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	3.384	0.233	3.384	0.000	0	0.000			
Primary Schools	2.480	0.958	2.480	0.000	0	0.000			
Schools Modernisation	5.246	4.424	5.246	0.000	0	0.000			
Secondary Schools	4.491	2.747	4.491	0.000	0	0.000			
Special Education	0.839	0.007	0.839	0.000	0	0.000	£0.200m shortfall on DDA Projects due to significant adaptations on a number of schemes in 2021/22.	It is proposed that the shortfall will be reimbursed from 2022/23 capital allocations.	Request for Cabinet approval found in the main body of the report.
Total	16.440	8.369	16.440	0.000	0	0.000			

Variance = Budget v Projected Outturn

SOCIAL SERVICES

Capital Budget Monitoring 2021/22 - Month 4

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	1.162	0.375	1.162	0.000	0	0.000			
Children's Services	2.007	0.801	2.007	0.000	0	0.000			
Total	3.169	1.175	3.169	0.000	0	0.000			

Variance = Budget v Projected Outturn

PLANNING, ENVIRONMENT & ECONOMY

Capital Budget Monitoring 2021/22 - Month 4

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	0.000	(0.250)	-100	0.000	The project is unlikely to progress in 2021/22.	Carry Forward - Request approval to move funding of £0.250m to 2022/23.	
Engineering	0.485	0.000	0.223	(0.262)	-54	0.000	Land Drainage projects, £0.160m are unlikely to progress in 2021/22. Awaiting clarification from DCWW on whether and when works at Gadlys Lane will proceed, £0.102m.	Carry Forward - Request approval to move funding of £0.262m to 2022/23.	
Energy Services	0.711	0.203	0.711	0.000	0	0.000			
Ranger Services	0.018	0.000	0.018	0.000	0	0.000			
Townscape Heritage Initiatives	0.403	0.197	0.343	(0.060)	-15	0.000	Historic Buildings schemes will not commence until September 2021, resulting in a rollover requirement of £0.025m. Retention of £0.035m for works at Bailey Hill required in 2022/23.	Carry Forward - Request approval to move funding of £0.060m to 2022/23.	
Private Sector Renewal/Improvement	0.313	0.210	0.313	0.000	0	0.000			Expenditure is driven by demand.
Total	2.180	0.609	1.608	(0.572)	-26	0.000			

Variance = Budget v Projected Outturn

STREETSCENE & TRANSPORTATION

Capital Budget Monitoring 2021/22 - Month 4

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	4.196	0.606	2.266	(1.930)	-46	0.000	Works to progress into 2022/23 for the Waste Transfer Station at Standard Yard Industrial Estate, as a result of planning delays due to the pandemic.	Carry Forward - Request approval to move funding of £1.930m to 2022/23.	Saving identified of £0.400m in relation to Greenfield Waste Transfer Station following successful grant application.
Cemeteries	0.265	0.001	0.265	0.000	0	0.000			
Highways	3.012	0.708	3.012	0.000	0	0.000			
Local Transport Grant	10.915	4.926	10.915	0.000	0	0.000			
Solar Farms	0.046	0.000	0.000	(0.046)	-100	0.000	Works to take place in 2022/23 for the installation of Solar PV at Standard Waste Transfer Station, to ensure site is energy neutral. This is a requirement as part wider improvement scheme at the site.	Carry Forward - Request approval to move funding of £0.046m to 2022/23.	
Total	18.434	6.241	16.458	(1.976)	-11	0.000			

Variance = Budget v Projected Outturn

STRATEGIC PROGRAMMES

Capital Budget Monitoring 2021/22 - Month 4

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	0.357	0.004	0.357	0.000	0	0.000			
Play Areas	0.550	0.034	0.550	0.000	0	0.000			
Libraries	0.009	0.000	0.009	0.000	0	0.000			
Theatr Clwyd	2.259	1.058	1.300	(0.959)	-42	0.000	Project currently at the final design and technical stage, which is grant funded. The carry forward request relates to the construction stage of the works due to commence in 2022/23.	Carry Forward - Request approval to move funding of £0.959m to 2022/23.	
Total	3.175	1.097	2.216	(0.959)	-30	0.000			

Variance = Budget v Projected Outturn

HOUSING & ASSETS

Capital Budget Monitoring 2021/22 - Month 4

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	1.068	0.055	1.068	0.000	0	0.000			
Community Asset Transfers	0.697	0.000	0.000	(0.697)	-100	0.000	Expenditure is incurred as and when schemes are signed off.	Carry Forward - Request approval to move funding of £0.697m to 2022/23.	
Affordable Housing	0.582	0.582	0.582	0.000	0	0.000			Works on various sites are ongoing. Funds are drawn down as expenditure is incurred.
Disabled Facilities Grants	2.630	0.335	2.630	0.000	0	0.000		Ongoing Monitoring	DFG spend is customer driven and volatile. The service is currently undergoing a re-design. This in combination with supply chain issues has resulted in works being delayed, meaning there is potential for a variance and a future carry forward request.
Total	4.977	0.972	4.280	(0.697)	-14	0.000			

Variance = Budget v Projected Outturn

HOUSING REVENUE ACCOUNT

Capital Budget Monitoring 2021/22 - Month 4

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	0.850	0.163	0.850	0.000	0	0.000			
Energy Services	0.510	1.027	0.960	0.450	88	0.000	Energy spend above budget allocation will be met through income generated from the feeding tariffs and potential WHQS underspends.		
Major Works	0.726	0.116	0.726	0.000	0	0.000			
Accelerated Programmes	0.561	0.159	0.561	0.000	0	0.000			
WHQS Improvements	16.530	5.265	16.080	(0.450)	-3	0.000	Potential WHQS underspend to be utilised within Energy Services.		
Modernisation / Improvements	1.342	0.000	1.342	0.000	0				
SESRP	6.701	0.045	6.701	0.000	0	0.000			
Total	27.220	6.775	27.220	(0.000)	-0	0.000			

Variance = Budget v Projected Outturn

SUMMARY

Capital Budget Monitoring 2021/22 - Month 4

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	0.610	0.000	0.610	0.000	0	0.000			
Governance	0.931	0.117	0.836	(0.095)	-10	0.000			
Education & Youth	16.440	8.369	16.440	0.000	0	0.000			
Social Services	3.169	1.175	3.169	0.000	0	0.000			
Planning, Environment & Economy	2.180	0.609	1.608	(0.572)	-26	0.000			
Scenescene & Transportation	18.434	6.241	16.458	(1.976)	-11	0.000			
Strategic Programmes	3.175	1.097	2.216	(0.959)	-30	0.000			
Housing & Assets	4.977	0.972	4.280	(0.697)	-14	0.000			
SO Total - Council Fund	49.916	18.580	45.617	(4.299)	-9	0.000			
Housing Revenue Account	27.220	6.775	27.220	0.000	0	0.000			
Total	77.136	25.355	72.837	(4.299)	-6	0.000			

Variance = Budget v Projected Outturn

INVESTMENT IN COUNTY TOWNS - 2020/21 ACTUAL SPEND

APPENDIX C

TOWN FUNDING	20/21 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	1,152	122		20		51		187		227		366					179		1,152	0	1,152
EDUCATION & YOUTH																					
Connah's Quay High School	264			69	195														69	195	264
Queensferry Campus	3,303												3,303						0	3,303	3,303
Ysgol Glanrafon	770										770								0	770	770
Castell Alun High School	3,511													3,511					3,511	0	3,511
SOCIAL CARE																					
Marleyfield EPH	8,005	4,225	3,780																4,225	3,780	8,005
PLANNING, ENVIRONMENT & ECONOMY																					
Solar PV Farms	2,058			433		1,625													2,058	0	2,058
STREETSCENE & TRANSPORTION																					
Highways Maintenance	1,259		131		54				398		156		53		243		140	84	140	1,119	1,259
Transport Grant	6,136		45		641		505	164	708		30		2,103		1,087			853	164	5,972	6,136
Improvements to Standard Yard Waste Transfer Station	447		447																0	447	447
STRATEGIC PROGRAMMES																					
Theatr Clwyd - Redevelopment	1,808										1,808								0	1,808	1,808
HOUSING & ASSETS																					
County Hall Demolition	1,042										1,042								1,042	0	1,042
Adaptable Housing	3,029	1,407									1,622								3,029	0	3,029
	32,784	5,754	4,403	522	890	1,676	505	351	1,106	2,891	2,764	366	5,459	3,511	1,330	319	937	15,390	17,394	32,784	
AREA TOTAL			10,157	1,412	2,181	1,457	5,655	5,825	4,841	1,256											

259

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	62					20		42												62	0	62
EDUCATION & YOUTH																						
Queensferry Campus	4,004											1,006	2,998							1,006	2,998	4,004
Ysgol Glanrafon	1,391										161	1,230								161	1,230	1,391
Castell Alun High School	2,678													2,678						2,678	0	2,678
SOCIAL CARE																						
Marleyfield EPH	385	385																		385	0	385
Ty Nyth, Children's Residential Care	12											12								0	12	12
PLANNING, ENVIRONMENT & ECONOMY																						
Solar PV Farms	237			237																237	0	237
STREETSCENE & TRANSPORTION																						
Improvements to Standard Yard Waste Transfer Station	207		207																	0	207	207
Improvements to Greenfield Waste Transfer Station	387								387											0	387	387
Highways Maintenance	825		28						311		233		180		73					0	825	825
Transport Grant	4,926		597		113		439	1	379		451		2,392		536			18		1	4,925	4,926
STRATEGIC PROGRAMMES																						
Theatr Clwyd - Redevelopment	1,058										1,058									0	1,058	1,058
HOUSING & ASSETS																						
Affordable Housing	582									582										582	0	582
	16,754	385	832	237	113	20	439	43	1,077	743	2,984	1,006	5,570	2,678	609	0	18		5,112	11,642	16,754	

AREA TOTAL

1,217 350 459 1,120 3,727 6,576 3,287 18

Tudalen 261

INVESTMENT IN COUNTY TOWNS - 2022- 2024 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	7,351	968		817		44		1,359		3,285		878							7,351	0	7,351
EDUCATION & YOUTH																					
Ysgol Croes Atti, Shotton	1,125			262	863														262	863	1,125
Ysgol Croes Atti, Flint	5,500					1,925	3,575												1,925	3,575	5,500
Drury County Primary	2,700	945	1,755																945	1,755	2,700
Joint Archive Facility, FCC and DCC	2,783									2,783									2,783	0	2,783
SOCIAL CARE																					
Mockingbird	384															384			384	0	384
STREETSCENE & TRANSPORTION																					
Highways Asset Management Plan	1,200																1,200		1,200	0	1,200
HOUSING & ASSETS																					
Affordable Housing	23,510			1,500		2,600				318		3,000				16,092			23,510	0	23,510
	44,553	1,913	1,755	2,579	863	4,569	3,575	1,359	0	6,386	0	3,878	0	0	0	17,676	0		38,360	6,193	44,553
AREAS TOTAL			3,668		3,442		8,144		1,359		6,386		3,878		0		17,676				

Tudalen 262

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CORPORATE RESOURCES OVERVIEW AND SCRUTINY COMMITTEE

Date of Meeting	Thursday, 16 th September 2021
Report Subject	Employment and Workforce Quarterly Update
Cabinet Member	Deputy Leader of the Council (Governance) and Cabinet Member for Corporate Management and Assets
Report Author	Senior Manager, Human Resources & Organisational Development
Type of Report	Operational

EXECUTIVE SUMMARY

To provide Members with a review of the organisational workforce data for the first quarter for 2021/22. This report provides details of the following:

- Headcount and Full Time Equivalent (FTE)
- Organisation Age Profile (Non –Schools and Schools)
- Employee Turnover and Stability (Including Redundancies and Early Retirements)
- Attendance
- Performance Monitoring (Appraisals)
- Resource Management (Agency Workers)
- Equality and Diversity
- Achievements made by Human Resources within the quarter

The format of this report and the accompanying Workforce Information Dashboard reports are intended to focus on organisational performance and trends. The dashboards are a visual presentation of data, showing the current status and historical trends of the Council's performance against key performance indicators.

This report provides a brief narrative on the overall performance against a number of indicators. A more detailed explanation is provided on an exceptional basis where performance is falling below organisational performance indicators or where there has been a significant movement, either upwards or downwards, in the reported trends. The narrative will include an explanation for the movement in trend and details of any proposed actions to improve or maintain performance.

The performance information is provided for the whole organisation but split to show Schools and Non-Schools data separately.

On a periodic basis, this report will highlight key achievements or projects undertaken in support of the People Strategy and/or Council Plan.

RECOMMENDATIONS

1	Members comment on Workforce Information Report for quarter one 2021/22 to 30 June 2021.
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REPORT DETAILS

1.00	EXPLAINING THE WORKFORCE INFORMATION REPORT
1.01	<p>Headcount and Full Time Equivalent (FTE)</p> <p>The headcount and FTE figures during quarter one shows a marginal increase in FTE across the Council since April 2021. Non-schools show an increase of 6 FTE, and Schools show an overall increase of 8 FTE.</p>
1.02	<p>Age Profiling</p> <p>Age profiling the organisation, departments and teams is an important part of understanding the age demographics of our workforce and where we may need to focus attention. Why do we use age profiling?</p> <ul style="list-style-type: none"> • to identify work areas with a high average age • to help plan for retirements and how we will recruit or retain staff • to highlight patterns and trends across our workforce • to support workforce planning. <p>Understanding our workforce profile, enables the Council to assess supply and potential problem areas within a given service/portfolio and aids succession planning by identifying any skill gaps that may arise. Without an analysis of age profile (and skills profile), no workable long term planning can be made.</p>

	<p>The age profile of our workforce is consistent with other local authorities.</p>
1.03	<p>Employee Turnover and Stability (Including Redundancies and Early Retirements)</p> <p>The turnover percentage for this quarter is 1.75%. This compares favourably to previous years as Q1 2019 was 2.33% and Q1 2020 was 1.02%. Whilst Q1 2020 was lower than years either side we are mindful that this reflects the impact of the pandemic and a broader slow-down in the employment market at that time. Portfolio figures reflect a similar trend.</p> <p>On this basis historical trend data suggests a projected out-turn of 10%, which is in line with the previous two years and well below the national average of 15% employment turnover. That being said, employment market trends during the pandemic have shifted so we can't be complacent and will need to monitor employee turnover and emerging trends robustly.</p> <p>Human Resource colleagues actively encourage the use of exit interviews so portfolios can monitor and understand reasons for leaving. Reasons for leaving include not having a clear understanding of what to expect to in their role and/or of the Council as an employer. The feedback obtained from exit interviews also assists Human Resources to review the effectiveness of the various recruitment methods used across the Council and justify making changes as appropriate to improve recruitment and retention.</p>
1.04	<p>Attendance</p> <p>The cumulative full time equivalent (FTE) days lost for quarter one is 2.33, which is a significant improvement compared to quarter one 20/21 at 6.46 days lost per FTE</p> <p>The COVID-19 pandemic has seen a change in the way that all workgroups undertake their work. For a substantial number, this has seen them working from home, for others, they remain in work supported by a range of measures including but not limited to the establishment of 'bubbles', provision of appropriate PPE and/or maintaining physical distancing. All of these changes have had a positive effect on some illnesses such as infection rates.</p> <p>Attendance continues to be managed very closely, with regular reporting on the number of employees affected by COVID related absences, including those identified as a contact of a positive (index) case who are required to isolate irrespective of whether they are able to attend work (depending on the role occupied, some employees are able to work from home or be temporarily deployed to alternative duties).</p>
1.05	<p>Performance Monitoring (Appraisals)</p> <p>Many of our employees have and continue to work differently in what are often challenging circumstances. Some employees have been be unable to work due to the nature of their work or the lack of facilities to work from home. There have been particular challenges for many with the closure of</p>

	<p>schools and other services most notably those with caring responsibilities for children or other dependents.</p> <p>Employees still need a framework in which they can provide and receive feedback and continue to learn and grow and you will recall that in 2020/21 we introduced an alternative approach to our normal performance appraisals in the form of a structured one to one which provided for a welfare check, an honest discussion about what has been achieved during the preceding six months, and how they have coped. Followed by what can realistically be achieved in the coming 12 months and the normal career conversation. We are not holding statistics on completion levels at this stage but are confident that many have been completed. Looking forward to 2022, we will update and refresh the model to include a greater emphasis on values, and well-being.</p>
1.06	<p>Resource Management (Agency Workers)</p> <p>The cumulative agency spend for the quarter is £795,000. The largest agency spend is within Streetscene and Transportation at £410,000 (52%). The second largest spend is within Social Services at £181,000 (23%). Both of these services have been at the forefront of the response to the pandemic, which has required to changes to working practices, including the use of ‘bubbles’ to keep our workforce safe which has impacted on the number of additional, temporary resources required to supplement the service.</p> <p>The cumulative ‘Off-contract’ spend for the quarter is £122,000, which equates to 15% of the overall agency spend. This shows that the use of agency workers is continuing to be used more appropriately across the organisation. The main reasons for ‘off-contract’ spend is where there is a need to fill specialist, hard to fill roles such as Social Workers.</p> <p>There were a total of 122 active agency placements on 30 June. At the time of running the report 100 placements exceeded the 12 week Agency Worker Regulations threshold. Of those that exceeded the threshold, the majority (59) were within Streetscene and Transportation.</p> <p>As portfolios move into recovery, HR Business Partners continue to work closely with them to bring placements to an end and where it will support service delivery, offer workers direct employment. An exercise in Streetscene and Transportation is already underway which seeks to convert a large number of agency placements to direct employment to minimise agency spend, provide continuity of service and job security.</p>
1.07	<p>Equality and Diversity Workforce Monitoring</p> <p>Workforce diversity monitoring is an important means of demonstrating, implementing and promoting equality of opportunity. Ongoing promotion and monitoring is carried out to gather information on the diversity of our workforce including potential recruits as well as existing employees. The Council collects diversity information based on current UK equality legislation which aims to prevent discrimination on grounds of age, disability,</p>

	<p>gender, race, sexual orientation, religion and other protected characteristics. Information gathered can if analysed regularly, help us to identify barriers that prevent access to employment and career development for certain groups of people, and to develop solutions, such as positive action plans or alternative policies and practices.</p>
1.08	<p>Achievements - Apprenticeships</p> <p>Apprenticeships are a key part of our development toolkit and COVID-19 prevented us from running our usual programme last year. The good news is that due to the easing of restrictions, during quarter one, we were able to launch our apprenticeship programme for 2021/22.</p> <p>The Flintshire apprenticeship scheme provides opportunities across a range of disciplines and has been a priority for the Council for many years. Despite COVID-19 most of the apprentices on our programme remained on the programme which is a testament to the apprentices, the managers and teams supporting them. The contracts of our existing apprentices were extended to enable them to finish their studies (also affected by the pandemic) and to give them the best opportunity of securing employment either with us or other employers once restrictions were eased and employment opportunities became available.</p> <p>This year's cohort, includes following disciplines:</p> <p>Graduate:</p> <ul style="list-style-type: none"> • Certified Internal Audit (CIA) or Chartered Institute of Public Finance and Accountancy CIPFA) • Environmental Health <p>Higher level Apprentice:</p> <ul style="list-style-type: none"> • Web Design/Marketing <p>Trade:</p> <ul style="list-style-type: none"> • Mechanic • Joiner • Electrician • Heating Engineer • Plasterer <p>Other:</p> <ul style="list-style-type: none"> • Business Administration • Customer Services • Finance (AAT) • Streetscene/Local Environmental Services (General Operative placements) <p>The campaign attracted 242 applications, of which 129 candidates were short-listed and attended for first stage interview with HR.</p> <p>78 candidates attended for second stage interviews. These interviews took place concurrently across a number of days via Webex and were recorded.</p>

	<p>This new arrangement allowed all recruiting managers to be involved without the candidates having to attend multiple interviews.</p> <p>The outcome of the recruitment and selection process was that a new cohort of 29 successful candidates who been offered and accepted an apprenticeship commencing in September 2021.</p> <p>On-boarding commenced week commencing 6 September 2021.</p>
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2.00	RESOURCE IMPLICATIONS
2.01	None arising directly from this report.

3.00	IMPACT ASSESSMENT AND RISK MANAGEMENT
3.01	None as the dashboard reports appended to this report details existing actual out-turns in the various measures.

4.00	CONSULTATIONS REQUIRED/CARRIED OUT
4.01	None arising directly from this report.

5.00	APPENDICES
5.01	Appendix One: Dashboard – Workforce Information Report - Quarter One 2021/22.

6.00	LIST OF ACCESSIBLE BACKGROUND DOCUMENTS
6.01	None arising directly from this report.

7.00	CONTACT OFFICER DETAILS
7.01	<p>Contact Officer: Sharon Carney, Senior Manager, Human Resources and Organisational Development.</p> <p>Telephone: 01352 702139</p> <p>E-mail: sharon_carney@flintshire.gov.uk</p>

Headcount and FTE

This will provide information on the current levels of the Council's workforce.

Age Profiling

The purpose of providing the Organisational Age Profile is to enable the Council to provide a guide to the future number of potential retirements and succession plan by identifying any skill gaps that may arise. Without an analysis of age profile, no workable long term planning can be made.

Employee Turnover and Stability (Including Redundancies and Early Retirements)

This information will provide the awareness of trends in turnover rates within the Council for potential measure to be put in place for high turnover rates, if applicable.

Attendance

Attendance remains a high priority in the Council and will provide detailed information on the areas for improvement for absence/attendance. Stage 1 and Stage 2 capability hearings are the formal stages of the Attendance Management policy where sanctions including dismissal take place.

Performance Management (Appraisals)

Reporting on performance appraisals and development will enable more effective monitoring of potential training needs for future planning.

Resource Management

This information will include the usage of agency workers within the Council.

Equality and Diversity Workforce Monitoring

Information will be provided to inform what measures, if any, need to be implemented to prevent inequalities within the Council.

Red Book

JNC for Local Authority Craft & Associated Employees

Green Book

JNC National Agreement for the former APT&C and Manual employees

Mae'r dudalen hon yn wag yn bwrpasol

CORPORATE DASHBOARD REPORTS

(FLINTSHIRE COUNTY COUNCIL)

QUARTER 1 2021/22

(APRIL - JUNE)

Table of Contents

1. Flintshire County Council Cumulative Totals	3
2. Non - Schools	
2.1. Headcount and Full Time Equivalent (FTE)	4
2.2. Age Profile	5
2.3. Attendance	6
2.4. Turnover and Stability	7
2.5. Equality and Diversity	8
2.6. Resource Management (Agency)	10
3. Schools	
3.1. Headcount and Full Time Equivalent (FTE)	11
3.2. Age Profile	12
3.3. Attendance	13
3.4. Turnover and Stability	14
3.5. Equality and Diversity	15

2021/22 DASHBOARD

FLINTSHIRE COUNTY COUNCIL CUMULATIVE TOTALS

TOTAL HEADCOUNT

5,946

TOTAL FTE

4,667

LEAVERS / TURNOVER

104 / 1.75%

AGENCY SPEND 2021/22

£795,000

TARGET 2021/22

£1.70m

DAYS LOST PER FTE 2021/22

2.33

TARGET 2021/22

8.00

Tudalen 273

QUARTER 1 2021/22 DASHBOARD

HEADCOUNT AND FULL TIME EQUIVALENT (FTE) - NON SCHOOLS

TOTAL HEADCOUNT

2,756

TOTAL FULL TIME EQUIVALENT

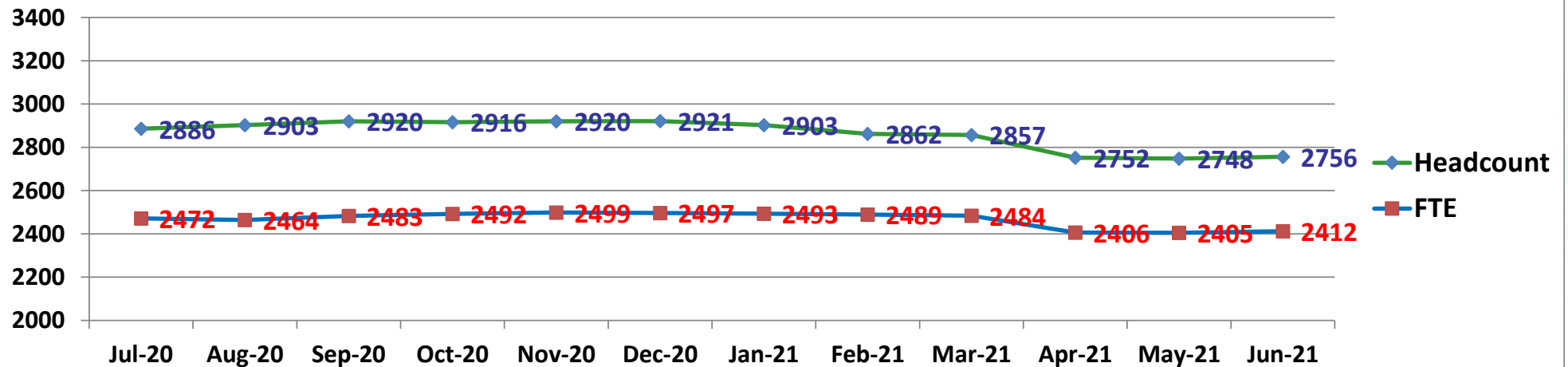
2,412

01/04/2021 2,752
Increase of 4 person (+0.15%)
30/06/2021 2,756

01/04/2021 2,406
Increase of 6 FTE (+0.25%)
30/06/2021 2,412

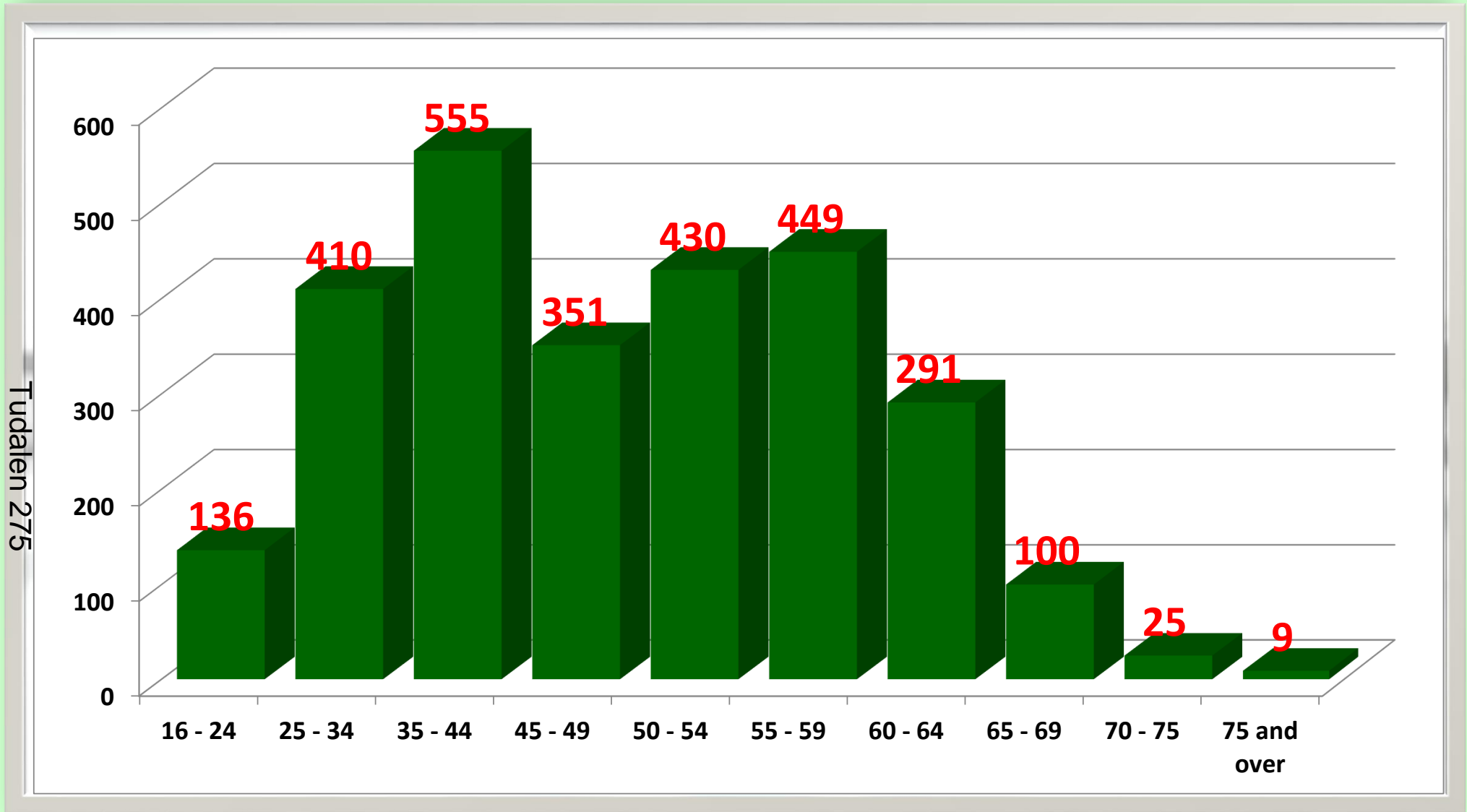
Tudalen 274

HEADCOUNT AND FTE - 12 MONTH TREND



QUARTER 1 2021/22 DASHBOARD

AGE PROFILE - NON-SCHOOLS

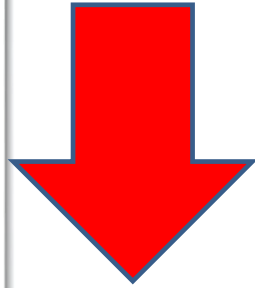


QUARTER 1 2021/22 DASHBOARD

ATTENDANCE - NON-SCHOOLS

6

DAYS LOST PER FTE 2021/22



30/06/2020
2.11

2.59

30/06/2021
2.59



Downturn of 0.48

Tudalen 276

TOP 4 REASONS

1. MUSCULOSKELETAL
2. STRESS, DEPRESSION, ANXIETY
3. STOMACH, LIVER, DIGESTION, VOMITING
4. INFECTIONS

QUARTER 1 2021/22 DASHBOARD

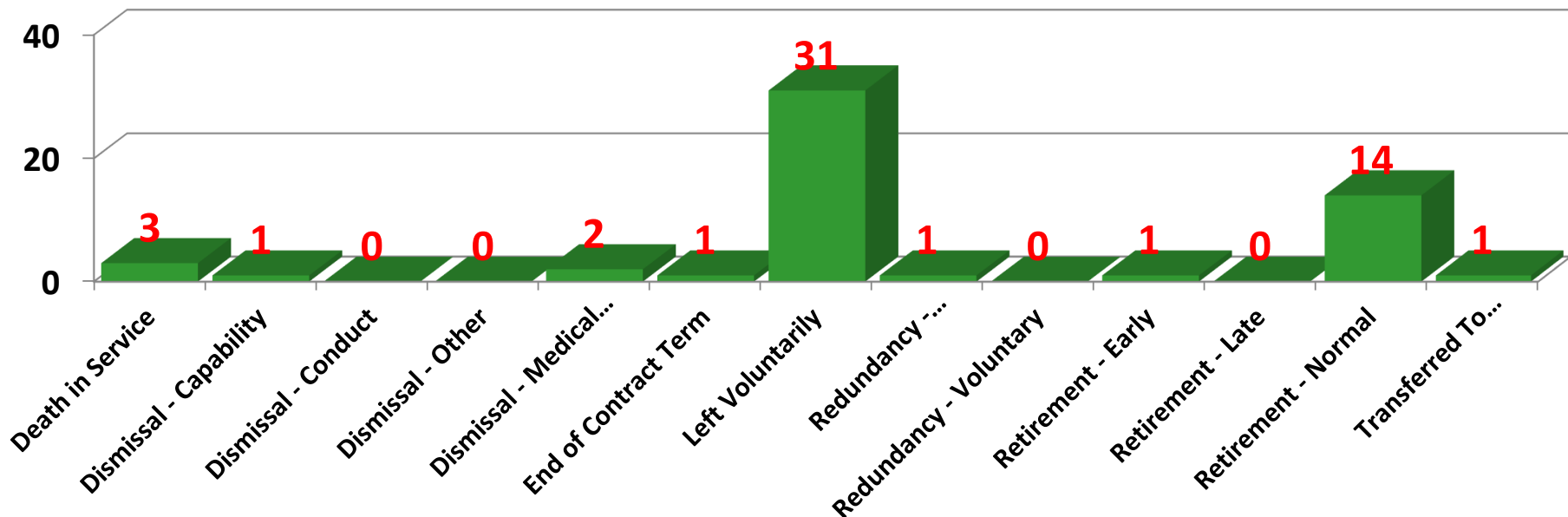
TURNOVER AND STABILITY - NON SCHOOLS

LEAVERS - 2021/22

55

LEAVER REASON - 2021/22

Tudalen 277



QUARTER 1 2021/22 DASHBOARD

EQUALITY AND DIVERSITY - NON-SCHOOLS

Tudalen 278

GENDER BREAKDOWN

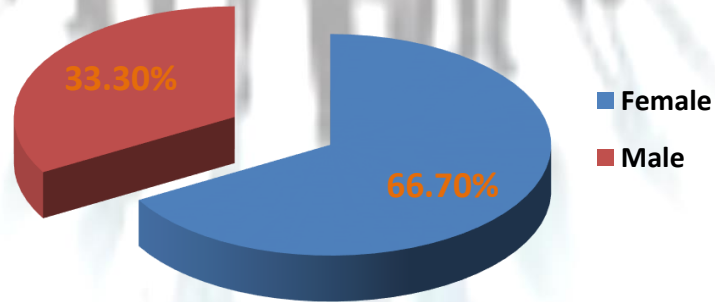
MALE

951
(33.30%)

FEMALE

1,905
(66.70%)

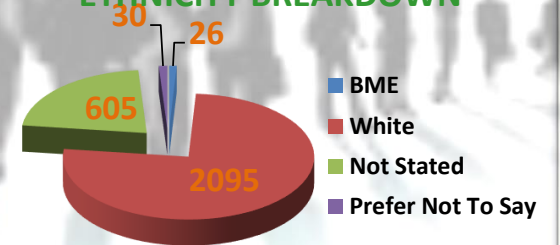
GENDER BREAKDOWN (%)



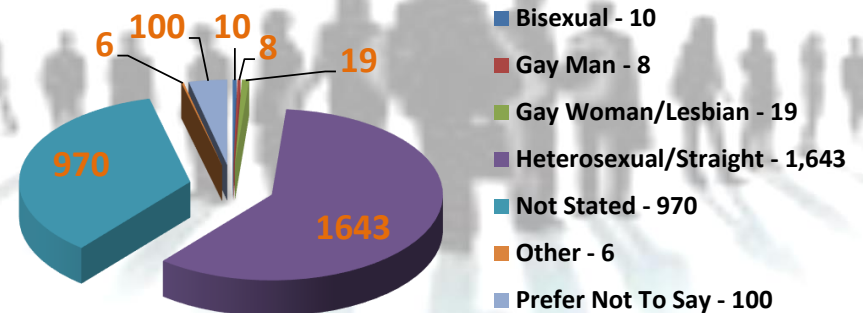
ETHNICITY

BME - 26
 WHITE - 2,095
 PREFER NOT TO SAY - 30
 NOT STATED - 605

ETHNICITY BREAKDOWN



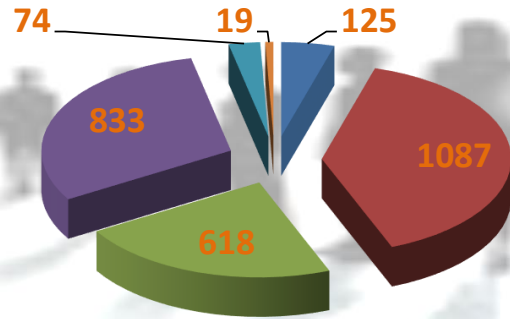
SEXUAL ORIENTATION



QUARTER 1 2021/22 DASHBOARD

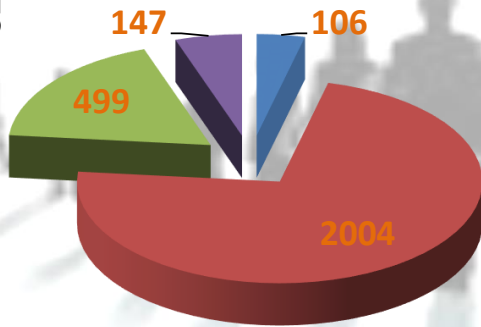
EQUALITY AND DIVERSITY - NON-SCHOOLS

MARITAL STATUS



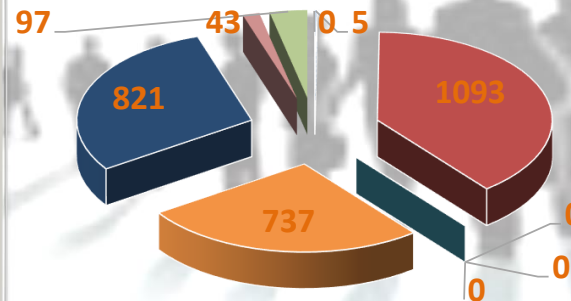
- Divorced / Dissolved Civil Partnership - 125
- Married / Civil Partnership - 1,087
- Not Married or in Civil Partnership - 618
- Not Stated - 833
- Prefer Not To Say - 74
- Widowed / Surviving Civil Partner - 19

DISABILITY



- Yes - 106
- No - 2,004
- Not Stated - 499
- Prefer Not To Say - 147

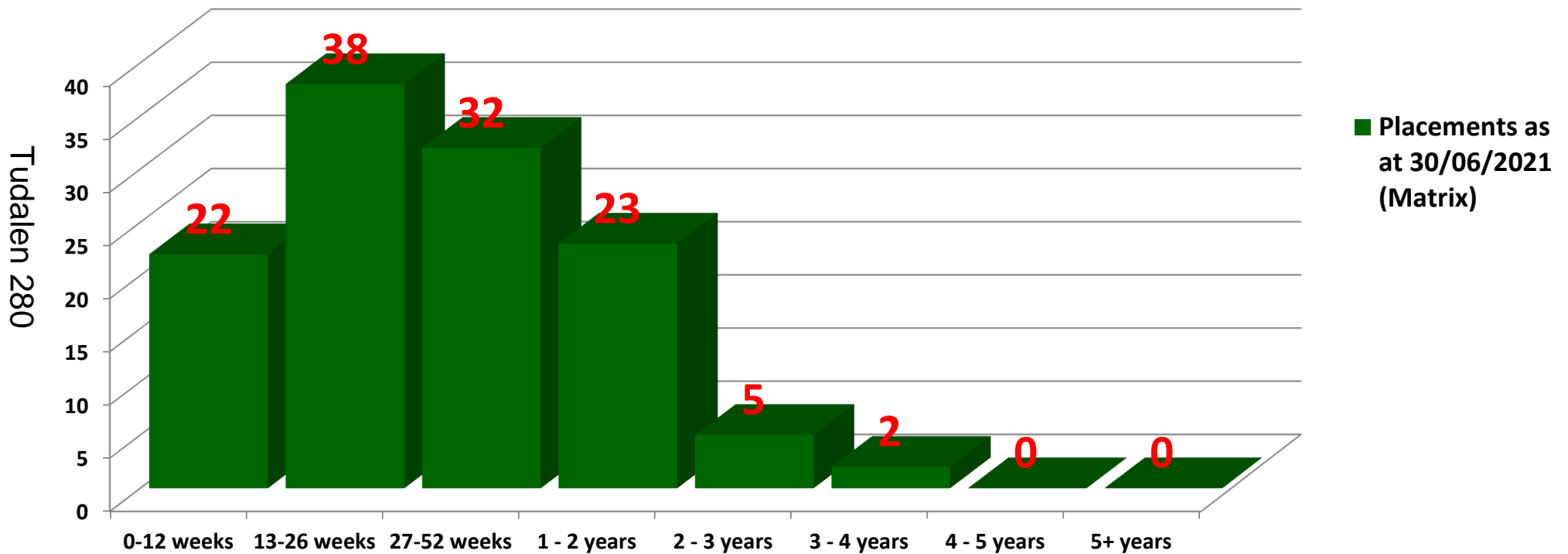
RELIGION OR BELIEF



- Buddhist - 5
- Christian - 1,093
- Hindu - 0
- Jewish - 0
- Muslim - 0
- None - 757
- Not Stated - 821
- Other - 43
- Prefer Not To Say - 97
- Sikh - 0

Tudalen 279

Agency Tenure Management



QAURTER 1 2021/22 DASHBOARD

HEADCOUNT AND FULL TIME EQUIVALENT (FTE) - SCHOOLS

TOTAL HEADCOUNT

3,190

TOTAL FULL TIME EQUIVALENT

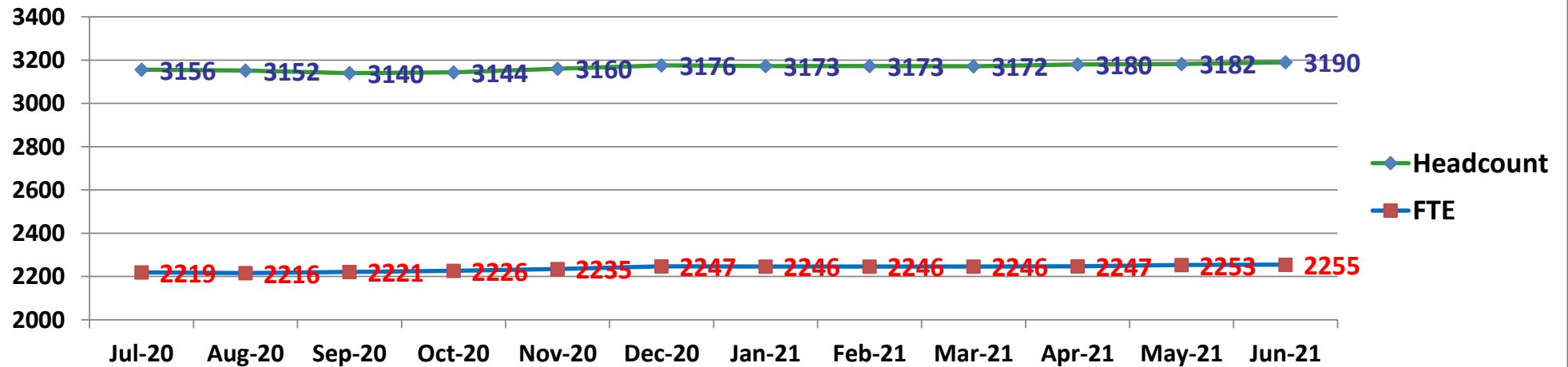
2,255

01/04/2021 3,180
Increase of 10 people (-0.31%)
30/06/2021 3,190

01/04/2021 2,247
Increase of 8 FTE (-0.36%)
30/06/2021 2,255

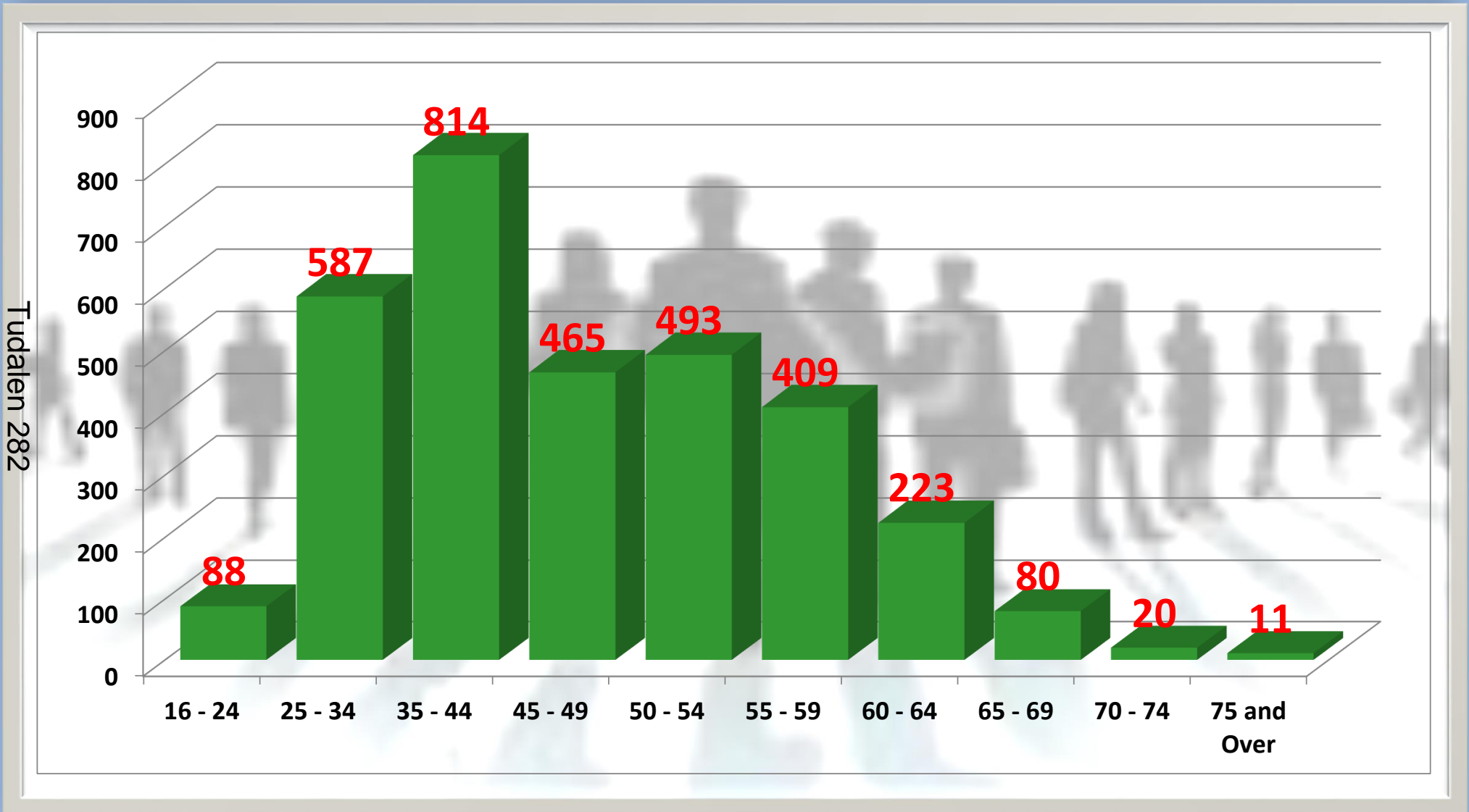
HEADCOUNT AND FTE - 12 MONTH TREND

Tudalen 281

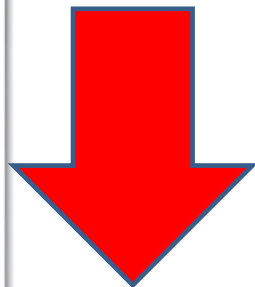


QUARTER 1 2021/22 DASHBOARD

AGE PROFILE - SCHOOLS



DAYS LOST PER FTE 2021/22



30/06/2020
1.07

2.05

30/06/2021
2.05



Downturn of 0.98

TOP 4 REASONS

1. STRESS, DEPRESSION, ANXIETY
2. MUSCULOSKELTAL
3. INFECTIONS
4. BENIGN & MALIGNANT TUMOURS, CANCERS

Tudalen 283

QUARTER 1 2021/22 DASHBOARD

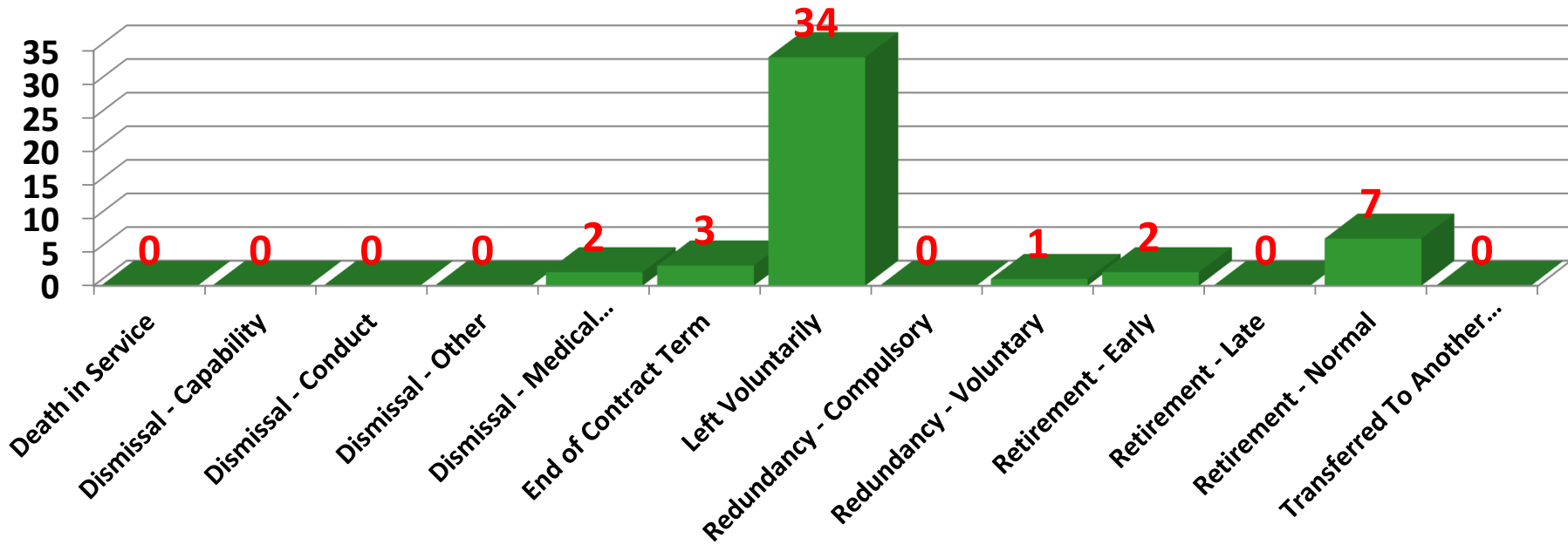
TURNOVER AND STABILITY - SCHOOLS

LEAVERS - 2021/22

49

LEAVER REASON - 2021/22

Tudalen 284



QUARTER 1 2021/22 DASHBOARD

EQUALITY AND DIVERSITY - SCHOOLS

GENDER BREAKDOWN

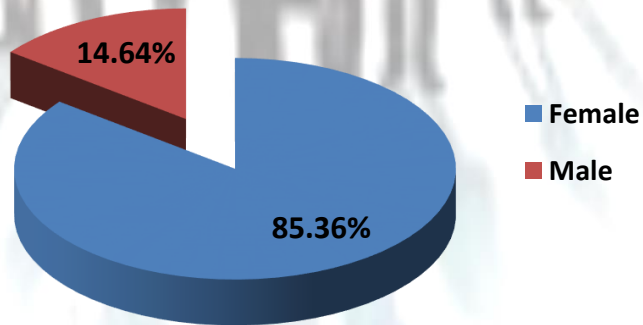
MALE

467
(14.64%)

FEMALE

2,723
(85.36%)

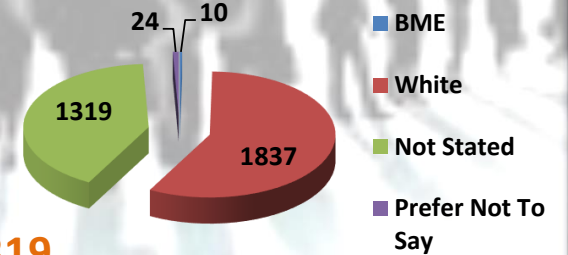
GENDER BREAKDOWN (%)



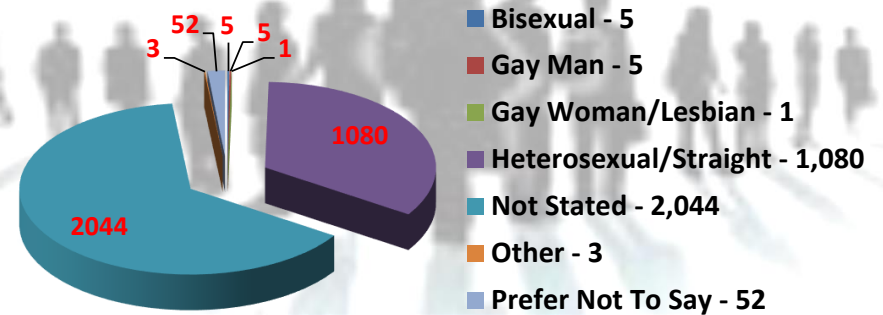
ETHNICITY

BME - 10
WHITE - 1,837
PREFER NOT TO SAY - 24
NOT STATED - 1,319

ETHNICITY BREAKDOWN (%)



SEXUAL ORIENTATION



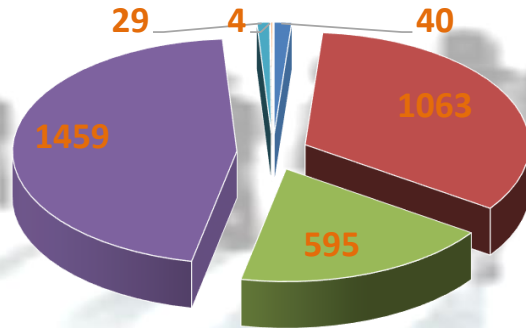
Tudalen 285

QUARTER 1 2021/22 DASHBOARD

EQUALITY AND DIVERSITY - SCHOOLS

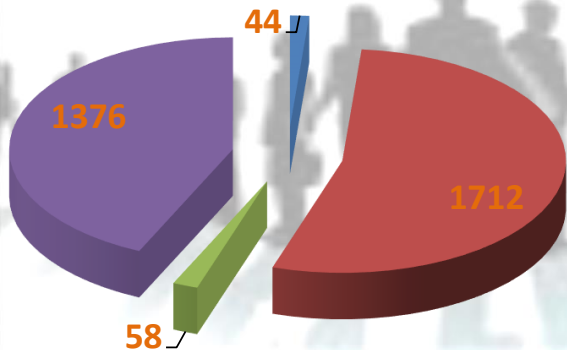
Tudalen 286

MARITAL STATUS



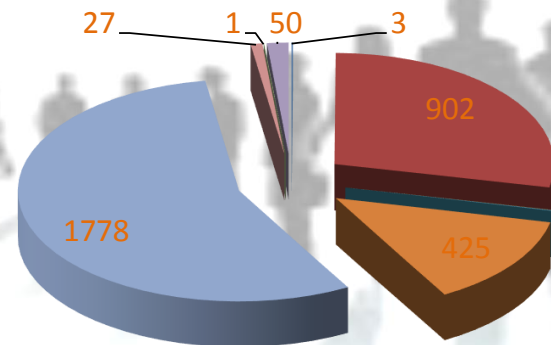
- Divorced / Dissolved Civil Partnership - 39
- Married / Civil Partnership - 1,048
- Not Married or in Civil Partnership - 585
- Not Stated - 1,471
- Prefer Not To Say - 26
- Widowed / Surviving Civil Partner - 3

DISABILITY



- Yes - 44
- No - 1,712
- Prefer Not To Say - 58

RELIGION OR BELIEF



- Buddhist - 3
- Christian - 902
- Hindu - 1
- Jewish - 1
- Muslim - 2
- None - 425
- Not Stated - 1,778
- Other - 27
- Sikh - 1