



Complete Agenda

**Bwrdd Uchelgais Economaidd
Gogledd Cymru**

**North Wales
Economic Ambition Board**

Meeting

NORTH WALES ECONOMIC AMBITION BOARD

Date and Time

1.30 pm, FRIDAY, 5TH MAY, 2023

Location

Virtual Meeting - Zoom

(For public access to the meeting, please contact us)

Contact Point

Eirian Roberts

01286 679018

eirianroberts3@gwynedd.llyw.cymru

(DISTRIBUTED 28/04/23)

NORTH WALES ECONOMIC AMBITION BOARD

MEMBERSHIP OF THE JOINT COMMITTEE

Voting Members

Councillors

Jason McLellan	Denbighshire County Council
Llinos Medi Huws	Isle of Anglesey County Council
Mark Pritchard	Wrexham County Borough Council
Ian B. Roberts	Flintshire County Council
Charlie McCoubrey	Conwy County Borough Council
Dyfrig Siencyn	Cyngor Gwynedd

Advisers - Non-voting

Dafydd Evans	Grwp Llandrillo Menai
Maria Hinfelaar	Glyndwr University
Yana Williams	Coleg Cambria
Askar Sheibani	Business Delivery Board
Professor Edmund Burke	Bangor University

Chief Officers - Non-voting

Dylan Williams	Isle of Anglesey County Council
Rhun ap Gareth	Conwy County Borough Council
Neal Cockerton	Flintshire County Council
Dafydd Gibbard	Cyngor Gwynedd
Ian Bancroft	Wrexham County Borough Council
Graham Boase	Denbighshire County Council

Officers in Attendance

Dewi Morgan	Section 151 Officer
Iwan G. Evans	Monitoring Officer
Alwen Williams	Portfolio Director
Hedd Vaughan Evans	Head of Operations
Nia Medi Williams	Senior Operations Officer

A G E N D A

1. APOLOGIES

To receive any apologies for absence.

2. DECLARATION OF PERSONAL INTEREST

To receive any declarations of personal interest.

3. URGENT BUSINESS

To note any items that are a matter of urgency in the view of the Chair for consideration.

4. MINUTES OF THE PREVIOUS MEETING

4 - 9

The Chair shall propose that the minutes of the meeting held on 24th March, 2023 be signed as a true record.

5. NWEAB'S REVENUE AND CAPITAL OUT-TURN POSITION FOR 2022-23

10 - 18

Dewi A.Morgan (Host Authority Head of Finance - Statutory Finance Officer) and Sian Pugh (Host Authority Assistant Head of Finance) to present the report.

6. NORTH WALES GROWTH DEAL - QUARTER 4 PERFORMANCE AND RISK REPORT

19 - 46

Hedd Vaughan-Evans (Head of Operations) to present the report.

7. NORTH WALES GROWTH DEAL - STREAMLINED FBC APPROVAL PROCESS

47 - 50

Hedd Vaughan-Evans (Head of Operations) to present the report.

8. PORTFOLIO MANAGEMENT OFFICE RESOURCING

51 - 54

Alwen Williams (Portfolio Director) and Hedd Vaughan-Evans (Head of Operations) to present the report.

NORTH WALES ECONOMIC AMBITION BOARD 24/03/23

Present:

Voting Members - Councillors:- Llinos Medi Huws (Isle of Anglesey County Council), Mark Pritchard (Wrexham County Borough Council), Ian Roberts (Flintshire Council), Charlie McCoubrey (Conwy County Borough Council) and Dyfrig Siencyn (Cyngor Gwynedd) (Chair).

Advisors – Dafydd Evans (Grŵp Llandrillo-Menai), Dr Maria Hinfelaar (Glyndŵr University) and Chris Drew (Bangor University).

Chief Officers - Dylan Williams (Isle of Anglesey County Council), Rhun ap Gareth (Conwy County Borough Council), Neal Cockerton (Flintshire Council), Dafydd Gibbard (Cyngor Gwynedd), Ian Bancroft (Wrexham County Borough Council) and Graham Boase (Denbighshire County Council).

Officers in attendance - Dewi Morgan (Statutory Finance Officer - Host Authority), Iwan Evans (Monitoring Officer - Host Authority), Alwen Williams (Portfolio Director), Hedd Vaughan-Evans (Operations Manager), Nia Medi Williams (Senior Operational Officer), Sian Pugh (Assistant Head of Finance - Host Authority), Graham Williams (Energy and De-carbonisation Project Manager), Henry Aron (Energy Programme Manager), Elgan Roberts (Energy Project Manager), Robyn Lovelock (Growth Deal Programme Manager) and Eirian Roberts (Democracy Services Officer - Host Authority).

Observers - Wendy Boddington (Welsh Government) and Gareth Ashman (UK Government)

1. APOLOGIES

Apologies were received from Councillor Jason McLellan (Denbighshire Council), Yana Williams (Coleg Cambria), Askar Sheibani (Business Delivery Board) and Professor Edmund Burke (Bangor University).

2. DECLARATION OF PERSONAL INTEREST

Alwen Williams (Portfolio Director) declared a personal interest in item 6 as the report involved her secondment as Interim Corporate Joint-Committee Chief Executive. She was of the opinion that it was a prejudicial interest, and withdrew from the discussion on the item.

3. URGENT ITEMS

None to note.

4. MINUTES OF THE PREVIOUS MEETING

The Chair signed the minutes of the previous meeting, held on 3 February 2023, as a true record.

5. 2023/24 REVENUE AND CAPITAL BUDGETS

The report was presented by Sian Pugh (Assistant Head of Finance, Host Authority).

RESOLVED

To approve:-

- 1. The 2023/24 Revenue Budget as presented in Appendix 1 to the report.**
- 2. Funding contributions to include the partner contributions, local authorities' supplementary contributions and partner interest contributions.**
- 3. The Capital Budget for the Growth Deal as presented in Appendix 2.**

REASONS FOR THE DECISION

1. In order to operate effectively within the funding available, the NWEAB requires an annual budget to be approved.
 2. Appendix 1 to the report sets out the proposed budget per expenditure heading and the corresponding funding streams for the year.
 3. Appendix 2 sets out the proposed capital budget per project and the corresponding capital funding for the Growth Deal of £240m.
 4. To authorise the Portfolio Director to incur expenditure in accordance with the approved budget.
- 6. NORTH WALES CORPORATE JOINT COMMITTEE (CJC) - EXTENDING THE PART-TIME SECONDMENT OF THE PORTFOLIO DIRECTOR OF AMBITION NORTH WALES AS INTERIM CJC CHIEF EXECUTIVE**

The report was submitted by Dylan Williams (North Wales Councils' Lead Chief Executive for the NWEAB).

RESOLVED

- 1. That the Board supports the extension of the arrangement to release the Portfolio Director's time for two days per week until 30 September, 2023 on a part time secondment basis to undertake the Interim Chief Executive role.**
- 2. That all employment and associated costs are covered by the North Wales CJC.**

REASONS FOR THE DECISION

1. The arrangements recommended are consistent with the 6 Councils' decisions, in principle, to the transfer of Ambition North Wales' functions to the Corporate Joint Committee.
2. By fulfilling the CJC Chief Executive's role, the Portfolio Director will assist the region to develop an effective CJC, while being uniquely positioned to ensure that Ambition North Wales' interests are safeguarded in this year of transition.

DISCUSSION

It was suggested that it would be beneficial for those members of the Board who were not a part of local government to be briefed on what was happening in terms of the Corporate Joint Committee, and the implications for the Board. In response, the Chair noted that it was important for everyone to have an understanding of what was going on, and that it could be arranged for information to be shared with everyone in the most effective way. The Monitoring Officer noted that the work of creating a plan for the process was starting now, and that there would be communication with the colleges, etc., along the way.

It was noted that extending the secondments of the Portfolio Director as Interim CJC Chief Executive was a sensible and pragmatic step in the circumstances, but that a more permanent arrangement was needed as soon as practicably possible.

7. SMART LOCAL ENERGY - OUTLINE BUSINESS CASE

Councillor Llinos Medi Huws (Anglesey County Council) said a few words at the beginning. She noted:-

- That this exciting project was a part of an original application by the Board, and that it was good to report that the plan had matured significantly over the past year, and that we had brought many of our stakeholders with us on the journey.
- That this was a project to support the full region, where there were gaps in funding, supporting smart energy in the community and possibly more ambitious schemes as well.
- That it was hoped that those members who were not on the Energy Programme Board could see that there was a vision here, that there was buy-in from many partners, and also that there was an opportunity here to make a difference on the community level and on the regional level.
- That it was accepted that there were some risks involved with the project, but in order to set an ambition, there must also be some risk.

Henry Aron (Energy Programme Manager) then provided details on the context and history of the project, providing an outline of the assurance process, and Elgan Roberts (Energy Project Manager) presented further details about the project.

RESOLVED

1. **That the Board approve the Outline Business Case for the Smart Local Energy project subject to Welsh and UK Governments' approval of the assurance process undertaken, and the Portfolio Management Office addressing the matters set out in the report, as set out in Section 7 request that a Full Business Case is prepared for the Board to consider following the completion of the procurement process and the consenting process.**
2. **That the Board delegate to the Portfolio Director, in consultation with the Chair and Vice Chair, final approval of the procurement specification and social value criteria prior to commencing procurement.**
3. **That the Board note that the final funding arrangements for the project will be agreed at the Full Business Case stage and authorise the Portfolio Director in consultation with the Host Authority Section 151 Officer and Monitoring Officer to agree draft terms for approval by the Board.**

REASONS FOR THE DECISION

To seek the Board's approval of the Outline Business Case (OBC) for the Smart Local Energy project.

DISCUSSION

The Chair thanked the Team for the incredibly detailed background work, and noted that this was a very exciting project that would directly touch our communities across north Wales as well as be visible to our residents.

It was asked why the report referred to the creation of 156-193 new jobs in north Wales linked to the delivery and implementation of clean energy solutions, as we had previously stated our desire to create 2,400 new jobs through this process. In response, it was explained:-

- That the jobs in the Outline Business Case were based on what had been modelled in the Programme business case, so those targets had been carried forward and included direct and indirect jobs in the supply chain.
- That the economic modelling for the Outline Business Case was based on similar projects in other parts of the UK. There was a higher range of job numbers, and some of the numbers from other projects exceeded the range given in the paper, but a cross-section of similar projects had been considered, some large energy projects and some smaller projects, e.g. installing solar panels and heat pumps.
- That one of the key points in estimating the number of jobs involved in this project, as we were setting up a fund, was that we could only model and guess as best we can based on the best available evidence as to how many jobs we think we can supply.
- When the fund had been launched, there would be an application process that will assess applications against criteria, and one of the key criteria that we would use was the ability to create impact in the form of jobs, as well as delivering against the other spending objectives of investment and carbon savings as well.

It was asked whether the Business Delivery Board had been involved in shaping the proposal. The need to engage with the universities and further education colleges in the next phase was also stressed, as some of this related to supporting businesses in terms of skills development, re-training etc. In response, it was explained:-

- That the project had been before the Business Delivery Board, and that many of the bodies who represent the private sector had attended workshops organised by, e.g. the North Wales Mersey Dee Business Council. We also spoke to many of the business support groups within local authorities, and distributed questionnaires to businesses through these.
- That the private sector had contributed to shaping our strategy, and further engagement with the sector had been planned going forward. Also, in terms of the engagement with the educational institutions, the representatives on our Board had been invited to the workshops, which helped shape the work.
- As we would not be managing many of the direct jobs, it would be desired to build a skills plan linked to our Stakeholder Engagement Plan during the next phase of the project, to consider how we could encourage as many of those indirect jobs to be secured locally, and how we could support the supply chain and make information about opportunities available locally.

In terms of the supply chain, it was asked how it could be ensured that it was companies from north Wales doing the work. In response, it was explained:-

- That we want to work closely with our fund advisor on this, as well as in terms of how we build that into the application process, assess incoming applications, and where they source materials and source expertise to assist them with their projects.
- That considerable work had been undertaken with Adra and Grŵp Llandrillo Menai in terms of engagement and understanding what was happening with their Penygroes hub, and that there was confidence that more similar projects could be supported, which would help strengthen the supply chain locally.
- From a support perspective, we promoted flexibility with our fund as well. Rather than just supporting companies to install decarbonisation solutions only, we also looked at ways to support supply chain companies that offer those solutions.

- Discussions had been held with the Development Bank of Wales as their funding supports the type of businesses we might be targeting, such as to provide supply chain support to complement what they do.

It was asked why the match funding target on average across the fund was only 75%. In response, it was explained:-

- That this figure is derived from the original target from the programme business case. As such, we would invest the £25m, and would like to see a total investment of just over £100m.
- That our research into different types of projects suggested that around 50% of match funding could be expected for third sector projects, 60%-70%, or possibly a little more than that, for private sector projects, and it was likely that quite a bit more than that could be leveraged for the Major Projects Sub-fund.
- The uncertainty at this time was related to what the demand would be for the various sub-funds and where we have certain allocations for those sub-funds, and at this point, that met neatly with the 75%. However, if it was found that there was more demand on one sub-fund than another as time moved on, the situation would have to be reviewed.
- We would continually look for alternative funding sources for applicants and consider whether it was possible to partner with, e.g. the Development Bank of Wales, along with any other funding opportunities to leverage as much as possible.
- That there were different ways to secure match funding within this project, and the umbrella fund structure was being proposed because of the potential of bringing in investments at the fund level, as well as at the project level, which was why the officials were talking to other investors.
- There were discussions with some local government pension funds as well to see if they would be interested in investing at fund or sub-fund level, and there was the potential of developing match funding at project level as well.

It was asked why private developers had not been included on the stakeholder list which was a part of the impact assessment and consultation process. In response, it was explained that including 'Social housing associations' on the stakeholder list did not mean that private developers had been excluded, and that they had been included in the 'businesses' group.

It was asked for an explanation as to why the £25m Umbrella Fund was split into 3 sub-funds of £5m, £8m and £12m, and it was suggested that it would be better to take more flexibility and get the message out that there was a total of £25m available for applications. In response, it was explained:-

- The allocations are indicative at this stage and will be reviewed once the fund advisor is in place. The allocations are based on modelling work where we assessed different allocations relative to delivering impact.
- That the various sub-funds were created because we were keen to earmark an indicative, provisional amount for each sub-fund. It also allowed us to have a different investment strategy for each sub-fund in terms of the match funding sought and perhaps the expected outcomes from various projects.
- We looked at a few different allocation scenarios for each sub-fund, and this was the allocation that gave the best outcome against the spending objectives, particularly in terms of jobs and investment leverage.
- If we changed this allocation after some point, some of those targets might have to be reviewed, but this was how it was currently set, and some of it was based on the feedback from the questionnaires that were distributed.

- About a third of the responses came from the energy community and the third sector and about two thirds from the private sector, so it was clear that there was a bit more demand from the private sector, which was to be expected.
- It was desired to be flexible with the loan design and changes could be made not only to the investment, but the investment strategy as well, if we do not use the funds as quickly as we would hope and some changes need to be made to ensure that the funds were distributed.

Councillor Llinos Medi Huws noted:-

- That it was important to note that the Energy Programme Board had discussed this issue in great detail and had tried to find out where there were gaps, where there was a need to strengthen and also where we had flexibility.
- That the Programme Board had discussed the division of the fund into 3 sub-funds, and remained of the view that some sort of boundary needed to be set initially lest we do not achieve the goal, but has also indicated that the flexibility was there should it be necessary.

It was further explained:-

- That the current intention was to emphasise the need for flexibility, and that this needed to be built into the way the fund was managed.
- Once the fund had been launched, we will monitor performance and make changes if necessary.
- That existing funds and evidence suggested that this analysis would have the greatest impact, but we had to remain flexible.
- The next step would be to acquire a specialist fund adviser to assist us in developing the investment strategy, which would come back to the Board as part of the Full Business Case. Also, as part of that process, it was planned to re-visit the allocation to ensure it was accurate before the initial launch.

The Chair noted that the recommendation was currently based on evidence of all the research that had taken place in the background, and consultation, but that the adoption of the Outline Business Case was only a step on the journey. As part of the Full Business Case, there would be much more detailed additional work coming back to the Board, and taking into account the points raised at this meeting, together with the advice of the specialist consultant.

Councillor Llinos Medi Huws noted that this was a very different and challenging project, and wished to thank Henry Aron (Energy Programme Manager) and Elgan Roberts (Energy Project Manager) for all their work, and also all the partners who had been involved.

The Chair noted that it was clear that there had been very significant background work, and he echoed the thanks to the officers.

The meeting commenced at 10.00 am and concluded at 11.00 am

CHAIR

Agenda Item 5

North Wales Economic Ambition Board: 05/05/2023



REPORT TO THE NORTH WALES ECONOMIC AMBITION BOARD

05/05/2023

Title: NWEAB's Revenue and Capital out-turn position for 2022/23.

Author: Dewi A Morgan, Host Authority Head of Finance (Statutory Finance Officer)

Sian Pugh, Host Authority Assistant Head of Finance

1. Purpose of the Report

1.1 This report intends to provide the North Wales Economic Ambition Board (NWEAB) with the final position for both revenue and capital in 2022/23.

2. Decision Sought

The Board is asked to:-

2.1 Note and accept the NWEAB's revenue out-turn report for 2022/23 (Appendix 1), the NWEAB's reserves (Appendix 2) and the Capital End of Year Review as of 31 March 2023 (Appendix 3).

2.2 Approve for the £148,000 revenue underspend for 2022/23 to be transferred to the 2023/24 budget, with £18,000 of it added to the Business Delivery Board heading and £130,000 added to the Projects heading.

3. Reasons for the Decision

3.1 To inform the NWEAB of their financial position for both revenue and capital in 2022/23.

4. Background and Relevant Considerations

- 4.1 The NWEAB is considered a “larger relevant body” pursuant to the Accounts and Audit (Wales) Regulations 2014 (as amended). This means that an annual Statement of Accounts in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom will be produced for 2022/23 and presented to the Board in due course.

Revenue

5. Expenditure and income in 2022/23

- 5.1 Appendix 1 provides a detailed analysis of the actual expenditure and income per heading against its 2022/23 budget.
- 5.2 There was a forecasted underspend of £189,048 in the August review and a further underspend of £127,078 in the December review, and on both occasions, the Board approved for a reduced amount of the North Wales Growth Deal Grant to be used to fund the revenue expenditure to leave a neutral position for the year.
- 5.3 The final net out-turn position for 2022/23, shows a further underspend of £147,822, and this is mainly due to a reduction in expenditure on several of the budget headings. This means that a reduced amount of £286,052 of the Growth Deal Grant will be needed to leave a neutral position for the year (compared with the original budget of £750,000 and the estimated amount of £433,874 in the December review), and the Board will be asked to approve for the £147,822 underspend for 2022/23 to be added to the 2023/24 budget.

Portfolio Management Office

- 5.4 The final underspend on this heading is £92,433. The underspend has increased by £61,348 from the December review and is mainly due to a further underspend on a variety of the budget headings.

Accountable Body Support Services

- 5.5 The final underspend on this heading is £54,581 as result of the reduced net expenditure on the Accountable Body (host authority) support services.

Joint Committee

5.6 The final underspend on this heading is £39,091, which is due to an underspend on the External Legal Support, External Financial Fees and the Business Delivery Board headings. The Business Delivery Board are in the process of tendering a contract, but the work has slipped to the first part of 2023/24. Therefore, the Board is asked to approve for the £18,000 underspend to be added to their 2023/24 allocation, to give a total budget of £33,000.

Projects

5.7 The final underspend on this heading is £104,790 and this is due to the slippage on the capital programme. The Project Business Case Development heading shows an overspend of £73,156, but £42,700 of this is funded by the projects reserve that was created in 2021/22 and the transfer from reserve can be seen in the income section, which gives a net underspend of £147,490. The Board is asked to approve for £130,000 of this underspend to be added to their 2023/24 allocation to give a total budget of £585,000 for Projects.

Grant schemes

5.8 The overspend of £207,738 on this heading is funded from the Community Renewal Fund, Mobile phone coverage survey grant and the Local Energy Grant shown under the income section.

Transfers to reserves

5.9 The transfers to reserves section, shows the 2023/24 partner interest contributions (£216,370) as well as the interest on these and on the capital grant (£752,367) transferred to a specific Interest reserve to be ringfenced to fund the cost of borrowing in future years.

Funding Contributions

- 5.10 The main income streams for 2022/23 include partner contributions, ESF Grant, the revenue allocation of the North Wales Growth Deal (NWGD) grant and other specific grants received during the year.
- 5.11 Following the December review, it was anticipated that £433,874 of the revenue allocation of the North Wales Growth Deal grant would be required during 2022/23, but due to lower expenditure than what was originally anticipated, only £286,052 was needed to fund the revenue expenditure during the year. Although the North Wales Growth Deal grant is a capital grant, the Board have used the same flexibility as local authorities in the way that they manage their capital funding, with Cyngor Gwynedd having allocated £286,052 against their capital projects and released the equivalent value of revenue funding to the NWEAB to fund their revenue expenditure.

NWEAB Reserves

- 5.12 Appendix 2 shows the movement in reserves during the year, and the balances at 31 March 2023.
- 5.13 The total earmarked reserve balance at 31 March 2023 was £552,027. The Board in its meeting on 24 March 2023, approved for £274,100 of this reserve to be used as part of the 2023/24 budget.
- 5.14 The projects reserve balance at 31 March 2023 was £152,300, with £42,700 used in the year to fund a Supported Learning in Emissions Assessment training programme with an external consultant.
- 5.15 The interest reserve balance at 31 March 2023 was £1,667,882, and this has increased significantly due to the interest that was received on the Growth Deal Grant during the year. This reserve is ringfenced to fund the cost of borrowing in future years.

Capital

- 5.16 Appendix 3 shows the NWEAB'S Capital programme end of year review for 2022/23. This is similar to the Capital budget that was approved by the Board in March, with the only difference being that the £147,822 underspend in revenue expenditure has

meant that the 1.5% Growth Deal grant has reduced from £0.43m to £0.28m in 2022/23 and increased from £0.87m to £1.02m in 2023/24.

6. Legal Implications

- 6.1 Section 12 of the Public Audit (Wales) Act 2004 states that a joint committee of two or more (local) authorities is a local government body, and Section 13 of the Act requires such bodies to maintain accounts subject to audit by an external auditor approved by the Auditor General for Wales.
- 6.2 The Accounts and Audit (Wales) Regulations require all Joint Committees to prepare year-end accounts. Where the annual income or expenditure are over £2.5m, the joint committee is deemed to be a “larger relevant body” and an annual Statement of Accounts in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom must be prepared.

7. Consultations Undertaken

- 7.1 Appendix 1, Appendix 2 and Appendix 3 as well as a summary of the contents of this report, was presented to the Portfolio Board on 21 April 2023.

8. Appendices

Appendix 1 – North Wales Economic Ambition Board’s Revenue out-turn position 2022/23

Appendix 2 – North Wales Economic Ambition Board’s Reserves

Appendix 3 – North Wales Economic Ambition Board’s Capital Programme 2022/23 – End of Year Review (March 2023)

STATUTORY OFFICERS’ RESPONSE:

i. Monitoring Officer – Accountable Body:

No observations to add in relation to propriety.

ii. Statutory Finance Officer – Accountable Body:

Author of this report.

North Wales Economic Ambition Board's Revenue Out-turn position 2022/23

Appendix 1

	Base Budget	One-off virements	Total Budget	2022/23 final position	Overspend / (Underspend)
Expenditure	(£)	(£)	(£)	(£)	(£)
Portfolio Management Office					
Employee Expenditure (Pay, N.I. & Superannuation)	1,318,060	0	1,318,060	1,329,023	10,963
Advertising and Assessment of Candidates	570	0	570	9,580	9,010
Travel and Subsistence	10,000	0	10,000	6,959	(3,041)
Training	12,500	12,500	25,000	14,265	(10,735)
Engagement, Events and Meetings	12,500	0	12,500	5,483	(7,017)
Communications and Public Relations	35,000	22,500	57,500	32,997	(24,503)
Supplies and Services	10,000	0	10,000	23,297	13,297
Regional Engagement Team (RET)	42,290	0	42,290	14,075	(28,215)
Premises	30,000	0	30,000	30,264	264
ESF Evaluation	0	40,000	40,000	13,633	(26,367)
Portfolio and Programme Development	40,000	10,000	50,000	23,911	(26,089)
Portfolio Management Office Total	1,510,920	85,000	1,595,920	1,503,487	(92,433)
Accountable Body Support Services					
Finance Services Support	104,840	0	104,840	59,044	(45,796)
Legal (includes Monitoring Officer)	26,530	0	26,530	27,220	690
Corporate Support	38,160	0	38,160	35,890	(2,270)
Information Technology	24,850	0	24,850	17,646	(7,204)
Insurance	2,980	0	2,980	2,979	(1)
Accountable Body Support Services Total	197,360	0	197,360	142,779	(54,581)
Joint Committee					
External Legal Support	18,000	0	18,000	0	(18,000)
External Financial Fees	10,000	0	10,000	2,400	(7,600)
External Audit Fee	11,400	0	11,400	15,923	4,523
Business Delivery Board	20,000	0	20,000	1,986	(18,014)
Joint Committee Total	59,400	0	59,400	20,309	(39,091)
Projects					
Project Business Case Development	350,000	0	350,000	423,156	73,156
External Legal Support	100,000	0	100,000	35,423	(64,577)
External Financial Support	18,000	0	18,000	0	(18,000)
External Procurement Support	50,000	0	50,000	2,492	(47,508)
Assurance	80,000	0	80,000	32,139	(47,861)
Projects Total	598,000	0	598,000	493,210	(104,790)
Grant schemes					
Community Renewal Funding projects	241,270	0	241,270	241,339	69
Mobile phone coverage survey	0	0	0	14,694	14,694
Employee Expenditure - Energy Project	0	0	0	30,963	30,963
Local Area Energy Plans	0	0	0	162,012	162,012
Grant schemes Total	241,270	0	241,270	449,008	207,738
Transfers to reserves					
Partner interest contributions	264,600	0	264,600	216,370	(48,230)
2022/23 interest on balances	0	0	0	752,367	752,367
Transfers to reserves Total	264,600	0	264,600	968,737	704,137
Total Expenditure	2,871,550	85,000	2,956,550	3,577,530	620,980

North Wales Economic Ambition Board's Revenue Out-turn position 2022/23

Appendix 1

	Base Budget	One-off virements	Total Budget	2022/23 final position	Overspend / (Underspend)
Income	(£)	(£)	(£)	(£)	(£)
Funding Contributions					
Partner Contributions					
Conwy County Borough Council	(52,000)	0	(52,000)	(52,000)	0
Denbighshire County Council	(52,000)	0	(52,000)	(52,000)	0
Flintshire County Council	(52,000)	0	(52,000)	(52,000)	0
Cyngor Gwynedd	(52,000)	0	(52,000)	(52,000)	0
Isle of Anglesey County Council	(52,000)	0	(52,000)	(52,000)	0
Wrexham County Borough Council	(52,000)	0	(52,000)	(52,000)	0
Bangor University	(26,000)	0	(26,000)	(26,000)	0
Wrexham Glyndwr University	(26,000)	0	(26,000)	(26,000)	0
Coleg Cambria	(26,000)	0	(26,000)	(26,000)	0
Grŵp Llandrillo Menai	(26,000)	0	(26,000)	(26,000)	0
Local Authorities' Supplementary Contributions					
Conwy County Borough Council	(40,000)	0	(40,000)	(40,000)	0
Denbighshire County Council	(40,000)	0	(40,000)	(40,000)	0
Flintshire County Council	(40,000)	0	(40,000)	(40,000)	0
Cyngor Gwynedd	(40,000)	0	(40,000)	(40,000)	0
Isle of Anglesey County Council	(40,000)	0	(40,000)	(40,000)	0
Wrexham County Borough Council	(40,000)	0	(40,000)	(40,000)	0
Partner Interest Contributions					
Conwy County Borough Council	(31,770)	0	(31,770)	(31,770)	0
Denbighshire County Council	(25,730)	0	(25,730)	(25,730)	0
Flintshire County Council	(42,200)	0	(42,200)	(42,200)	0
Cyngor Gwynedd	(33,610)	0	(33,610)	(33,610)	0
Isle of Anglesey County Council	(18,720)	0	(18,720)	(18,720)	0
Wrexham County Borough Council	(36,280)	0	(36,280)	(36,280)	0
Bangor University	(36,650)	0	(36,650)	(36,650)	0
Wrexham Glyndwr University	(13,610)	0	(13,610)	(13,610)	0
Coleg Cambria	(13,560)	0	(13,560)	34,670	48,230
Grŵp Llandrillo Menai	(12,470)	0	(12,470)	(12,470)	0
Other					
European Social Fund (ESF) Priority 5 funding	(959,680)	0	(959,680)	(987,196)	(27,516)
North Wales Growth Deal grant (Gwynedd)	(750,000)	0	(750,000)	(433,874)	316,126
The North Wales Corporate Joint Committee	0	0	0	(70,345)	(70,345)
Earmarked Reserve	0	(85,000)	(85,000)	(127,700)	(42,700)
Community Renewal Fund	(241,270)	0	(241,270)	(241,339)	(69)
Mobile phone coverage survey grant	0	0	0	(14,694)	(14,694)
UK Shared Prosperity Fund	0	0	0	(14,619)	(14,619)
Local Energy Grant	0	0	0	(201,729)	(201,729)
Department for Work and Pensions Grant	0	0	0	(854)	(854)
Interest	0	0	0	(760,632)	(760,632)
Total Income	(2,871,550)	(85,000)	(2,956,550)	(3,725,352)	(768,802)
Net Overspend / (Underspend)	0	0	0	(147,822)	(147,822)

	£
Total earmarked reserve at 31 March 2022	(637,027)
2022/23 budget allocation	85,000
Total earmarked reserve at 31 March 2023	(552,027)

	£
Total projects reserve at 31 March 2022	(195,000)
2022/23 expenditure	42,700
Total projects reserve at 31 March 2023	(152,300)

	£
Total interest reserve at 31 March 2022	(699,145)
2022/23 partner interest contributions	(216,370)
2022/23 interest on balances	(752,367)
Total interest reserve at 31 March 2023	(1,667,882)

Programme	Project	Project Sponsor	2021/22 (£m)	2022/23 (£m)	2023/24 (£m)	2024/25 (£m)	2025/26 (£m)	2026/27 (£m)	2027/28 (£m)	2028/29 (£m)	2029/30 (£m)	2030/31 (£m)	2031/32 (£m)	2032/33 (£m)	2033/34 (£m)	2034/35 (£m)	Total (£m)
Digital	Digital Signal Processing Centre (DSP)	Bangor University	0.12	1.66	0.39	0.79	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	2.96
Digital	Connected Key Sites and Corridors	NWEAB	0.00	0.00	0.00	0.50	4.00	2.00	2.37	0.00	0.00	0.00	0.00	0.00	0.00	0.00	8.87
Digital	Connected Campus	NWEAB	0.00	0.00	0.00	3.94	10.10	4.93	1.71	0.00	0.00	0.00	0.00	0.00	0.00	0.00	20.68
Digital	Connecting the last few percent	NWEAB	0.00	0.00	1.21	1.72	1.24	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	4.17
Low carbon energy	Cydnorth (Morlais)	Menter Môn	0.00	0.00	0.00	3.33	4.44	1.10	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	8.87
Low carbon energy	Egni (Low Carbon Energy Centre of Excellence)	Bangor University	0.00	0.00	0.00	3.94	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	3.94
Low carbon energy	Traswfyntydd Power Station	Cwmni Eginio	0.00	0.00	0.00	1.97	2.96	4.92	9.85	0.00	0.00	0.00	0.00	0.00	0.00	0.00	19.70
Low carbon energy	Hydrogen Hub and Transport Decarbonisation	NWEAB	0.00	0.00	0.00	0.00	5.61	5.62	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	11.23
Low carbon energy	Smart Local Energy	NWEAB	0.00	0.00	0.00	1.50	3.00	9.25	9.25	1.63	0.00	0.00	0.00	0.00	0.00	0.00	24.63
Land and property	Holyhead Gateway	Stena Line	0.00	0.00	4.17	15.51	14.79	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	34.47
Land and property	Warren Hall Strategic Site	NWEAB	0.00	0.00	0.00	0.00	14.77	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	14.77
Land and property	Former North Wales Hospital, Denbigh	NWEAB	0.00	0.00	1.74	5.21	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	6.94
Land and property	Parc Bryn Cegin Strategic Site	NWEAB	0.00	0.00	0.00	5.91	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	5.91
Land and property	Wrexham Gateway	NWEAB	0.00	0.00	0.00	0.00	7.19	1.77	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	8.96
Innovation in High Value Manufacturing	Centre of Environmental Biotechnology (CEB)	Bangor University	0.00	0.00	1.25	1.71	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	2.96
Innovation in High Value Manufacturing	Enterprise Engineering & Optics Centre	Glyndŵr University	0.00	0.00	1.62	6.93	3.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	11.55
Agri-food and tourism	Glynllifon Rural Economy Hub	Grŵp Llandrillo Menai	0.00	0.00	0.00	7.20	4.62	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	11.82
Agri-food and tourism	Tourism Talent Network	Grŵp Llandrillo Menai	0.00	0.00	0.00	0.00	4.43	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	4.43
To be confirmed	Replacement projects	To be confirmed	0.00	0.00	0.00	4.90	4.90	4.90	4.95	4.95	4.95	0.00	0.00	0.00	0.00	0.00	29.55
	1.5% to fund the NWEAB's revenue budget		0.22	0.28	1.02	0.60	0.30	0.25	0.20	0.15	0.15	0.10	0.10	0.10	0.08	0.05	3.60
Programme Total			0.34	1.94	11.40	65.66	85.34	34.74	28.33	6.73	5.10	0.10	0.10	0.10	0.08	0.05	240.00
Capital Funding																	
	North Wales Growth Deal Grant		0.34	1.94	11.40	63.64	20.44	20.44	20.45	6.73	5.10	0.10	0.10	0.10	0.08	0.05	150.91
	Borrowing					2.02	64.90	14.30	7.88								89.09
Total Capital Funding			0.34	1.94	11.40	65.66	85.34	34.74	28.33	6.73	5.10	0.10	0.10	0.10	0.08	0.05	240.00

REPORT TO THE NORTH WALES ECONOMIC AMBITION BOARD

5th May 2023

TITLE: North Wales Growth Deal – Quarter 4 Performance and Risk Report

AUTHOR: Hedd Vaughan-Evans, Head of Operations

1. PURPOSE OF THE REPORT

- 1.1. The purpose of the report is to present the Quarter 4 (January to March) Growth Deal report and updated Portfolio Risk Register.
- 1.2. Quarterly reporting on progress against the North Wales Growth Deal is a requirement of the Final Deal Agreement. Following consideration by the North Wales Economic Ambition Board, the reports will be shared with Welsh Government, UK Government and the local authority scrutiny committees.

2. DECISION SOUGHT

- 2.1. That the Board consider and note the Quarter 4 Performance Report and updated Portfolio Risk Register.
- 2.2. That the Board approves the submission of the Quarter 4 Performance Report to Welsh Government and UK Government, as well as the local authority scrutiny committees.

3. REASONS FOR THE DECISION

- 3.1. As stated in the report.

4. BACKGROUND AND RELEVANT CONSIDERATIONS

- 4.1. In December 2020, the Economic Ambition Board and the Welsh and UK Governments agreed the Final Deal Agreement for the North Wales Growth Deal.
- 4.2. Regular reporting on progress against the North Wales Growth Deal is a requirement of the Final Deal Agreement.
- 4.3. This report includes two appendices:
 - North Wales Growth Deal – Quarter 4 Performance Report
 - Portfolio Risk Register – March 2023
- 4.4. North Wales Growth Deal – Quarter 4 Performance Report
 - 4.4.1. The Quarter 4 performance report provides an overview of progress on the Growth Deal programmes and projects.

- 
- 4.4.2. This quarter saw the launch of our Growth Deal funding process to select new projects to join the Growth Deal. £30million of capital funding is available, and the process has generated significant interest and resulted in 26 robust applications being received. The assessment process will commence during the next quarter.
- 4.4.3. The Economic Ambition Board approved the Outline Business Case for the Smart Local Energy project, this project will see the establishment of a £25million fund to invest in clean energy and decarbonisation projects across North Wales.
- 4.4.4. The Enterprise Engineering and Optics Centre project launched their £8.35 million tender opportunity to design and construct the new centre that will support manufacturing businesses in the region to decarbonise. The tender invites businesses to submit bids to design and construct the new building at the Plas Coch site, including the installation of a hydrogen application facility and renewable energy photovoltaic panels.
- 4.4.5. The Quarter 4 update is showing projects reporting against the revised portfolio delivery profile approved by the Board in September 2022. Two projects are currently reporting as red due to either risks to the project scope or significant delays to project timescales:
- Glynllifon Rural Economy Hub – planning permission yet to be secured. The pre-planning advised that further bat surveys are needed on land outside of the Glynllifon boundary, this has been actioned but could delay the project by up to one year.
 - Centre for Environmental Biotechnology – project development paused due to match funding issue and exploring alternative locations for the project.

4.5. Portfolio Risk Register – March 2023

- 4.5.1. The Portfolio Risk Register is updated on a regular basis by the Portfolio Management Office and reviewed by the Portfolio Board and the North Wales Economic Ambition Board on a quarterly basis.
- 4.5.2. The risk register has been fully updated with a number of changes recorded in the documents, including revised risk descriptions, revised scoring and mitigating actions, and the commentary has been updated for all risks.
- 4.5.3. While the risk profile has remained stable over the past quarter, one residual risk rating has increased and another has reduced. The risk on planning and statutory consents has increased due to project-level consenting delays; and the risk on Political change has reduced as government priorities and policies continue to be confirmed across relevant sectors such as energy.

5. FINANCIAL IMPLICATIONS

- 5.1. There are no financial implications arising directly from approving the decision sought in this report.
- 5.2. The revised delivery and expenditure profile approved by the Board in September is included in the quarterly report.

6. LEGAL IMPLICATIONS

- 6.1. There are no direct legal implications arising from the report.
- 6.2. Regular reporting on Growth Deal performance is part of the agreed governance framework and a key requirement of the Final Deal agreement.

APPENDICES:

- | | |
|-------------------|--|
| Appendix 1 | North Wales Growth Deal – Quarter 4 Performance Report |
| Appendix 2 | Portfolio Risk Register – March 2023 |
-

STATUTORY OFFICERS RESPONSE:

i. Monitoring Officer – Host Authority:

“It is one of the key tasks of the Economic Ambition Board to monitor progress and risks. The Board needs to consider the register and satisfy itself that it constitutes an accurate reflection of the risk status and that mitigation actions are being addressed.”

ii. Statutory Finance Officer (the Host Authority’s Section 151 Officer):

“I am satisfied that the report is a fair reflection of the financial situation of Ambition North Wales.”

North Wales Growth Deal

2022-23 Quarter 4

(January – March 2023)

Performance Report

1.	Portfolio Director Summary	3
2.	Portfolio Performance	4
3.	Digital Programme Performance.....	5
4.	Low Carbon Energy Programme Performance	7
5.	Land and Property Programme Performance.....	10
6.	Agri-food and Tourism Programme Performance	13
7.	Innovation in High Value Manufacturing Programme Performance	15
8.	Project Progress Tracker	17
9.	Growth Deal Project Delivery Pipeline – Portfolio Business Case 2022	18
10.	Objective Tracker – Overview of delivery (March 2023)	19
11.	Growth Deal Grant Expenditure Profile – Portfolio Business Case 2022.....	20
12.	Growth Deal Projects: Capital Funding Allocation Profile.....	21
	APPENDIX A - Growth Deal Projects Summary	22

Page 23



This quarter saw the launch of our Growth Deal funding process to select new projects to join the Growth Deal. With £30million of capital funding available, the process has generated significant interest and resulted in 27 robust applications being received. As we move onto the assessment process during the next quarter this presents us with a great opportunity to **identify projects that can drive economic growth**, create jobs and attract investment to the region as well as delivering on our wider aspiration to **build a vibrant, sustainable and resilient economy** for North Wales

March also the Board approve another Outline Business Case for our Smart Local Energy project. The project will see a £25million fund established to invest in clean energy and decarbonisation projects across North Wales. This is a truly exciting project that will be available to businesses and third sector organisations across the region to apply for. The next step is to procure a fund advisor to support the development of the project with the aim of launching the fund in early 2024.

The Enterprise Engineering and Optics Centre project launched their £8.35 million tender opportunity to design and construct the new centre that will support manufacturing businesses in the region to decarbonise. The tender invites businesses to submit bids to design and construct the new building at the Plas Coch site, including the installation of a hydrogen application facility and renewable energy photovoltaic panels.

The recent Welsh Government announcement on recommendations of the Road Review Panel does have some implications for two of our projects in the Land and Property programme. We are working with colleagues in Flintshire, Wrexham and Welsh Government to understand the implications for our Warren Hall and Western Gateway projects.

Having approved the selection criteria during this quarter we will be launching our Hydrogen Sponsor Challenge during the next quarter. Our aim is to appoint an organisation or consortium to develop and deliver a Hydrogen Hub in the region that will include both the supply and use of hydrogen. A pre-launch event will be held in April giving the opportunity for potential applicants to learn about the process, ask questions and contribute towards the final competition.



Alwen Williams

Alwen Williams, Portfolio Director

Themes	RAG Status	Commentary
Portfolio Business Case	Green	The Portfolio Business Case 2022 update was approved by the Board in October and has been submitted to Welsh Government and UK Government as part of the annual award of funding process.
Delivery Pipeline	Yellow	The delivery pipeline has been reviewed and updated as part of the 2022 Portfolio Business Case and was approved by the Board in September. Project are now reporting against this revised timetable. A Portfolio Delivery Fund for 2023-24 has been established to help mature projects into delivery next year.
Governance	Green	The Portfolio, Programme and Project Management Framework is now well established with the Portfolio Board and five Programme Boards operating effectively. A Conflicts of Interest procedure is in place across all Boards.
Assurance	Green	The third annual Growth Deal assurance review (Programme Assurance Review) has been completed with the report delivering an 'Amber' confidence rating for the portfolio.
Resource and Capacity	Yellow	The Portfolio Management Office is currently fully resourced, however a large proportion of staff are on fixed term contracts and the revenue budget post March 2024 is challenging.
Finance	Yellow	A total of £2.09m was allocated from the Growth Deal grant during 2023-24 primarily associated with the Digital Signal Processing Centre and the Portfolio Management Office costs.
Investment	Red	Securing the public and private sector investment required to deliver the Growth Deal remains a significant risk across the portfolio and an investment strategy is being developed to support the team to meet the investment targets.
Risk	Red	Portfolio-level risks regarding consents and delay have increased due to project-level issues. Affordability remains a high risk due to ongoing inflation, supply chain issues and construction cost increases. The risk around capacity remains high due to the length of time remaining on PMO fixed term contracts and the impact that losing staff would have upon Portfolio delivery
Benefits Monitoring & Evaluation	Green	Both the Benefits Realisation Strategy and Portfolio Monitoring and Evaluation Plans were reviewed as part of the 2022 Portfolio Business Case update, with changes including updated logic models (reflecting agreed benefits framework terminology), the drafting of programme benefit plans and clearer links to project benefit plans.
Communication and Engagement	Green	During this quarter, we promoted the Growth Deal Funding applications through a social media campaign, articles, an online event and by collaborating with key stakeholders to share the opportunity. The results showed a social media reach of almost 200k, over 700 social media interactions and digital mentions, resulting in 27 robust Growth Deal Funding applications.

Page 25

	Delivering to Plan with no issues to address (no action required)		Delivery slightly behind schedule and/or minor/moderate issues to address (management action in place)		Delivery significantly behind schedule and/or significant issues to address (urgent action required)
--	---	--	--	--	--

Programme Aim	Job Creation Target	GVA Investment Target	Total Investment Target
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 potential of priority sectors and sites and underpin a flourishing innovation ecosystem.	380	£158m	£41.7m

RAG Status	Programme Manager Commentary
Page 26	<ul style="list-style-type: none"> The first of two Business Justification Cases for the DSP project (for year 2 expenditure) has now been approved. Procurement for two of three Lots of equipment has been successful with the third to be undertaken early in Quarter 1 2023-24 The Last Few % project completed Early Market Engagement this quarter. Legal support has been appointed to support development of the contract and accompanying tender documentation. Risk remains on budget however the project is working closely with UK government DSIT to refine scope and additional funding is being sought. Strategic Outline Cases for the Connected Campus and Connected Key Sites have been drafted for approval in April. A pragmatic way forward has been proposed to minimise time for assurance and approvals processes



Mark Pritchard
Lead Member



Sioned Williams
Senior Responsible Owner



Stuart Whitfield
Programme Manager

Delivering to Plan with no issues to address (no action required)	Delivery slightly behind schedule and/or minor/moderate issues to address (management action in place)	Delivery significantly behind schedule and/or significant issues to address (urgent action required)



Project (Project Sponsor)	Project Stage	Key Milestones (this quarter)	Key Milestones (next quarter)	RAG Status	RAG Rationale
Digital Signal Processing Centre Bangor University	Delivery	<ul style="list-style-type: none"> • BJC approved • Recruitment of Technology Exploitation Manager • Procurement of year 2 equipment (2 of 3 Lots) 	<ul style="list-style-type: none"> • Procurement of final year 2 equipment 		<ul style="list-style-type: none"> • Technology Exploitation Manager recruited in March to support industry engagement and pursuit of funding. Procurement started and planned to complete in Q1 23/24
Connecting the Last Few % Economic Ambition Board	Developing the Full Business Case	<ul style="list-style-type: none"> • Early Market Engagement completed • Legal support appointed and drafting of final contract documentation and procurement specifications started 	<ul style="list-style-type: none"> • Procurement documents and contract finalised • Launch of procurement 		<ul style="list-style-type: none"> • Main risk on cost remains with work in April to further refine scope and additional funding being sought
Connected Key Sites and Corridors Economic Ambition Board	Developing the Strategic Outline Business Case	<ul style="list-style-type: none"> • Strategic Outline Cases drafted and presented to project boards 	<ul style="list-style-type: none"> • Strategic Outline Case / Business Justification Case to be submitted for approval • Drafting of Outline Business Cases 		<ul style="list-style-type: none"> • Strategic Outline Cases now drafted for approval. • Simplified assurance and approval process proposed to bring forward completion of business cases.
Connected Campuses Economic Ambition Board	Developing the Strategic Outline Business Case	<ul style="list-style-type: none"> • Strategic Outline and Business Justification Cases drafted and presented to project boards 	<ul style="list-style-type: none"> • Strategic Outline Case / Business Justification Case to be submitted for approval • Drafting of Outline Business Cases 		<ul style="list-style-type: none"> • Strategic Outline Cases now drafted for approval. • Simplified assurance and approval process proposed to bring forward completion of business cases.

	Delivering to Plan with no issues to address (no action required)		Delivery slightly behind schedule and/or minor/moderate issues to address (management action in place)		Delivery significantly behind schedule and/or significant issues to address (urgent action required)
--	---	--	--	--	--



Programme Aim	Job Creation Target	GVA Investment Target	Total Investment Target
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.	980	£530m	£668.5m

RAG Status	Programme Manager Commentary
Page 28	<ul style="list-style-type: none"> • Smart Local Energy: Outline Business Case approved by Economic Ambition Board. Project progressing to procurement of a fund advisor ahead of Full Business Case submission • Hydrogen Hub & Transport Decarbonisation: Economic Ambition Board approval for the selection process for appointing a sponsor and for launch the process during Q1 23/24. The process will be called the Hydrogen Sponsor Challenge • Egni: Economic Ambition Board approval of change request to withdrawn Phase 2 of the Egni Project from the Growth Deal and make Phase 1 (M-Sparc) the sole focus of the Project. Outline Business Case being considered in May 2023. • Cydnerth (Morlais): WEFO-funded capital works on the Morlais infrastructure project continuing to budget and schedule. Outline Business Case for Growth Deal funded works is under development ahead of September 2023 approval target. • Trawsfynydd: Options for the Outline Business Case and use of Growth Deal funding being considered. Cwmni Eginio aim to finalise the business proposition for first stage of the broader three-stage development plan, including timescales, estimated costs and investment strategy by April 2023. • Development of Welsh government-funded Local Area Energy Plans underway for all North Wales Local Authorities



Cllr Llinos Medi
Lead Member



Dylan Williams
Senior Responsible Owner



Henry Aron
Programme Manager

Delivering to Plan with no issues to address (no action required)	Delivery slightly behind schedule and/or minor/moderate issues to address (management action in place)	Delivery significantly behind schedule and/or significant issues to address (urgent action required)
---	--	--

4. Low Carbon Energy Programme Performance

Project (Project Sponsor)	Project Stage	Key Milestones (this quarter)	Key Milestones (next quarter)	RAG Status	RAG Rationale
Cydnherth (Morlais) Menter Môn	Developing the Outline Business Case	<ul style="list-style-type: none"> WEFO-funded capital works on the Morlais infrastructure project continuing to budget and schedule. Development of a revised Outline Business Case and delivery of strategic case workshop. Menter Môn Morlais collaborating with tidal developers to prepare submissions for the Contracts for Difference Auction Round 5 	<ul style="list-style-type: none"> Continue development of the Outline Business Case and associated workshops. Prepare for Gateway review in July 2023 Outline Business Case to be submitted for consideration by our Boards from late July to August 		<ul style="list-style-type: none"> Rating revised from green to amber due to increased project costs and delay to target Outline Business Case approval from July to September.
Hydrogen Hub & Transport Decarbonisation Economic Ambition Board	Developing the Strategic Outline Business Case	<ul style="list-style-type: none"> Economic Ambition Board approval for the selection process for appointing a sponsor and for launch the process during Q1 23/24. The process will be called the Hydrogen Sponsor Challenge Economic Ambition Board partner briefing event held during March 	<ul style="list-style-type: none"> Hold pre-launch briefing event for Hydrogen Sponsor Challenge and consult industry and government on the proposed competition 		<ul style="list-style-type: none"> Amber rating reflects the risk that the competitive process for appointing a sponsor could take longer than planned.
Egni Bangor University	Developing the Outline Business Case	<ul style="list-style-type: none"> Economic Ambition Board approval of change request to withdrawn Phase 2 of the Egni Project from the Growth Deal and make Phase 1 (M-Sparc) the sole focus of the Project Completion of Gateway Review with amber rating Outline Business Case endorsed by the Energy Programme Board 	<ul style="list-style-type: none"> Portfolio Board and Economic Ambition Board approval of Outline Business Case in April and May Preparation for procurement process 		<ul style="list-style-type: none"> Rating revised from red to amber following approval of project change request and development of Outline Business Case
Smart Local Energy Economic Ambition Board	Developing the Full Business Case	<ul style="list-style-type: none"> Completion of Gateway Review with amber rating Outline Business Case approved by Economic Ambition Board 	<ul style="list-style-type: none"> Welsh Government approval of assurance process Early market engagement with potential fund advisors Procurement of fund advisor and consultant to assist with Full Business Case Preparation of the Full Business Case 		<ul style="list-style-type: none"> Rating revised from amber to green following approval of Outline Business Case to schedule. Project on track for Full Business Case during Q3 23/24
Trawsfynydd Cwmni Eginio	Developing the Strategic Outline Business Case	<ul style="list-style-type: none"> Early engagement with Great British Nuclear leads Social Value Strategy developed and under consultation with stakeholders Continued early market engagement with interested parties and potential suppliers 	<ul style="list-style-type: none"> Continue development of draft Outline Business Case. Finalise business proposition for first stage of broader three-stage development plan and the project plan, including timescales, estimated costs and investment strategy and consult with key stakeholders (including Ambition North Wales) 		<ul style="list-style-type: none"> Amber rating reflects uncertainty regarding project delivery timeline and the potential for further delays
Delivering to Plan with no issues to address (no action required)		Delivery slightly behind schedule and/or minor/moderate issues to address (management action in place)		Delivery significantly behind schedule and/or significant issues to address (urgent action required)	

Programme Aim	Job Creation Target	GVA Investment Target	Total Investment Target
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. Enables other programmes by ensuring the right land and property infrastructure is available.	2280	£1.29bn	£355.4m

RAG Status	Programme Manager Commentary
Page 31	<ul style="list-style-type: none"> • Warren Hall, Broughton – recommendations of the Welsh Government Road Review Panel in relation to the site are being considered. • Western Gateway, Wrexham - recommendations of the Welsh Government Road Review Panel in relation to the site are being considered. • Former North Wales Hospital, Denbigh – Ambition North Wales, Denbighshire County Council and Jones Bros and their consultants Avison Young are now in the process of moving the project to delivery following the decision to provide additional funding from the Growth Deal • Holyhead Gateway – Holyhead Port was awarded £20m funding for the breakwater and was also awarded the designation of a Welsh Freeport • Parc Bryn Cegin, Bangor – The tender brief for the appointment of the professional team of consultants was approved and Welsh Government are to advertise on their Mid and North Wales consultants framework.



Clr Jason McLellan
Lead Member



Andrew Farrow
Senior Responsible Owner



David Mathews
Programme Manager

Delivering to Plan with no issues to address (no action required)	Delivery slightly behind schedule and/or minor/moderate issues to address (management action in place)	Delivery significantly behind schedule and/or significant issues to address (urgent action required)
---	--	--

Project (Project Sponsor)	Project Stage	Key Milestones (this quarter)	Key Milestones (next quarter)	RAG Status	RAG Rationale
Western Gateway, Wrexham Wrexham County Borough Council	Developing the Strategic Outline Business Case	<ul style="list-style-type: none"> The Road Review Report published in February recommended that the A483 Wrexham Bypass Junctions 3 to 6 scheme should not proceed as the case for change is not well-aligned with Welsh Government's aim to reduce car mileage and avoid increases in car usage and carbon emissions Welsh Government could consider providing support for an alternative approach to create an exemplar residential and employment development with low levels of car usage 	<ul style="list-style-type: none"> Complete the Memorandum of Understanding with Wrexham Council Adoption of Wrexham's Local Development Plan The Council have commissioned a Feasibility Study to provide a Masterplan to assess how the site can be developed in line with the recommendation of the Panel for a town wide review of sustainable transport Progress with Dwr Cymru, Natural Resources Wales and Councils for Treatment Plant Phosphate investment plan. 		<ul style="list-style-type: none"> Road Review Panel recommendation is that junction A483 upgrades will not proceed Phosphate Reduction and Mitigation Strategy and treatment plant investment now has a possible way forward Wrexham Town Masterplan Feasibility Study for a sustainable transport solution for the Western Gateway site plan.
Warren Hall, Broughton Welsh Government / Economic Ambition Board	Developing the Strategic Outline Business Case	<ul style="list-style-type: none"> The Road Review Panel Report made a recommendation to Welsh Government to consider whether development of the site would be compatible with meeting its aims around modal shift and decarbonisation The Flintshire Local Development Plan was adopted in January 2023 	<ul style="list-style-type: none"> Engage with WG and FCC about the Panel recommendation to put forward the LDP policy around sustainable transport and economic development to enable the development of the site to proceed 		<ul style="list-style-type: none"> Local Development Plan Adopted in January 2023. Road Review Panel recommendation to Welsh Government on whether the site in their ownership should be developed
Former North Wales Hospital, Denbighshire Jones Bros (Ruthin) Limited / Denbighshire County Council	Developing the Outline Business Case	<ul style="list-style-type: none"> The Economic Ambition Board approved the award of an additional £3m from the Portfolio Delivery Fund The Project Delivery Board has commenced meeting. Matters now under discussion/progressing are planning (conditions and consenting), business case development, revised costings and phasing of the works 	<ul style="list-style-type: none"> Confirm compliant procurement route to deliver Phase 1 works Complete the revision of the outline business case incorporating the Phased Development Scenario and procurement route Obtain subsidy support advice from external consultants 		<ul style="list-style-type: none"> Status revised to green following the confirmation of the award of funding from the Portfolio Delivery Fund Procurement route for Phase 1 works using public funds Subsidy Support Assessment Compliance

Delivering to Plan with no issues to address (no action required)	Delivery slightly behind schedule and/or minor/moderate issues to address (management action in place)	Delivery significantly behind schedule and/or significant issues to address (urgent action required)

Project (Project Sponsor)	Project Stage	Key Milestones (this quarter)	Key Milestones (next quarter)	RAG Status	RAG Rationale
Parc Bryn Cegin, Bangor Welsh Government / North Wales Economic Ambition Board	Developing the Outline Business Case	<ul style="list-style-type: none"> The initial draft of an Outline Business Case prepared by the PMO has been substantially completed A Strategic and Economic Case workshop was held with Stakeholders to approve the choice of the preferred way forward Welsh Government's tender brief to appoint the professional team was agreed by Ambition North Wales 	<ul style="list-style-type: none"> Welsh Government tender for the appointment of the professional team from their North and Mid Wales professional and technical services framework Gateway 2 Review for the Outline Business Case Update to Business case following feedback from economic consultants 		<ul style="list-style-type: none"> Potential occupier demand Willing landowner and development partner Planning Policy compliant proposed use Joint venture approach to the delivery of the project now moving forward in practice
Holyhead Gateway Stena Line Ports Limited Page 33	Developing the Outline Business Case	<ul style="list-style-type: none"> UK Government has awarded £20m for the breakwater refurbishment. This is a critical dependency for the port investment. 	<ul style="list-style-type: none"> Completing the Outline Business Case for the delivery of the port capacity enhancement works Harbour Revision Order decision is expected this quarter Gateway 2 Review for the Outline Business Case Subsidy support advice from Pinsent Masons 		<ul style="list-style-type: none"> Harbour Revision Order still to be consented Cost certainty on port expansion works to be confirmed UKG funding commitment to the breakwater refurbishment Offshore energy contractual commitment to indemnify the risk of the port expansion costs

	Delivering to Plan with no issues to address (no action required)		Delivery slightly behind schedule and/or minor/moderate issues to address (management action in place)		Delivery significantly behind schedule and/or significant issues to address (urgent action required)
--	---	--	--	--	--

Programme Aim	Job Creation Target	GVA Investment Target	Total Investment Target
To build a more sustainable, vibrant and resilient foundation economy in the region, optimising opportunities for employment and prosperity through our environment and landscape.	380	£281m	£41.3m

RAG Status	Programme Manager Commentary
Page 34	<ul style="list-style-type: none"> Tourism Talent Network - Grŵp Llandrillo Menai completed a draft of their Outline Business Case (OBC) in February and shared it for review by the Welsh Government Assurance team for a Gateway 2 Review in February 2023. The Gateway Review concluded with an Amber rating, meaning the project is on-track for consideration of the final Outline Business Case by the Economic Ambition Board in July 2023. Glynllifon Rural Economy Hub – The pre-planning application consultation for the project received generally supportive responses from stakeholders, recognising its significance to the region and the extensive environmental and heritage surveys already conducted. However, Natural Resource Wales and CADW requested additional surveys that could result in up to a one-year delay to the project. Ambition North Wales and Grŵp Llandrillo Menai remain confident that the project will deliver the anticipated benefits to the region whilst protecting the site’s exceptional biodiversity, with the additional analyses commissioned immediately. .



Cllr Charlie McCoubrey
Lead Member

Senior Responsible Owner
(To be confirmed)



Robyn Lovelock
Programme Manager

	Delivering to Plan with no issues to address (no action required)		Delivery slightly behind schedule and/or minor/moderate issues to address (management action in place)		Delivery significantly behind schedule and/or significant issues to address (urgent action required)
--	---	--	--	--	--

6. Agri-food and Tourism Programme Performance

Project (Project Sponsor)	Project Stage	Key Milestones (this quarter)	Key Milestones (next quarter)	RAG Status	RAG Rationale
Glynllifon Rural Economy Hub Grŵp Llandrillo Menai	Developing the Full Business Case	<ul style="list-style-type: none"> £2m awarded from Growth Deal Project Delivery Fund to address funding gap which will be matched by £2m funding from Grŵp Llandrillo Menai Pre-planning advice closed 8th March with stakeholder feedback mainly supportive of the project. Advice for further bat surveys on land outside of the Glynllifon boundary actioned immediately but could delay project by up to one year Grŵp Llandrillo Menai and Ambition North Wales have collaborated on a new capital project Framework for procurement. This is now live and will be used for project procurement next year 	<ul style="list-style-type: none"> Continue further survey work Draft the Full Business Case Collaborate with Ambition North Wales to develop and begin implementation of a stakeholder communication plan 		<ul style="list-style-type: none"> Rating remains red due to repeated project delays and as planning permission has yet to be secured
Llysfasi Net Zero Farm Coed Cambria	<i>The Llysfasi Net Zero Farm project has been withdrawn. A replacement project is being identified through the Project Replacement Fund.</i>				
Tourism Talent Network Grŵp Llandrillo Menai	Developing the Outline Business Case	<ul style="list-style-type: none"> Outline Business Case (OBC) in draft form and the actions/strategy to complete the OBC was subject to a Gateway 2 Review - the Delivery Confidence Score was AMBER. A Memorandum of Understanding between Ambition North Wales and Grŵp Llandrillo Menai was signed to help mitigate risk related to the project 'spokes' Participation in the supported learning in carbon emissions training to consider how the project will reduce carbon emissions against Ambition North Wales targets 	<ul style="list-style-type: none"> Submission of the final Outline Business Case (OBC) and relevant supporting documentation is being prepared anticipating presentation to the Economic Ambition Board in July 2023 Work with PMO to develop project-specific funding agreement 		<ul style="list-style-type: none"> Discussions in February around the timing of Sustainable Learning Communities funding for the Hub has shifted Time back to Amber.

	Delivering to Plan with no issues to address (no action required)		Delivery slightly behind schedule and/or minor/moderate issues to address (management action in place)		Delivery significantly behind schedule and/or significant issues to address (urgent action required)
--	---	--	--	--	--



Programme Aim	Job Creation Target	GVA Investment Target	Total Investment Target
To consolidate North Wales position as a powerful and innovative high value manufacturing cluster, building on existing specialisms and leading expertise to create a higher value, more diverse economic base that supports the transition to a low carbon economy.	180	£114m	£39.5m

RAG Status	Programme Manager Commentary
Page 36	<ul style="list-style-type: none"> Enterprise Engineering and Optics Centre - Wrexham Glyndŵr University are preparing the Full Business Case for the project for consideration by the Economic Ambition Board in November 2023. Centre for Environmental Biotechnology - Bangor University have been working with the Portfolio Management Office to resolve changes to the project matched funding element and are currently finalising a change request addressing a change in Centre location and change in matched funding levels.



Cllr Dyfrig Siencyn
Lead Member



Paul Bevan
Senior Responsible Owner



Robyn Lovelock
Programme Manager

	Delivering to Plan with no issues to address (no action required)		Delivery slightly behind schedule and/or minor/moderate issues to address (management action in place)		Delivery significantly behind schedule and/or significant issues to address (urgent action required)
--	---	--	--	--	--

7. Innovation in High Value Manufacturing Programme Performance

Project (Project Sponsor)	Project Stage	Key Milestones (this quarter)	Key Milestones (next quarter)	RAG Status	RAG Rationale
Enterprise Engineering and Optics Centre Wrexham Glyndwr University	Developing the Full Business Case	<ul style="list-style-type: none"> Submitted a successful application for £1.7m from Growth Deal Project Delivery Fund to address funding gap which will be matched by £1.7m funding from Glyndwr University Published the Invitation to Tender for the £8.5m Design and Build of the Enterprise Engineering and Optics Centre 	<ul style="list-style-type: none"> Publish Invitation to Tender for procurement of optics equipment Develop Full Business Case for Economic Ambition Board consideration in November 2023 Project on track for start-on-site February 2024 		<ul style="list-style-type: none"> Main issues with the project have been resolved around cost and time
Centre for Environmental Biotechnology Bangor University	Developing the Business Justification Case	<ul style="list-style-type: none"> Submitted draft change request to Portfolio Management Office for change of Centre location to Bangor University's Henfaes Research site Hosted the March Innovation in High Value Manufacturing Programme Board at the Henfaes site to demonstrate site potential to stakeholders 	<ul style="list-style-type: none"> Submit the final change request by mid-April 2023. Present a Business Justification Case (plus) to the Economic Ambition Board in September 2023 Submit application for planning permission for the Henfaes site 		<ul style="list-style-type: none"> Rating remains red due to repeated project delays and impact of change requests for matched funding and change of location upon Programme Spending Objectives

Page 37

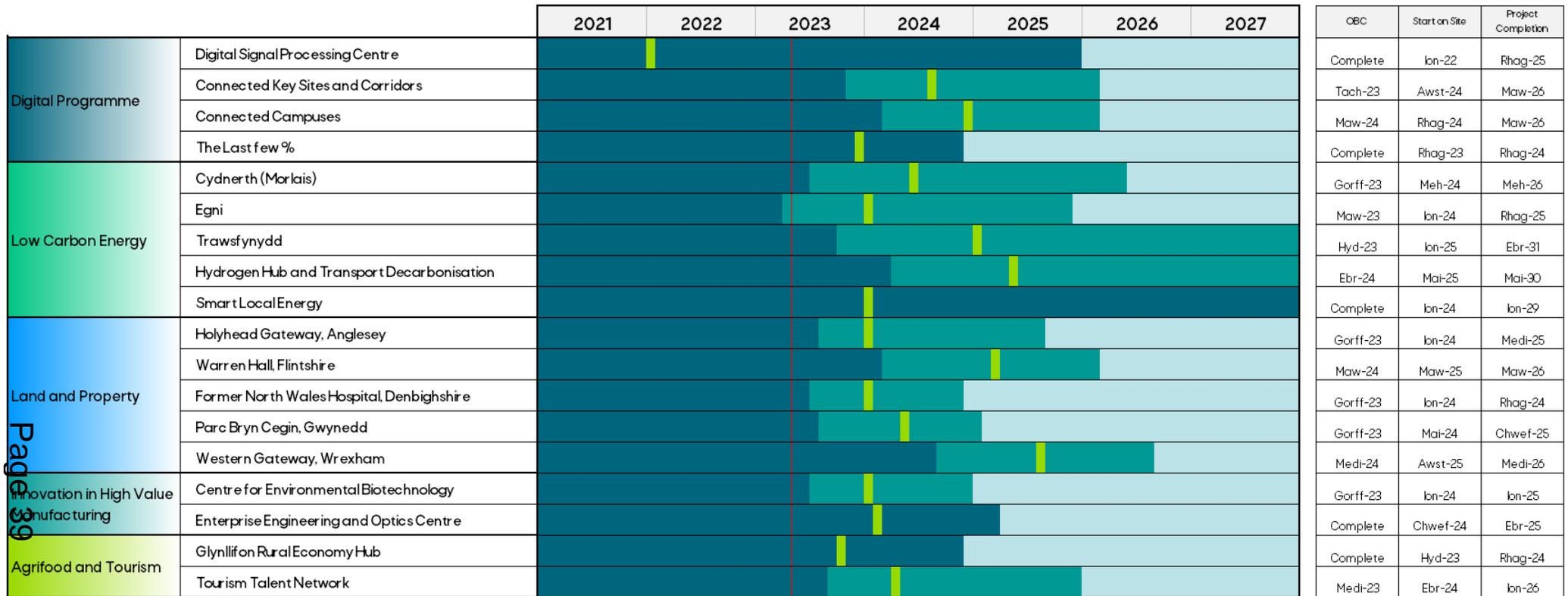
	Delivering to Plan with no issues to address (no action required)		Delivery slightly behind schedule and/or minor/moderate issues to address (management action in place)		Delivery significantly behind schedule and/or significant issues to address (urgent action required)
--	---	--	--	--	--

8. Project Progress Tracker

Project	Consenting Stage				Stage 1	Stage 2	Stage 3	Stage 4	Stage 5	Stage 6	Stage 7	Stage 8
	Pre-application stage	Outline planning / Consent	Full planning / Consent	Conditions discharged	Determine the Project context	Preparing the Strategic Outline Case	Preparing the Outline Business Case	Approval of the Outline Business Case	Preparing the Full Business Case	Approval of the Full Business Case	Project implementation and monitoring	Project Evaluation
Digital Signal Processing Centre	No planning required				✓	✓	✓	✓	✓	✓	⌚	
Connected Key Sites and Corridors	Consenting requirements TBC				✓	⌚						
Connected Campuses	Consenting requirements TBC				✓	⌚						
Last Few %	Consenting requirements TBC				✓	✓	✓	✓	⌚			
Cydnerth (Morlais)	✓	✓	✓	✓	✓	✓	⌚					
Trawsfynydd Power Station	Consenting requirements TBC				✓	⌚						
Egni	⌚				✓	✓	⌚					
Smart Local Energy	Consenting requirements TBC				✓	✓	✓	✓	⌚			
Hydrogen Hub & Transport Decarbonisation	Consenting requirements TBC				✓	✓	⌚					
Holyhead Gateway	Harbour Revision Order Submitted & Marine License granted				✓	✓	⌚					
Former North Wales Hospital	✓	✓	✓	⌚	✓	✓	⌚					
Western Gateway, Wrexham	LDP adoption to be completed				✓	⌚						
Warren Hall, Broughton	⌚				✓	⌚						
Parc Bryn Cegin, Bangor	⌚				✓	✓	⌚					
Glynllifon Rural Economy Hub	⌚				✓	✓	✓	✓	⌚			
Tourism Talent Network	Consenting requirements TBC				✓	✓	⌚					
Centre for Environmental Biotechnology	⌚				✓	✓	⌚					
Enterprise Engineering and Optics	✓	✓	✓	⌚	✓	✓	✓	✓	⌚			

Page 38

9. Growth Deal Project Delivery Pipeline – Portfolio Business Case 2022



■ Business Case Development and Approval Phase (Approval of OBC pre procurement)
■ Procurement and Project Delivery Phase (Includes approval of FBC post procurement)

■ Start on Site
■ Operational and Benefits Realisation Phase

10. Objective Tracker – Overview of delivery (December 2022)

		Portfolio Business Case 2020 Targets			Approved Project Business Case Targets				Difference		
		GVA (£M)	Jobs Created (net)	(£M) Total Investment*	OBC/ FBC**	GVA (£M)	Jobs Created (net)	(£M) Total Investment*	GVA (£M)	Jobs Created	(£M) Total Investment*
Digital	Digital Signal Processing Centre (DSP)	50	80	7.3	FBC	12	33	3.0	-38	- 47	- 4.3
	Connecting the last few %	35	150	4.0	OBC	15	130	4.0	-20	-20	0
	Connected Key Sites and Corridors	45	120	9.4	n/a	n/a	n/a	n/a	n/a	n/a	n/a
	Connected Campuses	35	0	21	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Low Carbon Energy	Cydnherth (Morlais)	50	100	36	n/a	n/a	n/a	n/a	n/a	n/a	n/a
	Hydrogen Hub and Transport Decarbonisation	60	90	28.6	n/a	n/a	n/a	n/a	n/a	n/a	n/a
	Egni	20	20	97.7	n/a	n/a	n/a	n/a	n/a	n/a	n/a
	Smart Local Energy	120	180	106.2	OBC	122	174	106	+2	-6	0
	Trawsfynydd	230	510	400	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Land and Property	Western Gateway, Wrexham	220	360	43.4	n/a	n/a	n/a	n/a	n/a	n/a	n/a
	Warren Hall, Broughton	235	440	70	n/a	n/a	n/a	n/a	n/a	n/a	n/a
	Former North Wales Hospital, Denbigh	20	50	74	n/a	n/a	n/a	n/a	n/a	n/a	n/a
	Parc Bryn Cegin, Bangor	30	50	6	n/a	n/a	n/a	n/a	n/a	n/a	n/a
	Holyhead Gateway	545	930	80	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Agri-Food and Tourism	Glynllifon Rural Economy Hub	25	40	13	OBC	45	96	13	+20	+56	0
	Tourism Talent Network	20	0	12.9	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Innovation in High Value Manufacturing	Enterprise Engineering and Optics Centre	45	70	29.9	OBC	33	61	14.7	-12	-9	-15.2
	Centre for Environmental Biotechnology	60	90	9.6	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Growth Deal Portfolio Total		2,185	3,830	1,146	OBC 1 FBC	227	494	140.7	-48	-26	-19.5

* Total investment shown here includes 1.5% Portfolio Management Office costs

** OBC – Outline Business Case, FBC – Full Business Case

*** Targets for removed project still included as part of the total targets for the Growth Deal.



11. Growth Deal Grant Expenditure Profile – Capital Budget 2023/24

Programme	Project	Project Sponsor	2021/22 £m *	2022/23 £m	2023/24 £m	2024/25 £m	2025/26 £m	2026/27 £m	2027/28 £m	2028/29 £m	2029/30 £m	2030/31 £m	2031/32 £m	2032/33 £m	Total £m
Digital	Digital Signal Processing Centre	Bangor University	0.12	1.66	0.39	0.79	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	2.96
	Connecting the Last Few %	Economic Ambition Board	0.00	0.00	1.21	1.72	1.24	0.00	0.00	0.00	0.00	0.00	0.00	0.00	4.17
	Connected Key Sites and Corridors	Economic Ambition Board	0.00	0.00	1.00	0.50	4.00	2.00	2.37	0.00	0.00	0.00	0.00	0.00	8.87
	Connected Campuses	Economic Ambition Board	0.00	0.00	0.00	3.94	10.10	4.93	1.71	0.00	0.00	0.00	0.00	0.00	20.68
Low Carbon Energy	Cydnerth (Morlais)	Menter Môn	0.00	0.00	0.00	3.33	4.44	1.10	0.00	0.00	0.00	0.00	0.00	0.00	8.87
	Hydrogen Hub & Transport Decarbonisation	Economic Ambition Board	0.00	0.00	0.00	0.00	5.61	5.62	0.00	0.00	0.00	0.00	0.00	0.00	11.23
	Egni	Bangor University	0.00	0.00	0.00	3.94	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	3.94
	Smart Local Energy	Economic Ambition Board	0.00	0.00	0.00	1.50	3.00	9.25	9.25	1.63	0.00	0.00	0.00	0.00	24.63
	Trawsfynydd Power Station	Cwmni Eginio	0.00	0.00	0.00	1.97	2.96	4.92	9.85	0.00	0.00	0.00	0.00	0.00	19.70
Land and Property	Western Gateway, Wrexham	Economic Ambition Board	0.00	0.00	0.00	0.00	7.19	1.77	0.00	0.00	0.00	0.00	0.00	0.00	8.96
	Warren Hall, Broughton	Economic Ambition Board	0.00	0.00	0.00	0.00	14.77	0.00	0.00	0.00	0.00	0.00	0.00	0.00	14.77
	Former North Wales Hospital, Denbigh	Economic Ambition Board	0.00	0.00	1.74	5.21	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	6.94
	Parc Bryn Cegin, Bangor	Economic Ambition Board	0.00	0.00	0.00	5.91	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	5.91
	Holyhead Gateway	Stena line	0.00	0.00	4.17	15.51	14.79	0.00	0.00	0.00	0.00	0.00	0.00	0.00	34.47
Agrifood and Tourism	Glynllifon Rural Economy Hub	Grŵp Llandrillo Menai	0.00	0.00	7.20	4.62	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	11.82
	Tourism Talent Network	Grŵp Llandrillo Menai	0.00	0.00	0.00	4.43	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	4.43
Innovation in High Value Manufacturing	Enterprise Engineering and Optics Centre	Glyndwr University	0.00	0.00	1.62	6.93	3.00	0.17	0.00	0.00	0.00	0.00	0.00	0.00	11.55
	Centre for Environmental Biotechnology	Bangor University	0.00	0.00	1.25	1.71	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	2.96
To be confirmed	Replacement project(s)	To be confirmed	0.00	0.00	0.00	4.90	4.90	4.90	4.95	4.95	4.95	0.00	0.00	0.00	29.55
Portfolio Management Office Costs (1.5%)															3.60
Total															240.00

* 2021/22 profile is actual expenditure. Remaining profile is as forecast in the 2023/24 Capital Budget.

** Targets for removed project still included as part of the total targets for the Growth Deal.



12. Growth Deal Projects: Capital Funding Allocation Profile

Programme	Project	Project Sponsor	Profile 22/23 (£m)	Actual YTD (£m)	Variance (£m)*	Rationale
Digital	Digital Signal Processing Centre	Bangor University	1.7	1.66	-0.04	2022-23 expenditure in line with profile. Two claims processed, in July and October 2022. One claim remaining early 2023.
	Connecting the Last Few %	North Wales Economic Ambition Board	0.00	0.00	0.00	
	Connected Key Sites and Corridors	North Wales Economic Ambition Board	0.00	0.00	0.00	
	Connected Campuses	North Wales Economic Ambition Board	0.00	0.00	0.00	
Low Carbon Energy	Cydnerth (Morlais)	Menter Môn	0.00	0.00	0.00	No Full Business Cases have been approved. Expenditure profile now aligned to 2022 Portfolio Business Case update.
	Hydrogen Hub & Transport Decarbonisation	North Wales Economic Ambition Board	0.00	0.00	0.00	
	Egni	Bangor University	0.00	0.00	0.00	
	Smart Local Energy	North Wales Economic Ambition Board	0.00	0.00	0.00	
	Trawsfynydd Power Station	Cwmni Eginio	0.00	0.00	0.00	
Land and Property	Western Gateway, Wrexham	North Wales Economic Ambition Board	0.00	0.00	0.00	No Full Business Cases have been approved. Expenditure profile now aligned to 2022 Portfolio Business Case update.
	Warren Hall, Broughton	North Wales Economic Ambition Board	0.00	0.00	0.00	
	Former North Wales Hospital, Denbigh	North Wales Economic Ambition Board	0.00	0.00	0.00	
	Parc Bryn Cegin, Bangor	North Wales Economic Ambition Board	0.00	0.00	0.00	
	Holyhead Gateway	Stena line	0.00	0.00	0.00	
Agri-food and Tourism	Glynllifon Rural Economy Hub	Grŵp Llandrillo Menai	0.00	0.00	0.00	No Full Business Cases have been approved. Expenditure profile now aligned to 2022 Portfolio Business Case update.
	Tourism Talent Network	Grŵp Llandrillo Menai	0.00	0.00	0.00	
Innovation in High Value Manufacturing	Enterprise Engineering and Optics Centre	Glyndwr University	0.00	0.00	0.00	No Full Business Cases have been approved. Expenditure profile now aligned to 2022 Portfolio Business Case update.
	Centre for Environmental Biotechnology	Bangor University	0.00	0.00	0.00	
Portfolio Management Office Costs (1.5%)			0.56	0.28	-0.28	
Total			2.26	1.94	-0.32	See above

* Variance is the difference between the planned profile (Portfolio Business Case 2022) and the Actual Year to Date (YTD) expenditure. YTD figures are based on the end of year position.

Programme	Project	Sponsor	Summary
Digital	Digital Signal Processing Centre (DSP)	Bangor University	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.
	Connecting the last few %	Economic Ambition Board	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).
	Connected Key Sites and Corridors	Economic Ambition Board	This project aims to enhance the reliability and quality of mobile services on the main roads and rail routes in North Wales, enabling full-fibre services to key commercial sites across the region. Focussing on developing fibreoptic networks, which are essential for delivering 4G, 5G and gigabit capable broadband.
	Connected Campuses	Economic Ambition Board	The project will accelerate the development of a range of digital connectivity options with a current focus at 18 key regional economic sites.
Low Carbon Energy	Cydnherth (Morlais)	Menter Môn	Investing in infrastructure to connect to the National Grid network and monitor marine environmental effects. This will enable an increase in the deployment of turbines by tidal developers and the generation of renewable energy.
	Hydrogen Hub and Transport Decarbonisation	Economic Ambition Board	Support delivery of a demonstrator project involving the production of green hydrogen from low carbon energy sources and its use within regional transport networks.
	Egni (Low Carbon Energy Centre of Excellence)	Bangor University	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.
	Smart Local Energy	Economic Ambition Board	To help achieve renewable energy, decarbonisation and local ownership targets, the project will support innovative enabling projects and demonstrators that overcome market failures and unlock private and community sector investments in smart local energy solutions.
	Trawsfynydd	Cwmni Eginio	The site is uniquely placed for a 'First of A Kind' deployment of a Small Modular Reactor (SMR) or Advanced Modular Reactor (AMR). Alongside the public and private sector, the Growth Deal will contribute funding towards enabling infrastructure for this development.
Land and Property	Western Gateway, Wrexham	Economic Ambition Board	Delivery of primary services to enable the site to be brought to the market for sale and development.
	Warren Hall, Broughton	Economic Ambition Board	Delivery of primary services to enable the 65-hectare mixed use site to be bought to the market for sale and then development by the private sector.
	<i>The Bodelwyddan Key Strategic site project has been withdrawn. A replacement project has yet to be identified.</i>		
	Parc Bryn Cegin, Bangor	Economic Ambition Board	Provide industrial floor space to meet known demand for units.
	Former North Wales Hospital, Denbigh	Economic Ambition Board	The Growth Deal funding will assist in the delivery of a cleared and remediated site with primary services to bring forward a mixed-use commercial and residential development
	Holyhead Gateway	Stena Line	Future proof the Holyhead Port by providing new deep-water heavy loading and cruise facilities, improved vehicular access, guaranteeing the future of the breakwater and providing for the demands of regional energy projects.
Agri-food and Tourism	Glynllifon Rural Economy Hub	Grŵp Llandrillo Menai	The vision is to create a distinctive, world-class Rural Economy Hub at Glynllifon, offering a range of facilities and services to strengthen and enhance the regional economy, specifically through growing the food and drink sector.
	<i>The Llysfasi Net Zero Farm project has been withdrawn. A replacement project has yet to be identified.</i>		
	Tourism Talent Network	Grŵp Llandrillo Menai	Future-proofing the pipeline of skills provision and increase commercial benefits from one of the most established sectors in the region. 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.
Innovation in High Value	Centre for Environmental Biotechnology (CEB)	Bangor University	The Centre for Engineering Biotechnology will be a world-leading centre in the discovery and characterisation of novel extremophilic enzymes of industrial relevance. The Centre for Engineering Biotechnology will provide a strong foundation for attracting world-leading researchers, significant public and commercial research funding, and inward investment to Wales.
Manufacturing	Enterprise Engineering & Optics Centre	Glyndwr University	The Enterprise Engineering & Optics Centre will provide facilities targeted to boost high-level skills development for the region and enable Small and medium-sized enterprises (SME's) and large businesses to work in partnership with Wrexham Glyndwr University on commercially driven research and development in optics, composites and hydrogen fuel cells.

NORTH WALES GROWTH DEAL PORTFOLIO RISK REGISTER

Risk ID	Date Raised	Risk Category	Risk Name	Risk Owner	Description of the Risk	Current Gross Risk Rating			Trend	Mitigating Actions	Action Due Dates	Action owner	Residual Risk Rating			Trend	Status (Open / Closed)	Commentary	Date of last update
						P	I	Score					P	I	Score				
R001	21/10/20	Programme and Project Delivery	Capacity	Portfolio Director	If sufficient resources are not in place at portfolio, programme and project level, there is a risk that this could impact on the successful delivery of the deal	4	5	20	↔	<p>NWEAB approval for fixed term contract extensions to March 2024. Majority of PMO Team in place</p> <p>Additional procurement and legal technical capacity to be secured for projects as required</p> <p>PMO to utilise external technical support when necessary</p> <p>PMO supporting partners to ensure capacity for delivery and support recruitment activity</p> <p>Backfill arrangements in place to manage the impact of part-time secondment of Portfolio Director to the Corporate Joint Committee</p> <p>Options for addressing the end of Fixed Term contracts in March 2024 to be considered by the Board</p> <p>SPF bid includes contribution towards some existing PMO costs</p> <p>Request to both Governments asking to increase the top slice from 1.5% to 2% and enabling PMO to draw down additional funding through Growth Deal budget</p>	<p>In place</p> <p>Ongoing</p> <p>Reviewed monthly</p> <p>Reviewed monthly</p> <p>In place</p> <p>Feb 2023</p> <p>March 2023</p> <p>April / May 2023</p>	<p>PMO</p> <p>PMO</p> <p>PMO</p> <p>PMO, Project Sponsors</p> <p>PMO</p> <p>PMO</p> <p>PMO</p>	4	4	16	↔	Open	Risk reviewed. No changes to gross or residual risk scores. Loss of staff would have a significant impact upon delivery of the Portfolio. Awaiting decision on SPF bid and ongoing consideration of top-slice	13/04/23
R002	21/10/20	Programme and Project Delivery	Delay	Portfolio Management Office	If there are delays to project delivery, there is a risk this could have an impact on the realisation of benefits or could result in projects not progressing.	5	5	25	↔	<p>Monthly highlight reports to Programme Board with escalation routes to NWEAB</p> <p>Programme and project RAID logs in place to record risks and manage issues</p> <p>Project business cases and implementation plans to clearly set out risks to project delivery and mitigations. PMO working with sponsors to identify opportunities to minimise delay and where delay is unavoidable minimise impact</p> <p>Quarterly reports to the NWEAB and Portfolio Board</p> <p>Project timetables reviewed as part of the 2022 Portfolio Business Case</p> <p>Project Delivery Fund approved by the NWEAB with change requests to be submitted for relevant projects in February 2023</p>	<p>Monthly</p> <p>Monthly</p> <p>N/A</p> <p>Quarterly</p> <p>In place</p> <p>Feb 2023</p>	<p>PMO</p> <p>PMO, Project Sponsor</p> <p>Project Sponsor</p> <p>Project Sponsor</p> <p>PMO</p> <p>PMO, Project sponsor</p>	5	4	20	↔	Open	Risk reviewed. no changes to overall scores but increase in probability due to likely delays to the business case delivery for several projects, including Egni, Glynllifon and Mortlais. Implications of Roads Review also being considered. PMO working with sponsors to identify opportunities to minimise delay and where delay is unavoidable minimise impact	13/04/23
R003	21/10/20	Financial	Affordability	Portfolio Management Office	If projects increase in cost, there is a risk they may not go ahead or project scope may need to be scaled down	5	5	25	↔	<p>Project Business Cases will set out detailed project level financial, commercial and risk management measures to manage costs.</p> <p>Robust performance, risk and financial reporting arrangements will be established for all projects</p> <p>Once Project Business Cases are approved, any additional costs incurred will be the responsibility of the Project Sponsor and alternative funding options will be considered.</p> <p>Ongoing discussions with UK/WG on mitigation strategy for managing the risk of increasing costs</p> <p>Project Delivery Fund approved by the NWEAB with change requests to be submitted for relevant projects in February 2023</p>	<p>N/A</p> <p>Monthly</p> <p>N/A</p> <p>Monthly</p> <p>In place</p>	<p>PMO, Project Sponsor</p> <p>PMO</p> <p>PMO</p> <p>PMO</p> <p>PMO</p>	5	4	20	↔	Open	Risk reviewed and mitigating actions updated. No changes to gross or residual risk scores at this stage. The project delivery fund will help fund cost increases associated with projects that met the criteria.	12.01.23
R006	21/10/20	Environmental	Climate Change and Biodiversity	Portfolio Director	If projects do not take account of carbon emissions or biodiversity loss within project level assessments, there is a risk the portfolio could contribute towards the issues of climate change and biodiversity loss	4	3	12	↔	<p>Position statement on Climate Change and Biodiversity adopted by the NWEAB.</p> <p>Project business cases to demonstrate delivery against the adopted NWEAB position.</p> <p>Methodology on how to take account of carbon emissions and biodiversity loss within project business cases now published and shared with all projects</p>	<p>N/A</p> <p>N/A</p> <p>In place</p>	<p>NWEAB</p> <p>PMO, Project SROs</p> <p>PMO</p>	3	3	9	↔	Open	Risk reviewed. No changes to gross or residual risk scores. Roll out of methodology and associated training continues	13/04/23
R007	21/10/20	Financial	Private Sector Investment	Portfolio Management Office	If the private sector investment is not secured, there is a risk that projects will not be delivered or delivered at reduced scale impacting on the benefits to the region.	4	5	20	↔	<p>Continued engagement with Project Sponsors and private sector partners</p> <p>Development of robust project business cases and contractual agreements for Growth Deal funding</p> <p>Launch of project process for identifying replacement Growth Deal projects</p> <p>Following PAR recommendation, an investment strategy has been developed with further work to be commissioned in early 2023</p>	<p>N/A</p> <p>N/A</p> <p>Feb 2023</p> <p>March 2023</p>	<p>PMO, Project SROs</p> <p>PMO, Project SROs</p> <p>NWEAB, PMO</p> <p>PMO</p>	4	4	16	↔	Open	Risk reviewed. No changes to gross or residual risk scores. Launch of process to identify replacement Growth Deal projects. Awaiting further detail from Cwmni Eginio regarding the role of PSI in developing the Trawsfynydd Project which forms a significant portion of PSI target.	13/04/23
R008	21/10/20	Financial	Public Sector Investment	Portfolio Management Office	If the public sector investment is not secured, there is a risk that projects will not be delivered or delivered at reduced scale impacting on the benefits to the region.	4	4	16	↔	<p>All NWEAB partners have signed up to the Growth Deal and Governance Agreement 2.</p> <p>Development of robust project business cases and contractual agreements for Growth Deal funding</p>	<p>Complete</p> <p>N/A</p>	<p>NWEAB</p> <p>PMO, Project SROs</p>	4	4	16	↔	Open	Risk reviewed. No changes to gross or residual risk scores.	13/04/23

Risk ID	Date Raised	Risk Category	Risk Name	Risk Owner	Description of the Risk	Current Gross Risk Rating			Trend	Mitigating Actions	Action Due Dates	Action owner	Residual Risk Rating			Trend	Status (Open / Closed)	Commentary	Date of last update
						P	I	Score					P	I	Score				
R009	21/10/20	Regulatory	Planning and Statutory Consents	Portfolio Management Office	If projects do not receive the necessary statutory consents and planning approval, there is a risk that projects will not be delivered and the benefits would not be realised.	4	5	20	↔	Project business cases will set out the consenting requirements for each project and the risks to project delivery Continued engagement with project sponsors to understand consenting process and risks with support provided where appropriate Local authority phosphates strategies in place as part of Local Plan adoption. PMO delivered review of project consenting progress for each project and going forward, will report on quarterly basis to NWEAB Lessons learnt review to be delivered following project-level consenting delays	N/A N/A In place June 2023	PMO, Project SROs PMO Local Authorities PMO PMO, Project sponsors	4	5	20	▲	Open	Risk reviewed. Risk increased due to project-level consenting delays. Quarterly reports to incorporate consenting update going forward.	13/04/23
R010	21/10/20	Reputational and Social Impact	Spending Objectives	Portfolio Director	If projects fail to deliver against the portfolio spending objectives, there is a risk that the Growth Deal may not meet its targets in relation to job creation, GVA and investment.	5	4	20	↔	Robust business cases will be developed for each programme and project in line with 5 Case Business Model and will need to set out contribution to portfolio spending objective targets Project review and change control process in place. Launch of process to identify replacement Growth Deal Projects Following 2021 PAR recommendation, investment strategy has been developed	N/A N/A Feb 2023 In place	PMO, Project SROs PMO NWEAB, PMO PMO	4	4	16	↔	Open	Risk reviewed. No changes to gross or residual risk scores. PMO to report to Governments during regular Growth Deal meetings. To be reviewed following conclusion of Growth Deal Replacement Project Process	13/04/23
R013	21/10/20	Reputational and Social Impact	Political Change	Portfolio Director	If stakeholders are not managed effectively, there is a risk that political change could impact support for the portfolio, programme and projects.	4	4	16	↔	Frequent engagement with UK, Welsh Government and local government politicians and officials. GA2 and Final Deal agreement to confirm commitments of all parties. New members to be briefed on the Growth Deal Portfolio following the change in leadership Engagement with new UK Government Ministers	N/A Complete Complete Ongoing	NWEAB, PMO NWEAB PMO PMO	2	4	8	▼	Open	Risk reviewed and reduced as government priorities and policies continue to be confirmed across relevant sectors such as energy.	13/04/23
R014	22/10/20	Financial	Fraud	Portfolio Director	If appropriate processes are not put in place and managed, there is a risk that the portfolio could be subject to fraudulent claims resulting in misuse of public funds	4	4	16	↔	Projects to have robust financial monitoring processes in place PMO to review claims submitted before passing them onto accountable body for payment Code of conduct and conflicts of interest policy incorporated as part of Governance Agreement 2 Conflict of Interest Register maintained for all programmes, projects and advisory groups.	N/A N/A Complete N/A	PMO PMO Monitoring Officer PMO	2	4	8	↔	Open	Risk reviewed. No changes to gross or residual risk scores.	13/04/23
R015	22/10/20	Reputational and Social Impact	Benefits Realisation	Portfolio Management Office	If project benefits are not realised, there is a risk that the overall Growth Deal could fail to deliver the benefits set out within business case.	4	4	16	↔	Each programme and project will be responsible for benefits management through a Benefits Realisation Plan. Monthly highlight reports to Programme Board to monitor benefits realisation Procurement Principles adopted with focus on community benefits and social value Benefits Realisation guidance developed and being disseminated to project sponsors for use in project business cases	N/A Monthly Complete N/A	PMO, Programme and Project SROs PMO PMO PMO	3	3	9	↔	Open	Risk reviewed. No changes to gross or residual risk scores.	13/04/23
R016	22/10/20	Programme and Project Delivery	Assurance	Operations Manager	If agreed assurance processes are not followed, there is a risk that project approval could be impacted and could result in suspension/postponement of government grant payments.	3	5	15	↔	Integrated Assurance and Approval Plan (IAAP) agreed with Welsh and UK Government as part of Final Deal. Continued engagement with Welsh Government Assurance Hub to refine and update the Integrated Assurance and Approval Plan (IAAP) PMO assurance lead to coordinate delivery of assurance in accordance with the IAAP	Complete Quarterly N/A	PMO PMO PMO	2	4	8	↔	Open	Risk reviewed. No changes to gross or residual risk scores.	13/04/23
R017	22/10/20	Financial	Financial Management	s151 Officer	If appropriate financial arrangements are not put in place, there could be a risk to the delivery of the deal, draw-down of the funding grant and allocation of funds.	3	4	12	↔	NWEAB will utilise existing financial processes of Gwynedd Council as Host Authority Project Business Cases will set out detailed project level financial, commercial and risk management measures to manage finances Robust monthly performance, risk and financial reporting arrangements will be established for all projects Robust financial claims process established for the drawdown of funding	N/A N/A Monthly N/A	PMO PMO, Project SRO PMO, Project SRO PMO	2	3	6	↔	Open	Risk reviewed. No changes to gross or residual risk scores.	13/04/23
R018	01/10/20	Financial	Revenue Funding	Portfolio Management Office and Project Sponsors	If sufficient revenue funding is not in place to support the activities of the NWEAB and delivery of the Growth Deal, then project delivery and achievement of spending objectives and benefits may be impacted	4	5	20	↔	NWEAB has approved extension of fixed term contracts to March 2024. Longer term solutions continue to be investigated Partners and project sponsors responsible for sourcing revenue funding to support non-NWEAB led projects PMO working to identify additional funding opportunities for NWEAB led projects PMO exploring the potential capitalisation of project salary costs. Options for securing revenue to replace ESF funding being considered by PMO and Board	N/A N/A N/A N/A Feb 2023	PMO PMO, Project SRO PMO, Project SRO PMO PMO, Portfolio Board	4	4	16	↔	Open	Risk reviewed. No changes to risk score. Risk remains high due to the impact of ESF revenue funding ceasing in June 2023. Fixed term contracts have been extended in the team until March 2024 using reserves. Funding options being considered.	13/04/23

Risk ID	Date Raised	Risk Category	Risk Name	Risk Owner	Description of the Risk	Current Gross Risk Rating			Trend	Mitigating Actions	Action Due Dates	Action owner	Residual Risk Rating			Trend	Status (Open / Closed)	Commentary	Date of last update
						P	I	Score					P	I	Score				
R019	01/10/20	Programme and Project Delivery	Supply Chain & Skills Capacity	Portfolio Management Office	If the regional supply chain does not have the capacity to deliver projects, then projects delivery could be impacted and regional benefits could be lower.	4	4	16	↔	Project business cases and implementation plans to clearly set out risks to project delivery and mitigations, including supply chain risks. RSP working with PMO to identify regional supply chain / skills challenges and identify mitigations Additional funding secured for skills activity Projects to conduct early market engagement where appropriate	N/A N/A In place N/A	PMO PMO PMO Project Sponsors	3	4	12	↔	Open	Risk reviewed. No changes to gross or residual risk scores.	13/04/23
R020	03/10/22	Programme and Project Delivery	Economic Context	Portfolio Management Office	If there are significant changes to the UK economy (e.g. cost of living crisis and the energy security crisis), then the strategic and economic cases for programmes and projects may be adversely impacted	3	5	15	↔	Project business cases and implementation plans to clearly set out the case for projects and the risks to project delivery, including the impact of recent economic developments	N/A	PMO, Project Sponsors	2	5	10	↔	Open	Risk reviewed. No changes to gross or residual risk scores.	13/04/23

REPORT TO THE NORTH WALES ECONOMIC AMBITION BOARD
May 5th, 2023

TITLE: North Wales Growth Deal – Streamlined FBC Approval Process

AUTHOR: Hedd Vaughan-Evans, Head of Operations

1. PURPOSE OF THE REPORT

- 1.1. The purpose of the report is to set out a proposal to streamline the approval process for Full Business Cases (FBC) to ensure final investment decisions can be made in a timely and effective manner.

2. DECISION SOUGHT

- 2.1. That the Board approve the streamlined approval route for Full Business Cases (FBC) as set out in Paragraph 4.10 this report where:
- There has been no change in the scope of the project since the approved Outline Business Case (OBC) or any subsequent change request that was approved.
 - Spending objectives targets (e.g. jobs) have not reduced by more than a 10% tolerance since the approved Outline Business Case (OBC) or any subsequent change request that was approved by the Board.
 - There is no additional financial ask of the North Wales Growth Deal since the approved Outline Business Case (OBC) or any subsequent change request that was approved by the Board.
 - No further delegated authority is required from the Board.
- 2.2. In all other cases the normal FBC approval process would apply.

3. REASONS FOR THE DECISION

- 3.1. “To ensure final investment decisions by the Board can be made in a timely and effective manner.”

4. BACKGROUND AND RELEVANT CONSIDERATIONS

- 4.1. In December 2020, the North Wales Economic Ambition Board (NWEAB) and the Welsh and UK Governments agreed the Final Deal Agreement for the North Wales Growth Deal.
- 4.2. As per the Final Deal agreement, business cases are to be developed for each project within the Growth Deal in line with the ‘Better Business Case’ guidance developed by Welsh Government and HM Treasury. Each business case includes 5 cases which address key questions and should be supported by workshops.
- 4.3. The majority* of projects follow a three-stage development and approval process:
- Strategic Outline Case (SOC) – approved by relevant Programme Board if required

- Outline Business Case (OBC) – approval by Economic Ambition Board
- Full Business Case (FBC) – approval by Economic Ambition Board

** lower value, lower risk projects can be considered for a single stage Business Justification Case (BJC)*

- 4.4. The OBC approval acts as a decision in principle from the Economic Ambition Board enabling project sponsors to complete the procurement process, secure cost and deliverability certainty and then update their business case into an FBC. The FBC approval is the final investment decision allowing for the funding agreement to be signed and project delivery to commence.
- 4.5. The OBC and FBC decisions by the Board are supported by a robust assurance process led by the Portfolio Management Office which includes reviews of the business cases and consideration by the relevant programme board and the Portfolio Board.

Challenges

- 4.6. Growth Deal project sponsors have requested that the Portfolio Management Office review and streamline the process for securing business case approvals due. This is echoed by a recommendation in the latest Gateway Review report for the Portfolio Management Office.
- 4.7. While the length of time taken to secure OBC approval is wholly dependent on the quality of the business case and the issues to be resolved, it is recognised that the FBC approval process could be streamlined to aid projects in securing quicker decisions and to mitigate the risk of increasing costs.
- 4.8. There has been a significant reduction in the amount of time tender prices are valid for over the past 12 months, with many bidders unwilling to fix prices for 90 days and those who are building in the risk to their costs. At present the FBC approval process can take up to 3 months dependant on when Board meetings are scheduled. This could result in increase costs or in the worst-case scenario a need to re-procure.

Proposed Streamlined Process

- 4.9. The initial option considered was to seek delegation from the Board for the Portfolio Director to approve Full Business Cases in consultation with the Chair, Vice-Chair, Monitoring Officer and Section 151 officer. This option would provide the most flexibility and potential time savings in the decision-making process. However, following consultation with the Monitoring Officer it has been deemed incompatible with Governance Agreement 2 where the approval of the final business case is clearly set out as a joint committee matter.
- 4.10. Therefore a revised option has been developed. In this option, where business cases meet the criteria set out in 2.1. there would be no need for consideration by the Programme Board or the Portfolio Board and business cases would move to consideration by the Board at the recommendation of the Portfolio Director. To provide additional flexibility, Full Business Cases could be approved on a range of costs where the procurement decision has not been finalised and delegated authority provided to the Portfolio Director to approve the final cost. The Portfolio and Programme Boards would receive update presentations as part of the revised process to ensure they remain informed about developments with the projects.

- 4.11. The following sets out how the streamlined process for approving FBCs compared to the current process. This process takes place following the approval of the OBC by the Economic Ambition Board and the completion of procurement process.

Current FBC Approval Process		Proposed Streamlined Approval Process	
1	Project sponsor updates FBC post procurement	1	Project sponsor updates FBC post procurement
2	FBC reviewed by Portfolio Management Office and final amendments made by Project Sponsor	2	FBC reviewed by Portfolio Management Office and final amendments made by Project Sponsor
3	FBC considered and endorsed by Programme Board	3	FBC considered and approved by Economic Ambition Board with range of costs if required
4	FBC considered and endorsed by Portfolio Board	4	Delegated decision approval to confirm final costs if required
5	FBC considered and approved by Economic Ambition Board	5	Funding agreement signed and contracts entered into by Project Sponsor
6	Funding agreement signed and contracts entered into by Project Sponsor		

Benefits of Proposed Streamlined Process

- 4.12. The following benefits have been identified from this proposal:
- Reduces the time required to secure an FBC approval by approximately 1-2 months;
 - Assists with accelerating projects to delivery and benefits realisation;
 - Increased flexibility to respond to changes in procurement timescales as decisions are not dependant on a fixed Board date;
 - Mitigates the risk of potential cost increases from decisions not being made during the tender validity period;

5. FINANCIAL IMPLICATIONS

- 5.1. There are no direct financial implications arising from this proposal, however the proposal will reduce the risk of additional costs being incurred for projects through the procurement process by reducing the time required to secure an FBC approval decision.
- 5.2. The proposal will reduce the capacity demands on the Portfolio Management Office and officers from the wider partnership represented on the Portfolio Board and various programme boards.

6. LEGAL IMPLICATIONS

- 6.1. The Final Deal agreement agreed between the Economic Ambition Board partners, Welsh Government and UK Government sets out that the approval of project business cases is a matter for the Economic Ambition Board. This is a specific procedure which is contained in GA2. Although Board has powers of delegation it is constrained to follow the procedure in the agreement.

STATUTORY OFFICERS RESPONSE:

i. Monitoring Officer – Host Authority:

“I have had the opportunity of advising on the contents of the report. The proposed decision can be adopted as a way forward which also meets the requirements of GA2

ii. Statutory Finance Officer (the Host Authority’s Section 151 Officer):

““I believe that the amended procedure outlined in this report is reasonable and allows projects to move forward in a timely manner, while still protecting the interests of the partners. Since only cases that meet specific criteria would be subject to the new arrangements, I am satisfied that adequate steps are in place to mitigate any increase in governance risks as a result of streamlining the process, which will contribute towards making the arrangements more effective and efficient.

I support the decision sought.”

REPORT TO THE NORTH WALES ECONOMIC AMBITION BOARD

5th May 2023

TITLE: Portfolio Management Office Resourcing

AUTHOR: Alwen Williams, Portfolio Director
Hedd Vaughan-Evans, Head of Operations

1. PURPOSE OF THE REPORT

- 1.1. The purpose of the report is to set out options for resourcing the Portfolio Management Office over the next four years to oversee the key delivery period of the North Wales Growth Deal.

2. DECISION SOUGHT

- 2.1. That the Board approve the increase in the amount of Growth Deal grant available to support the Portfolio Management Office from 1.5% to 2% reducing the overall amount of funding to support new projects through the project replacement process by £1.2million and to consider a further increase should there be any unallocated funding at the end of the process to select replacement projects for the Growth Deal.

3. REASONS FOR THE DECISION

- 3.1. The ESF funding for the Portfolio Office will be concluded in June 2023. A decision is needed as to the future funding arrangements of the Portfolio Office.

4. BACKGROUND AND RELEVANT CONSIDERATIONS

- 4.1. The Portfolio Management Office was initially established in January 2020 with a small complement of staff. Following a successful bid for a European Structural Funds (ESF) grant, the team was expanded and there are currently 19.4 FTE in the core Portfolio Management Office. This does not include 2 members of staff within the Regional Skills Partnership and 3 members of staff within the Strategic Energy Team to support development of Local Area Energy Action Plans which are funded by specific Welsh Government grants.
- 4.2. The ESF grant secured is until the end of June 2023 with the majority of staff within the Portfolio Management Office (excluding 7 permanent posts) initially employed on fixed term contracts until 30 June 2023. The Board took the decision in March 2022 to extend these fixed term contracts until March 2024 to be funded from existing resources including the use of reserves, capitalisation of salaries and the Growth Deal grant.

- 
- 4.3. This decision mitigated the risk of staff leaving in the short term over the past year, however the risk remains significant given the majority of the team are now within the last 12 months of their contracts. This now represents a significant risk to Growth Deal delivery as contracts cannot be extended further without additional funding being identified and secured.
- 4.4. Resources within the core Portfolio Management Office have reduced to 19.4 FTE recently with three members of the team leaving to take on new roles with increased job security. This highlights the risk presented by the current contractual position.

Guiding principles for resourcing

- 4.5. Since the start of the year, the Portfolio Director and Head of Operations have engaged extensively with senior officers across the partnership to discuss the challenges and options to enable the resources required to deliver the Growth Deal to be secured. Through these discussions a series of guiding principles were developed which have informed this paper:

Strategic Principles

- The partnership (Councils and Advisors) has signed up to the Growth Vision for North Wales
- The partnership (Councils and Advisors) has committed to the delivery of the Growth Deal (4,200 jobs and £1bn investment) and need to find a solution to enable the delivery of the Deal
- The financial situation of local authorities and HE/FE partners is extremely challenging and must be taken into consideration

Resourcing Principles

- The Growth Deal is entering a critical period of delivery of the next 3-4 years which will be the most resource intensive period
- There is a need to provide resource certainly to provide confidence to government and to enable staff retention
- The Portfolio Management Office resources to deliver the Growth Deal should be efficient and effective and reduce over time
- The Portfolio Management Office should continue to explore avenues to secure additional funding and deliver income from Growth Deal projects

Alternative sources of funding

- 4.6. Following the discussions two primary sources of potential funding for the Portfolio Management Office were identified and pursued.
- 4.7. The Portfolio Management Office developed and submitted a regional Shared Prosperity Fund application. The outcome of the application is not yet known.
- 4.8. The Portfolio Management Office has written to both governments requesting flexibility to increase the amount of Growth Deal capital funding utilised to support the PMO from 1.5% to 2%. This increase would make an additional £1.2m available to support Growth Deal delivery.
- 4.9. Welsh Government and UK Government officials have confirmed in writing that this is a decision for the Economic Ambition Board to determine but that in making a decision to



increase the percentage the Board should give consideration to the need to deliver the agreed outcomes and benefits of the Growth Deal which have been agreed. Both governments have also indicated they will want assurances that in allocating resources in this way, it will support an improvement in delivery, as well as a structure which is efficient and sustainable, delivering for the whole life of the Growth Deal.

Initial 2 Year Resourcing Recommendation

- 4.10. The recommendation to the Board is to increase the amount of Growth Deal grant available to support the Portfolio Management Office from 1.5% to 2% and to increase this further should there be any unallocated funding at the end of the replacement projects process for the Growth Deal funding.
- 4.11. The funding would be taken from the current unallocated funding, therefore reducing the amount available for new projects. As a result, there would be no financial impact on existing Growth Deal projects from this decision. While this would reduce the amount of funding available for new projects by £1.2m, the impact on the process is considered to be minimal and manageable through the process.
- 4.12. The proposal is to utilise 50% of the additional £1.2m to enable the extension of current fixed term contracts within the team to March 2025, mitigating the risk of staff leaving over the course of the next year. Should the Portfolio Management Office be successful in securing additional revenue funding this exact amount of funding used from this source may reduce and be reallocated across other years.
- 4.13. That the Board note that in approving the increase set out in 2.1 this would enable the Portfolio Director to extend fixed term contracts within the Portfolio Management Office by a further 12 months until end of March 2025, however no further extension could be provided until other alternative funding sources are secured.
- 4.14. Without securing additional revenue funding the resources within the Portfolio Management Office would need to be reduced by approximately a further 11 FTE from 2025-26 onwards. Should the SPF application be unsuccessful, the Board will need to consider the option of requesting additional one-off contributions from the Economic Ambition Board partners to enable the retention of the resources required to deliver the Growth Deal over this crucial four-year period. In this scenario, the Portfolio Director will bring forward an options paper to a future meeting. No decision is sought on any additional partner contributions from the Board at this meeting.

5. FINANCIAL IMPLICATIONS

- 5.1. Increasing the amount of Growth Deal grant available to support the Portfolio Management Office from 1.5% to 2% would reduce the overall amount of funding to support new projects through the project replacement process by £1.2million.
- 5.2. Should the external funding application be unsuccessful there will be a requirement for additional funding to be identified and consideration will need to be given to requesting additional funding from the Economic Ambition Board partners.

6. LEGAL IMPLICATIONS

- 6.1. Provisions in GA2 mean that unless alternative sources of funding are secured by the Board any additional funding required from Partner resources is a matter reserved to the Councils and Advisors.

STATUTORY OFFICERS RESPONSE:

i. **Monitoring Officer – Host Authority:**

“The report appropriately sets out the position with regard to the conclusion of ESF funding and the risk context of the solutions. It also highlights the role of the Partners in finding a resolution to the issue going forward which is reflective of GA2.”

ii. **Statutory Finance Officer (the Host Authority’s Section 151 Officer):**

“A proportion of the £240million Growth Deal grant can be used to contribute to the running costs of the Portfolio Management Office. We are currently planning on the basis that 1.5% of the grant will be used for this purpose and increasing the rate to 2% would make an additional £1.2million available towards the running costs of the PMO. The result will be a corresponding £1.2million reduction in capital funding available over the life of the Growth Deal. I believe that the report explains the situation clearly, accurately and fairly; the current situation means that Ambition North Wales risks losing key officers at a critical stage, and I therefore support the decision sought.”