



REPORT TO THE NORTH WALES ECONOMIC AMBITION BOARD
15 MARCH, 2019

TITLE: *A Growth Deal for North Wales – Draft Implementation Plan*

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1. PURPOSE OF THE REPORT

- 1.1. The purpose of the document (included in **Appendix 1**) is to set out the arrangements for the implementation of the North Wales Growth Deal – in accordance with the requirements of the UK and Welsh Governments prior to the agreement of Heads of Terms. The request for an Implementation Plan was made in late November 2018.
- 1.2. It has been prepared in the context of the North Wales Growth Vision document, which was supported and approved by partners of the North Wales Economic Ambition Board in October 2018.

2. DECISION SOUGHT

- 2.1. To approve the Implementation Plan as a basis for further negotiations with the UK and Welsh Governments on a potential Heads of Terms agreement for a North Wales Growth Deal.**

3. REASONS FOR THE DECISION

- 3.1. As set out in the report.

4. BACKGROUND AND RELEVANT CONSIDERATIONS

4.1. Key Components within the Implementation Plan

- 4.1.1 The Implementation Plan includes high-level activities that will support the delivery of the Growth Deal, and details of the nature of each project funded through the Deal, their outcomes and benefits, and the indicative timeline and inter-dependencies between the projects.
- 4.1.2 It outlines the work of the North Wales Economic Ambition Board and supporting structures, including programme governance, the role of the private sector, stakeholder engagement and programme implementations. It also sets out the arrangements in place for monitoring and evaluation.

4.2. Growth Deal Funding Envelope

- 4.2.1 The UK Government and the Welsh Government have both allocated £120 million each for the purpose of a Growth Deal for North Wales.

4.2.2 However, this Implementation Plan makes the case for an additional sum of £20 million from each Government to support the funding of a package of projects that addresses the challenges faced by the region, particularly in view of the recent announcement by Horizon that work on the proposed £20bn Wylfa Newydd Nuclear Power Station is to be suspended indefinitely.

4.2.3 The additional funding will allow for the “scaling up” of 2 key strategic projects:

- **Smart Local Energy Network Project** – increasing the UK Government’s Growth Deal contributions from £10m to £30m;
- **Regional Land and Property Joint Venture** – increasing the Welsh Government’s Growth Deal contribution from £52.5m to £72.5m.

4.2.4 Both Projects have significant co-investment and support from the private sector.

4.2.5 The Minister for Economy and Transport confirmed in a letter dated 21 December, 2018 to the Chair of the North Wales Economic Ambition Board that *“the Welsh Government will match any increase in the UK Government’s funding”*.

4.2.6 Members of the North Wales Economic Ambition Board have already emphasised that any negotiations on “scaling up” such Projects must not cause any delay with the delivery of other identified Growth Deal Projects.

4.2.7 In view of the meeting of the North Wales Economic Ambition Board on the 21st of January 2019 with the Welsh Government Minister for Economy and Transport, we have re-visited our proposed approach to the Growth Deal in view of the suspension of the Wylfa Newydd Nuclear Power Station. This decision by Hitachi will have a critical impact on the economic prospects of North Anglesey in particular.

4.2.8 To address these concerns, the Implementation Plan seeks to:

- Re-affirm support and commitment for key Growth Deal projects that will have a direct economic and employment impact on North Anglesey, such as the Holyhead Gateway project, Morlais project and the Nuclear Centre of Excellence project;
- ‘Front load’ and ‘scale up’ two strategic Growth Deal projects that will impact the economy of North Anglesey, and create the conditions for employment growth. These projects (as referenced in paragraph 4.2.3) are the ‘Smart Local Energy Network Project’ and the ‘Regional Land and Property Joint Venture’;
- Ensure that the sequencing of Growth Deal projects will prioritise those interventions that impact on North Anglesey.

4.3. Next Steps

4.3.1 The document sets out the position statement of the North Wales Economic Ambition Board in relation to drafting the Heads of Terms agreement with the UK and Welsh Governments.

4.3.2 Provided that there is support for the Draft Implementation Plan, further engagement will take place with both Governments, with a view to reach Heads of Terms agreement by the end of May 2019.

5. FINANCIAL IMPLICATIONS

5.1. None at this stage.

6. LEGAL IMPLICATIONS

6.1. None at this stage.

7. STAFFING IMPLICATIONS

7.1. None at this stage.

8. IMPACT ON EQUALITIES

8.1. None identified.

9. CONSULTATIONS UNDERTAKEN

9.1. Consultation has taken place with the Executive Officers' Group and the North Wales Business Delivery Group.

APPENDICES:

Appendix 1 Draft Implementation Plan

STATUTORY OFFICERS RESPONSE:

i. Monitoring Officer – Accountable Body:

“Obviously this Plan is an important step in building the case for the Growth Project. The central role for governance arrangements to provide assurance and effective management is highlighted. It also provides a platform for developing the arrangements for the second joint working agreement. I welcome the document which appropriately integrates and connects the various elements of the project.”

ii. Head of Finance – Accountable Body:

“Generally, I appreciate this Implementation Plan which usefully and clearly collects and presents comprehensive information regarding the Growth Deal. Section 7 of the Implementation Plan (pp. 17-18) includes financial profiles for each project. As noted in part 4.2.2 of the covering report, these proposed project expenditure profiles are dependent upon the additional level of Government funding. Further, the profiles for each project must also be revised after the Growth Deal partners duly consider the associated cost of borrowing (which will impact on partners' annual revenue contributions).”