



REPORT TO THE NORTH WALES ECONOMIC AMBITION BOARD
28 January 2022

TITLE: North Wales Growth Deal – Quarter 3 Performance Report
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1. PURPOSE OF THE REPORT

- 1.1. The purpose of the report is to present the Quarter 3 (October-December) 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 3 Performance Report and updated Portfolio Risk Register.
- 2.2. That the Board approves the submission of the Quarter 3 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 NWEAB 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 3 Performance Report
 - Portfolio Risk Register – January 2022

North Wales Growth Deal – Quarter 3 Performance Report

- 4.4. The Quarter 3 performance report provides an overview of progress on the Growth Deal programmes and projects.
- 4.5. This quarter saw the approval of the first Full Business Case (FBC) for the North Wales Growth Deal. The Digital Signal Processing Centre (DSP) project with Bangor University was approved in December 2021 following the completion of the procurement process. The DSP Centre has secured £3m funding from the Growth Deal to invest in cutting-edge equipment which will develop the facility as well as supporting the creation of up to 40 new jobs. The project is recognised by both Welsh and UK Governments as being critical to the development and future of North Wales and the wider economy.
- 4.6. Two further projects successfully completed their Gateway 2 assurance reviews during this quarter. The Former North Wales Hospital, Denbigh project completed its review in October 2021 with the Llysfasi Net Zero Farm project completing its review in November 2021. Both projects are working on addressing the recommendations as part of the development of their business cases.
- 4.7. Following the adoption of the 2021 update to the Portfolio Business Case in September, we submitted the update to Welsh and UK Government as part of the annual funding award process. This included a presentation to a joint Welsh and UK Government board in December 2021.
- 4.8. Our new brand 'Ambition North Wales' and our new website - <https://ambitionnorth.wales> were launched in November 2021. The new brand and website will be key engagement tools for the Growth Deal moving forward, particularly as we increase our engagement activities with businesses and potential investors in the region. In December, we launched a 'Regional Review' publication alongside the Cardiff City Region, Swansea Bay City Deal and Growing Mid Wales showcasing the highlights of 2021 across the four city/growth deals in Wales.
- 4.9. Recruitment activities were completed during this quarter with the final three posts in the team appointed to and starting in post in January 2022. Buddug Owen joins as Skills and Employability Project Manager, Angharad Williams and Harry Bennett as Programme Support Officers. The Portfolio Management Office is now fully resourced and ready to deliver our ambitious agenda.
- 4.10. In December 2021, we held our first early market engagement event with businesses in the region targeted at small and medium enterprises to learn more about the Growth Deal, our priorities and the opportunities for businesses over the coming years. This was well received and will lead on to further sessions in 2022.
- 4.11. The Quarter 3 update is showing projects reporting against the revised Portfolio Business Case 2021 delivery profile which was approved by the Economic Ambition Board in September 2021. Four projects are currently reporting as Red due to either risks to the project scope, or significant delays to project timescales:
- Low Carbon Energy Centre of Excellence – project under review due to change request for capital and revenue projections.
 - Key Strategic Site, Bodelwyddan (Land and Property Programme) – outline planning consent on the site has lapsed and the project will need to be reviewed when the new planning policy for the site is established.
 - Enterprise Engineering and Optics Centre – project under review due to change request for capital and revenue projections.

- Centre for Environmental Biotechnology - project under review due to change request for capital and revenue projections.
- 4.12 At this stage the only expenditure to date relates to the drawdown against the 1.5% allocation for Portfolio Management Office costs. Following the approval of the first Full Business Case in December 2021, expenditure in relation to the Digital Signal Processing Centre project is expected in Quarter 4.

Portfolio Risk Register – January 2022

- 4.13 The Portfolio Risk Register is updated on a regular basis by the Portfolio Management Office and reviewed by the Portfolio Board (Executive Officers Group) and the North Wales Economic Ambition Board on a quarterly basis.
- 4.14 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.
- 4.15 Three residual risk ratings have changed this quarter –1) the capacity risk has reduced following the completion of recruitment activities for the PMO, 2) public sector investment and 3) spending objectives. Both 2) and 3) have increased due to a number of project change requests being considered.

5. FINANCIAL IMPLICATIONS

- 5.1. There are no financial implications arising directly from approving the decision sought in this report.
- 5.2. The quarterly performance report provides an overview of the expected capital expenditure profile of Growth Deal funding. At this stage, the only expenditure to date relates to the drawdown against the 1.5% allocation for Portfolio Management Office costs. Future iterations of the report will include reporting on financial expenditure following project business case approval.

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:

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| Appendix 1 | North Wales Growth Deal – Quarter 3 Performance Report |
| Appendix 2 | Portfolio Risk Register – January 2022 |

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):**
As paragraph 1.2 states, this report is a requirement to be able to continue to claim the Government grant instalments. I will continue to assist the Ambition Board’s Portfolio Management Office in managing the relevant risks.