



---

**North Wales Economic Ambition Board**  
**30 September 2022**

---

**TITLE:** North Wales Growth Deal – Horizon Scanning

**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the report is to set out the proposed principles and process for identifying a preferred way forward when projects are withdrawn from the North Wales Growth Deal.

**2. DECISION SOUGHT**

- 2.1. That the Board note that following the withdrawal of any project from the Growth Deal, a further report will be brought forward at a future meeting to recommend the parameters and scoring criteria for the horizon scanning exercise on a case by case basis.

**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. The North Wales Growth Deal has a change management process in place to ensure potential changes to the scope of the Growth Deal and the projects are captured, assessed and where relevant considered by the Board.
- 4.3. The Final Deal agreement sets out the board position in relation to potential replacement projects:

*“Any new or replacement projects to be brought forward for consideration must demonstrate delivery against the relevant programme business case and the objectives of the portfolio business case. Where those projects are within the existing agreed financial envelope for the partnership, those projects would be a matter for the Economic Ambition Board to decide.”*

## Principles

4.5. The following principles will underpin the process for identifying a preferred way forward when projects are withdrawn from the North Wales Growth Deal:

- Principle 1: Prior to considering new projects, the Board will initially consider on a case-by-case basis requests from existing projects for additional funding, where projects:
  - have an approved OBC or FBC in place
  - can demonstrate a clear rationale for any cost increase
  - can demonstrate that options for reducing cost/scope have been evaluated
  - can evidence that the business still delivers value for money and a positive cost benefit ratio
  - are requesting a proportion of the additional cost and can demonstrate why the additional costs cannot be wholly covered by the project sponsor or through other funding sources
- Principle 2: As part of any horizon scanning exercise, all options should be considered as part of the process to identify a preferred way forward, including:
  - Identifying a new project or project(s)
  - Scaling up existing projects
  - Retaining a proportion of funding as portfolio contingency
  - Combination of the above
- Principle 3: The preferred way forward must deliver against the portfolio business case targets and aim to deliver a comparable level of benefits to the project withdrawn from the Deal
- Principle 4: The preferred way forward must deliver against the relevant programme business case and its targets and as far as possible address the gap left by the project withdrawn from the Deal.
- Principle 5: Any new projects included in the preferred way forward must be able to demonstrate regional impact in the same way as existing projects.

## Proposed Process

4.6. The following sets out how the process for identifying a preferred way forward could take place including key roles within the process:

### **Stage 1: Horizon Scanning**

- Economic Ambition Board to agree criteria, scoring and weighting for the horizon scanning activity including targets for jobs, investment and deliverability criteria
- Undertake horizon scanning including public call for projects
- Initial hard gate assessment carried out by the Portfolio Director in accordance with the agreed criteria to remove proposals that don't meet an agreed minimum level of outputs (jobs etc.) and identify the longlist

### **Stage 2: Longlisting and Shortlisting**

- Detailed assessment of the longlist against agreed criteria to identify shortlist
- Additional information requested from shortlisted project
- Shortlist assessment including presentations to the Economic Ambition Board to identify a preferred way forward

### **Stage 3: Approval and Business Case Development**

- Formal recommendation to the Economic Ambition Board to agree the preferred way forward;
- Commence development of business case(s)

## **5. FINANCIAL IMPLICATIONS**

- 5.1. Funding that has been provisionally allocated to a project that is withdrawn from the North Wales Growth Deal is retained within the wider portfolio and the decision on a replacement project or projects is a matter for the Economic Ambition Board to determine.

## **6. LEGAL IMPLICATIONS**

- 6.1. The Final Deal agreement agreed between the Economic Ambition Board partners, Welsh Government and UK Government sets out the broad parameters that a process for identifying new or replacement projects must adhere to.
- 6.2. In line with Governance Agreement 2 and the Overarching Business Plan, the selection of a new or replacement project is a matter for the Economic Ambition Board to decide upon within the agreed affordability envelope for the partnership and where the projects deliver against the objectives of the Growth Deal and its programmes.

---

### **STATUTORY OFFICERS RESPONSE:**

- i. **Monitoring Officer – Host Authority:**  
“I have had an opportunity to advise on the contents of the report no further comments to add in relation to propriety.”
- ii. **Statutory Finance Officer (the Host Authority’s Section 151 Officer):**  
“I support the decision sought. The proposed way forward is practicable and reasonable.”