



North Wales Economic Ambition Board
9 December 2022

TITLE: North Wales Growth Deal – Project Replacement Process
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1. PURPOSE OF THE REPORT

1.1. The purpose of the report is to set out process and criteria for project replacement process.

2. DECISION SOUGHT

2.1. To agree the scope and minimum requirements as set out in this report.

2.2. To agree to the timetable set out in this report including a formal launch in January 2023.

2.3. To delegate authority to the Portfolio Director to implement the Project Replacement Process as set out in this report and to undertake all necessary steps required to finalise the documentation required to commence the process.

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. 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.”

- 4.4. In September 2022, the Board agreed a set of principles for identifying replacement projects and a three-stage 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).

- 4.5. This paper sets out the scope and minimum requirements for the horizon scanning stage.

Scope of Horizon Scanning

- 4.6. The primary scope of the horizon scanning exercise will be to invite proposals for projects that fall within the Land and Property programme and the Agri-food and Tourism programme following the withdrawal of two projects from those programmes.
- 4.7. Expressions of interest will also be invited from projects that fall into the other three Growth Deal programmes which may be considered if the proposals received for the Land and Property programme and the Agri-food and Tourism programme do not deliver sufficiently against the Growth Deal targets. Expressions of interest received may also be allocated a place on a reserve list for consideration should additional Growth Deal funding become available in the future.
- 4.8. Subject to the decision by the Board on the Portfolio Delivery Fund 2023-24, an allocation of £13m will be available for the horizon scanning process.

Minimum Requirements

- 4.9. The Portfolio Management Office propose that the Board agree the minimum requirements criteria set out in Appendix A. The purpose of the minimum requirements is to allow enable low value/low impact proposals to be removed from the process at the earliest opportunity. The thresholds set do not reflect the aspirations of the region or the Growth Deal and the process will seek to identify the best package of projects that deliver maximum benefits to the region.

Assessment Criteria

- 4.10. Potential projects will be required to complete an application form along with supplementary information. Appendix B is a draft of the application form and sets out the weighting to be given to each element of the application.

4.11. Proposals will be assessed against three main criteria:

- Strategic Fit (25% weighting)
- Impact (40% weighting)
- Deliverability (35% weighting)

Higher weightings are proposed for impact and deliverability to ensure that project(S) selected deliver the required benefits to North Wales and are able to progress quickly into the delivery phase.

Flexibility Principles

4.12. The Portfolio Management Office recommend the Board adopt the following principles to retain the flexibility to select the best package of proposals for the North Wales Growth Deal:

- The Board retains the option to move projects and/or funding between the two horizon scanning programmes;
- The Board retains the option to consider expressions of interest received by projects that fall outside the Land and Property programme and the Agri-food and Tourism programme but within the scope of the other three Growth Deal programmes;
- Projects that are unsuccessful in securing funding through this process but score highly against the set criteria (including those that score highly on Strategic Fit and Impact but do not meet the deliverability thresholds) may be placed on a reserve list for consideration in the future should further funding become available.

Timescales

4.13. A provisional timescale is included below, subject to Board decision on the 9th December. The length of time required to complete assessment activities will be dependant on the number of proposals received.

Activity	Timescales
Economic Ambition Board Approval	9 th December 2022
Informal Communications/PR to warm up potential bidders	December 2022 (post Economic Ambition Board meeting)
Horizon Scanning Launch	Mid-January 2023
Horizon Scanning Close	End of February 2023 (approx. 6 weeks)
Hard gate, Longlisting and Shortlisting	March 2023
Seek further information from shortlisted projects	April 2023
Shortlist Assessment and Economic Ambition Board Decision	May 2023

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 reallocation of funding within the Growth Deal 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.

APPENDICES:

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| Appendix A | Horizon Scanning Priorities |
| Appendix B | Draft Application Form |

STATUTORY OFFICERS RESPONSE:

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

“The Economic Ambition Board has been established by the six Councils to act as the managing and delivery body for the Growth Deal on their behalf. One of its functions was to re-allocate Growth Deal resources to alternative projects should the need arise. As noted the Overarching Business Plan agreed between the parties requires the projects that may be approved by the Ambition Board to be within the affordability envelope for the partnership and are capable of deliver against the objectives of the Growth Deal and its programmes. It is critically important that new projects are objectively assessed with reference to the agreed criteria which support the core expectation on the Ambition Board. The proposed criteria provide the framework to support this process.”

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

“It is key that clear criteria are set for this process. I welcome the report as an important part of the governance arrangements for reallocating resources.”