

18th January 2023

Y Cynghorydd / Councillor Dyfrig Siencyn
Cadeirydd y Bwrdd Uchelgais Economaidd/
Chair of the Economic Ambition Board

BY EMAIL

Annwyl / Dear Dyfrig

Further to extensive discussions and based on advice from the Portfolio Management Office, we are writing to provide an update on the position of the Bangor University Egni Project part of the Low Carbon Energy programme. Post COVID, the University has gone through a process of re-evaluating our capital investment programme and its alignment with our strategic priorities. This process has had to account for inflationary build costs, and we have now reached what we believe is an optimal approach. The new plan has an impact on the Egni project as previously envisaged.

The University originally proposed a project, with a total value of £41m, including £21m of support from the North Wales Growth Deal, that was based on consolidating and expanding our research, development and innovation expertise in low carbon energy. This project had been provisionally split into two phases with two separate capital developments, one based at M-SParc to facilitate greater interaction with industry and to expedite the exploitation of our research and the other based on the Deiniol Science and Innovation Campus to co-locate all our energy related research (with associated collaboration space and equipment).

Since taking up my position in September, the University's Capital Programme has been paused while we refocus our priorities. In a climate of raising costs and financial uncertainty, we have concluded that the University needs to prioritise the delivery of the North Wales Medical School for the region. Achieving this important development requires significant commitment from the University in terms of capital and human resources, meaning the proposed second phase development on the main campus is now a medium-term proposition. To that end, the Executive Board has taken the decision to refocus the Egni project by withdrawing the proposed Phase 2.

Our revised proposal for the Egni Project is for a project with a total value of £8M, including a £4 million investment from the Growth Deal. The remaining funding has been provisionally secured from Welsh Government (£2.5m) with a £1.5m capital investment by Bangor University. This will deliver a new building on the M-SParc site consisting of small, medium and large office space, labs and workshops, and training space. The building will focus on low carbon energy research, development, innovation and commercialisation activity. The rationale and detail for these changes are outlined in the accompanying change request, which we will submit for your consideration and approval.

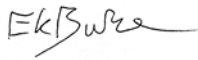
I would like to take this opportunity to reiterate my support for the Egni project development at the University's Science Park, M-SParc. Colleagues at the University and at M-SParc have completed an OBC to take forward this element and secure the Welsh Government match funding of £2.5m. The OBC has been endorsed by the University's Executive and has been submitted to colleagues in the PMO for review as well as to members of the Welsh Government Assurance Hub for a parallel Gateway Review.

Additionally, the University is developing a Health Innovation Hub project as part of the North Wales Medical School Development to submit for consideration through the Project Replacement Process. I appreciate this is a significant change for the Growth Deal and I will be taking the opportunity over the coming weeks to brief stakeholders further on our proposed approach and how it supports our shared ambition to deliver social and economic transformation for the region.

Our commitment to the Growth Deal remains certain. The Digital Signal Processing Centre project is nearly a year into delivery and has been reporting strongly against its targets. The Centre for Environmental Biotechnology project is also ongoing with the OBC currently being developed.

Please do not hesitate to contact me or members of my senior team if you need anything else.

Yn gywir / Yours Sincerely

A handwritten signature in black ink, appearing to read 'Ed Burke', with a stylized flourish at the end.

Yr Athro / Professor Edmund Burke
Is-Ganghellor / Vice-Chancellor