

MEETING	EDUCATION AND ECONOMY SCRUTINY COMMITTEE
DATE	23 March 2023
TITLE	North Wales Growth Deal – Quarter 3 2022/23 Performance Report
CABINET MEMBER	Councillor Dyfrig Siencyn

1. In December 2020, the North Wales Economic Ambition Board and the Welsh and UK Governments agreed the Final Deal Agreement for the North Wales Growth Deal.
2. Quarterly reporting on progress against the North Wales Growth Deal is a requirement of the Final Deal Agreement
3. The North Wales Economic Ambition Board considered the Quarter 3 2022/23 performance report at its meeting on 3 February 2023. The Ambition Board's decision was:
 - That the Board consider and note the Quarter 3 Performance Report and updated Portfolio Risk Register.
 - That the Board approve the submission of the Quarter 3 Performance Report to Welsh Government and UK Government, as well as the local authority scrutiny committees.
4. The information relevant to the item (item 5) can be found by following this link:

<https://democratiaeth.gwynedd.llyw.cymru//ielistdocuments.aspx?cid=418&mid=4852&ver=4&LLL=0>
5. See attached, the Quarter 3 performance report which provides an overview of progress on the Growth Deal programmes and projects.
6. This quarter saw the approval of the updated Portfolio Business Case and the submission to Welsh and UK Governments as part of the annual award of funding process.
7. Following the withdrawal of the Bodelwyddan Key Strategic Site and Llysfasi Net Zero Farm projects from the Growth Deal, the Economic Ambition Board made some key decisions regarding the reallocation of the funding within the deal. Firstly, a Portfolio Delivery Fund for 2023-24 has been established to support mature projects within the portfolio dealing with cost inflation or viability issues to move into delivery. Secondly, the Board agreed the criteria and an allocation of £13m for the project replacement process which is to be launched in early 2023.

8. The Quarter 3 update is showing projects reporting against the revised portfolio delivery profile approved by the Board in September 2022. Four projects are currently reporting as red due to either risks to the project scope or significant delays to project timescales:
- **Connecting the last few %** - the project is faced with moderate issues, including delay to the timeline for Full Business Case, and a delay in the procurement schedule as market engagement period was extended. The issues are being addressed by the project team.
 - **Low Carbon Energy Centre of Excellence (Egni)** – project under review due to Bangor University developing a proposal to deliver the project in two phases. Phase 2 of the project remains under review with a decision on this element of the project expected during Quarter 4.
 - **Glynllifon Rural Economy Hub** – planning permission to be secured and potential funding gap due to escalating capital build costs.
 - **Centre for Environmental Biotechnology** – project development paused due to match funding issue and exploring alternative locations for the project.
9. In accordance with the Committee's request, the Quarter 3 2022/23 performance report is presented for scrutiny.