



REPORT TO THE NORTH WALES ECONOMIC AMBITION BOARD
21st July 2023

TITLE: North Wales Growth Deal – Quarter 1 Performance and Risk Report
AUTHOR: Hedd Vaughan-Evans, Head of Operations

1. PURPOSE OF THE REPORT

- 1.1. The purpose of the report is to present the Quarter 1 (April to June) 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 1 Performance Report and updated Portfolio Risk Register.
- 2.2. That the Board approves the submission of the Quarter 1 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 Economic Ambition Board 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 1 Performance Report
 - Portfolio Risk Register – June 2023
- 4.4. North Wales Growth Deal – Quarter 1 Performance Report
 - 4.4.1. The Quarter 1 performance report provides an overview of progress on the Growth Deal programmes and projects.

- 
- 4.4.2. This quarter saw 26 project proposals submitted as part of the process to select new projects to join the Growth Deal. From the initial 26 applications, a final shortlist of projects were identified following a rigorous assessment. The shortlisted projects were invited to provide further information and to present their proposals. The final recommendation will be presented to the Board for final selection in July.
- 4.4.3. June saw the launch of the Hydrogen Hub Challenge, this process will identify an industry partner to work with Ambition North Wales to deliver a Hydrogen Hub in the region. £11.2million of capital is available to enable industry demand for hydrogen. The application window closes on the 11th of September.
- 4.4.4. The Holyhead Gateway project's Outline Business Case underwent a Gateway 2 Review, receiving an amber delivery confidence rating. This rating indicates that while successful delivery of the project seems feasible, there are significant issues that require immediate attention. The most pressing issue is the Harbour Revision Order, which is currently pending approval from Welsh Ministers. Addressing this matter promptly is essential to maintaining progress on the project.
- 4.4.5. Grŵp Llandrillo Menai signed a memorandum of Understanding with the Advanced Manufacturing Research Centre (AMRC) and will look to establish a base at the Glynllifon Rural Economy Hub to support SMEs with automation efficiency and productivity.
- 4.4.6. Ambition North Wales launched the process to procure a fund manager for the Smart Local Energy project on Sell2Wales.
- 4.4.7. The Quarter 1 update is showing projects reporting against the revised portfolio delivery profile approved by the Board in September 2022. Three projects are currently reporting as red due to either risks to the project scope or significant delays to project timescales:
- Western Gateway, Wrexham – a review of the project is required to assess its delivery considering the recommendations from the Road Review Panel and Welsh Governments four tests for highways investment.
 - Glynllifon Rural Economy Hub – planning permission is yet to be secured. The pre-planning advised that further bat surveys are needed on land outside of the Glynllifon boundary. Further survey work is underway as requested by Natural Resources Wales and CADW.
 - Centre for Environmental Biotechnology – project development paused due to match funding issue and change of location for the project.

4.5. Portfolio Risk Register – June 2023

- 4.5.1. The Portfolio Risk Register is updated on a regular basis by the Portfolio Management Office and reviewed by the Portfolio Board and the North Wales Economic Ambition Board on a quarterly basis.
- 4.5.2. 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.

- 4.5.3. While the risk profile has remained stable over the past quarter, the risk profile does remain high with a number of red residual risks including capacity, delay, affordability, public and private sector investment, consenting and spending objectives. The risk on affordability has reduced due to the establishment of the portfolio delivery fund to support projects at post-OBC stage with cost increases, but remains high.

5. FINANCIAL IMPLICATIONS

- 5.1. There are no financial implications arising directly from approving the decision sought in this report.
- 5.2. The revised delivery and expenditure profile approved by the Board is included in the quarterly report.

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:

- | | |
|-------------------|--|
| Appendix 1 | North Wales Growth Deal – Quarter 1 Performance Report |
| Appendix 2 | Portfolio Risk Register – June 2023 |

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):**

“I am satisfied that the report is a true and fair reflection of the financial situation of Ambition North Wales.”