

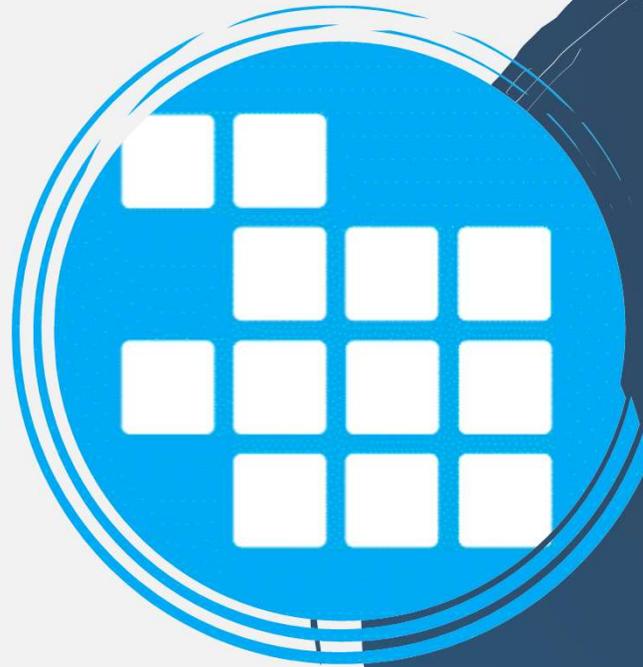


NORTH WALES GROWTH DEAL

PORTFOLIO HIGHLIGHT REPORT

5 FEBRUARY 2021

- 1. Progress update since Final Deal**
- 2. AOR Recommendations**
- 3. Programme and Project Update**
 - **Agrifood and Tourism Programme**
 - **Low Carbon Energy Programme**
 - **Land and Property Programme**
 - **Digital Connectivity Programme**
 - **Innovation in High Value Manufacturing Programme**
- 4. Project OBC Pipeline 2021**
- 5. Programme Delivery Plan – January 2021 Update**
- 6. Project Glossary**



Content

Progress Update since the Final Deal was signed in December 2020

- **Grant Offer Letter** – ongoing discussions with Welsh Government on the Grant Offer Letter to enable the first funding drawdown.
- **Gateway Reviews** – three projects have booked gateway reviews. Morlais (February), Enterprise Engineering and Optics (March) and Glynllifon Rural Economy Hub (April).
- **Website and Branding Tender** – Following a procurement exercise through Sell2Wales, Tinint have been selected to develop the new website and branding.
- **Recruitment** – appointed a Digital Connectivity Project Manager and European Funding Project Manager. A revised structure for the Portfolio Management Office to include procurement resource has been agreed with WEFO. Recruitment to final posts to take place in January/February.



Progress Update since the Final Deal was signed in December 2020

- **AOR Recommendations** – the team are working through the 9 recommendations.
- **Procurement Activity** – Menter Mon have commenced the principal contractor procurement for the Morlais project. During January 2021, the Portfolio Management Office issued three briefs on Sell2Wales to support project development relating to the Smart Local Energy project, the Transport Decarbonisation project and the Llysfasi Net Zero Farm project.
- **Baseline Review** – updated in January 2021 to confirm timetable for Outline Business Cases during 2020 calendar year.



AOR Recommendations

AOR Recommendation	RAG	Comments
1 - That the WCGIB share the AOR report with the Mid Wales Growth Deal and the Swansea Bay City Deal		Update requested from Welsh Government.
2 - That the release of annual C&GD funding is linked to an annual submission of an updated PoBC		The Portfolio Management Office is planning for an annual update and submission of the Portfolio Business Case.
3 - That the PoMO seeks further direction and advice from EcAd (and/or the UKG equivalent) on the approach to take with regards the calculation, presentation and testing of project BCRs		The Portfolio Management Office is engaging with economists from EcAd on the development of project business cases.
4 - That the individual Land & Property and Digital Connectivity projects are presented individually and consistently throughout the next iteration of the PoBC		This will be actioned in the 2021 update of the Portfolio Business Case. These projects are being reported on individually in this highlight report.
5 - That the next iteration of the PoBC is updated to include the identification of project level community benefits, and identified opportunities for collaborative project-level procurements		This will be actioned in the 2021 update of the Portfolio Business Case.



AOR Recommendations

AOR Recommendation	RAG	Comments
6 - That the next iteration of the PoBC is updated to include project level operational revenue profiles (once identified) over the lifetime of projects, together with associated commentary		This will be actioned in the 2021 update of the Portfolio Business Case.
7 - In the next iteration of the PoBC, separately specify individual public sector funding bodies and their contribution in Table 5.3		This will be actioned in the 2021 update of the Portfolio Business Case.
8 - That the PoBC is updated to include a holding position on NDR until discussions have taken place and an agreement has been reached with LGSF colleagues		This is being actioned. Discussions ongoing between the Section 151 Officer and Welsh Government Local Government Strategic Finance.
9 - That the IAAP is updated to include more frequent reviews at portfolio and programme level		The IAAP is currently being updated following a meeting with the Welsh Government Integrated Assurance Hub in January.



Agrifood and Tourism Programme Update



Project	Updated Timetable for OBC	Risk	Project Maturity	Timetable	Commentary
Glynlifon Rural Economy Hub	June 2021	Medium risk	Low risk	Low risk	Project OBC scheduled for development between January and March 2021, with a Gateway Review planned for late March before presentation to NWEAB for approval in June 2021. Efforts are already underway to line up strong and innovative private sector partners (e.g. Vertical Farming, Seaweed Farming) to participate in the Hub from its launch, alongside other stakeholders such as Farming Connect.
Llysfasi Net Zero Farm	September 2021	Medium risk	Medium risk	Medium risk	The project has been slightly delayed due to capacity issues at Llysfasi. Participation in the Welsh Government Net Zero Business Innovation competition will mean a slight delay, however it will also boost expertise and develop/strengthen SME links and will benefit the project.
Tourism Academy	March 2022	Medium risk	High Risk	Medium risk	With the impact of COVID19 on the tourism, hospitality and education sectors, this project has been under review since March 2020 while clarity emerges on the impact of the pandemic. Fundamentally, the case for change remains strong and project partners (private and public) remain keen to proceed. GLLM is continuing to engage with existing gateway partners and is also widening and strengthening the network across the region.

Risk RAG

High Risk
Medium risk
Low risk
No known risks to full business case approval

Project Maturity RAG

Project Review	Project is being reviewed – significant risks
Concept	Project is at concept stage
SOC	Project is at SOC stage
OBC	Project is at OBC stage

Timetable RAG

No timetable currently available
Project is behind schedule (3 months+)
Project is slightly behind schedule (1-3 months)
Project is on schedule

Low Carbon Energy Programme Update



Project	Updated Timetable for OBC	Risk	Project Maturity	Timetable	Commentary
Morlais	May 2021	Medium risk	Low risk	No timetable currently available	Currently on track for NWEAB OBC decision by May 2021 and FBC decision by Sep 2021. Menter Môn aim to make Final Investment Decision by September 2021, begin capital expenditure in November 2021 and complete infrastructure works by Q4 2023. The headline risks to achieving targets are delays to consent decisions and / or a limited consent that impacts the viability of the scheme (both risks being managed by Menter Môn through the consenting process).
Low Carbon Centre of Excellence	Autumn 2021	Medium risk	Low risk	Project is behind schedule (3 months+)	OBC development is underway with target date of July 2021 for gateway review followed by submission to NWEAB during autumn 2021. Bangor University Project Board established in Jan 2021. Details regarding whole-Project schedule, match-funding arrangements and consenting arrangements to be addressed as a priority.
Smart Local Energy	2022 (TBC)	Medium risk	Medium risk	Project is on schedule	Project brief approved by Programme Board. Next step is to deliver workshop to undertake strategic assessment and determine case for change and spending objectives. Strategic Outline Case development to follow.
Trawsfynydd Power Station	2022-23 (TBC)	Medium risk	Medium risk	Project is on schedule	Establishment of Cwmni Eginio announced by Welsh Government on the 1st October 2020. Political support for the project and SMR technology. Next steps include appointment of company leads and engagement with key partners (including the NWEAB) regarding project development.
Transport Decarbonisation	Dec 2021	Medium risk	Medium risk	Project is on schedule	The Transport Decarbonisation project is a regional project that could support several integrated opportunities across the region. The feasibility of 'Hydrogen Hubs' at Deeside and Holyhead are being investigated through grant-funded OBCs and feasibility studies.

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Land and Property Programme Update

Project	Updated Timetable for OBC	Risk	Project Maturity	Timetable	Commentary
Holyhead Gateway	July – Sept 2021	High Risk	Low risk	Medium risk	Welsh Government (WG) have commissioned an Economic Impact Assessment on the benefit of the Port to region/Wales/UK – due by end of March 2021. Costs to deliver the full scope of the Holyhead Gateway project is beyond the identified funding from the EAB and Stena. (Breakwater and Land Reclamation).
Former North Wales Hospital, Denbigh	April – Sept 2021	Low risk	Low risk	Low risk	The current planning applications are likely to be decided by the Local Planning Authority (LPA) in early 2021. Pending the obtaining of planning consent then the preparation of the Outline Business Case will commence.
Key Strategic Site, Bodelwyddan	Sept 2021 – March 2022	High Risk	Low risk	Medium risk	The expiration of the Outline Planning Consent (OPC) in March 2021 and the timescale to assess the application to extend the life of the OPC by two years is pressing. The decision will be made by LPA Planning Committee. Failure to extend the life of the OPC could result in the project being delayed pending the adoption of the revised Denbighshire LDP scheduled for 2023.
Warren Hall, Broughton	Jan – June 2022	Low risk	Low risk	No known risks to full business case approval	Flintshire LDP inspection to commence in Feb 2021 with possible adoption by end of 2021. Draft Statement of Common Ground between NWEAB, WG and FCC in process to support the inclusion of the site in the LDP. WG/NWEAB Collaboration Agreement substantially agreed subject WG legal approval.
Wrexham Gateway	July – Sept 2022	High Risk	Low risk	Medium risk	Confirmation of private sector investment plans and indicative timeline to be confirmed. Potential to develop the site in advance of the adoption of Wrexham LDP and the improvement of J4 A483 unlikely. The revised timetable reflects the risk that that no consents will be permitted until the new junction 4 is delivered.
Parc Bryn Cegin, Bangor	Sept – Dec 2021	Low risk	Low risk	No known risks to full business case approval	WG Collaboration Agreement substantially complete subject to WG Legal approval. WG holding early-stage discussions with private developers for the delivery of advance employment accommodation.

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Digital Connectivity Programme Update



Project	Updated Timetable for OBC	Risk	Project Maturity	Timetable	Commentary
Connected Corridor	June 2021	Low risk	Project Review	Project is on schedule	The new project board will be undertaking strategic case workshops this month. External specialists will be procured to support technology options appraisals, economic case and commercial case development. Support for the project's concept is strong across the board, which includes some partners who are new to the Growth Deal, including NMWTRA, North Wales Police and Network Rail.
Last few percent %	June 2021	Low risk	Project Review	Project is on schedule	UKG Gigabit Programme will affect the scope and design of this project and details of how this will be delivered in Wales are anticipated this quarter. Several options for delivery are recognised and the OBC is to be developed in early in 2021. A group of officers from the six Las has been meeting throughout 2020 to review progress with rural broadband deployment and review options for NWEAB intervention. The Programme Board has provisionally approved this group to become the Project Board.
Competitive Connectivity – full fibre at key sites	December 2021	Low risk	Project Review	Project is behind schedule (3 months+)	UKG Gigabit Programme may affect the scope and design of this project and details of how this will be delivered in Wales are anticipated this quarter. Several options for delivery are recognised and the OBC is planned to be developed late in 2021. A project board has not yet been established but this will follow once boards have been set up for the initial two NWEAB led projects.
Connected Campus	December 2021	Low risk	Project Review	Project is behind schedule (3 months+)	Concept will need to be developed in the summer with a project board to be established. Work on the Connected Corridors project will add value to this project with potential similar technology to be deployed and commercial models. The option to deliver the two projects in tandem may be considered by the Programme Board and Corridors project board.
DSP Centre	June 2021	Low risk	Project Review	Project is behind schedule (3 months+)	The DSP Project business case is currently on track with the OBC developing well, the Strategic Case has been drafted and the Economic case is currently under development. The relevant workshops for these cases will be scheduled shortly. The proposed new governance structure at Bangor University includes a specific DSP Growth Deal project board will help accelerate the development of the OBC for a proposed gateway review in April/May.

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Innovation in High Value Manufacturing Programme Update

Project	Updated Timetable for OBC	Risk	Project Maturity	Timetable	Commentary
Centre for Environmental Biotechnology	January 2022				Project Concept is ready to progress to the development of an OBC. The first meeting of the project board held January 2021 – the project board will develop a risk register, support the development of the business case and strengthen links to industry. An initial gateway review scheduled for early May 2021, further OBC development throughout 2021, with the Gateway Review 2 scheduled for November. Project aiming for NWEAB approval in January 2022.
Enterprise Engineering & Optics Centre (EEOC)	June 2021				The OBC is scheduled for development through the 5 cases approach between January and March 2021, with a Gateway Review planned for late May before presentation to NWEAB for approval in June 2021. Due to the multi-sectoral aspects to the project and the critical need to ascertain routes to market, the OBC process is being kick-started with an additional gateway review scheduled for March focused on these areas.

Risk RAG

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	Medium risk
	Low risk
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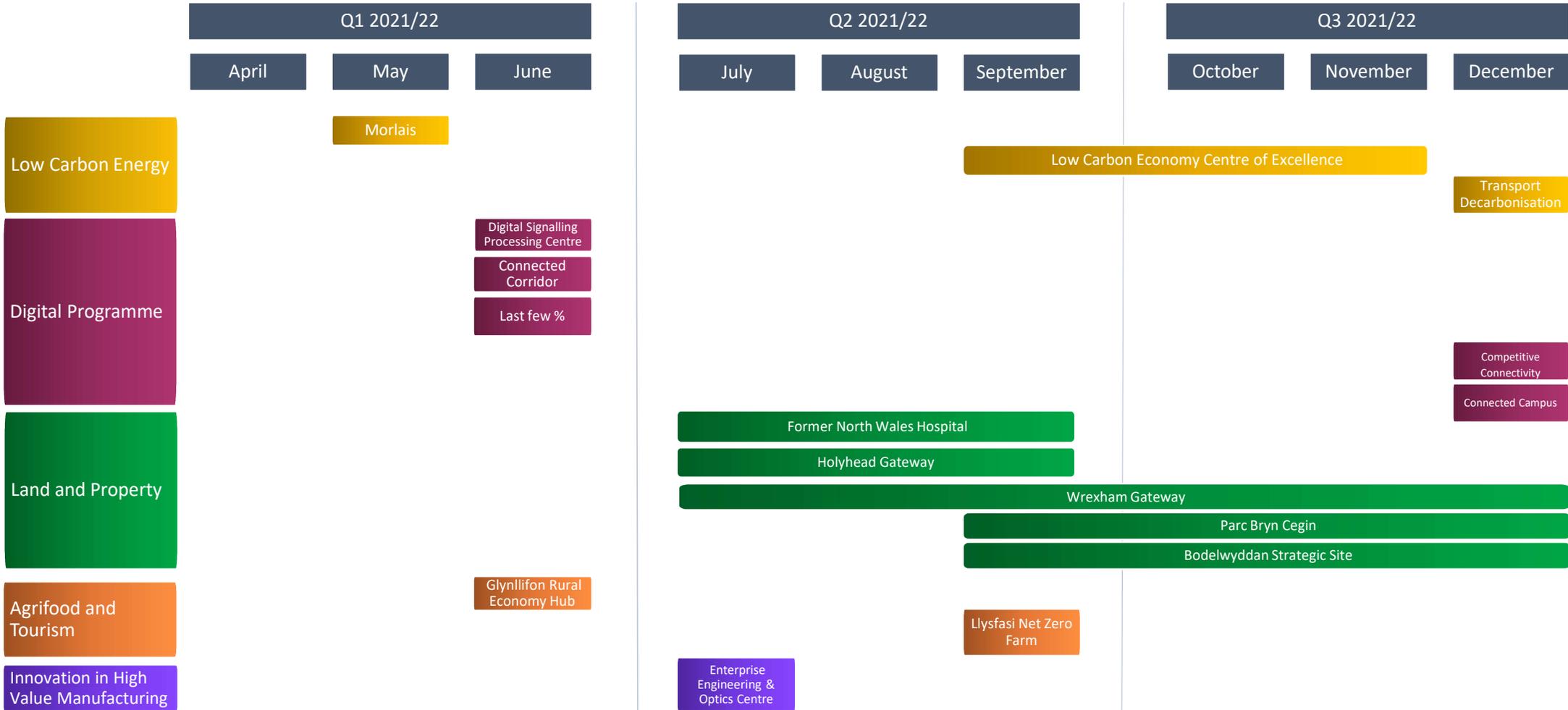
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Project OBC Pipeline 2021



Programme Delivery Plan

January 2021 Update



Business Case Development and Approval Phase*

Procurement and Project Delivery Phase**

Operational and Benefits Realisation Phase

* Approval of OBC pre procurement

**Includes approval of FBC post procurement

Project Glossary

Programme	Project	Sponsor	Summary
Digital	Competitive Connectivity – full fibre at key sites	NWEAB	This project will deliver full fibre connectivity (gigabit capable) to 28 key business sites across North Wales.
	Connected Campus	NWEAB	The project will accelerate the development of infrastructure for 19 key regional economic sites.
	Connected Corridor	NWEAB	In total, 156km of road and rail corridor will be connected to 5G/Low Power Wireless Access Networks, along the A55 corridor and adjacent mainline rail route.
	Connecting the last few %	NWEAB	This project targets universal superfast coverage across North Wales, which have yet to be served by other means and cannot obtain speeds of at least 30Mbps (download).
	Digital Signal Processing Centre Project (DSP)	Bangor University	The project will allow the DSP Centre to expand its presence and remit, integrating fully with the National Strategy Project (NSP) and enable the scaling of key assets including a 5G testbed, research capacity and state-of-the-art equipment.
Land and property	Holyhead Gateway	Stena Line	Future proof the Holyhead Port by providing new deep-water heavy loading and cruise facilities, improved vehicular access, guaranteeing the future of the breakwater and providing for the demands of regional energy projects.
	Wrexham Gateway	NWEAB	Delivery of primary services to enable the site to be brought to the market for sale and development.
	Warren Hall Strategic Site	NWEAB	Delivery of primary services to enable the 65-hectare mixed use site to be bought to the market for sale and then development by the private sector.
	Bodelwyddan Strategic Site	NWEAB	Delivery of primary services to enable the mixed-use commercial and residential development site to be brought to the market for development.
	Former North Wales Hospital Site	NWEAB	The Growth Deal funding will assist in the delivery of a cleared and remediated site with primary services to bring forward a mixed-use commercial and residential development
	Parc Bryn Cegin Strategic Site	NWEAB	Provide industrial floor space to meet known demand for units.
Innovation in High value manufacturing	Centre for Environmental Biotechnology (CEB)	Bangor University	The Centre for Engineering Biotechnology will be a world-leading centre in the discovery and characterisation of novel extremophilic enzymes of industrial relevance. The Centre for Engineering Biotechnology will provide a strong foundation for attracting world-leading researchers, significant public and commercial research funding, and inward investment to Wales.
	Enterprise Engineering & Optics Centre	Glyndwr University	The Enterprise Engineering & Optics Centre will provide facilities targeted to boost high-level skills development for the region and enable SME's and large businesses to work in partnership with Wrexham Glyndwr University on commercially driven research and development in optics, composites and hydrogen fuel cells.



Project Glossary

Programme	Project	Sponsor	Summary
Low carbon energy	Morlais	Menter Môn	Investing in the infrastructure that connects the Morlais Zone with the electricity grid system, and preparing the site for private sector developers who will lease parts of the zone for deploying their tidal energy technologies.
	Trawsfynydd Power Station	Cwmni Eginio	The site is uniquely placed for a 'First of A Kind' deployment of a Small Modular Reactor (SMR) or Advanced Modular Reactor (AMR). Alongside the public and private sector the Growth Deal will contribute funding towards enabling infrastructure for this development.
	Low Carbon Energy Centre of Excellence	Bangor University	Investing in the development of facilities at Bangor University and Menai Science Park, enhancing the North Wales and UK capabilities for innovation in low carbon energy and related areas, helping to create the conditions for new inward investment and business growth in the low carbon energy supply chain in North Wales.
	Smart Local Energy	NWEAB	To help achieve renewable energy, decarbonisation and local ownership targets, the project will support innovative enabling projects and demonstrators that overcome market failures and unlock private and community sector investments in smart local energy solutions.
	Transport Decarbonisation	NWEAB	Support delivery of a demonstrator project involving the production of green hydrogen from low carbon energy sources and its use within regional transport networks.
Agri-food and tourism	Tourism TALENT Network	Grŵp Llandrillo Menai	Future-proofing the pipeline of skills provision and increase commercial benefits from one of the most established sectors in the region. The talent network will stimulate public-private collaboration to coordinate action on skills and product development to transform and accelerate the growth of the tourism and hospitality sector in the region.
	Glynlifon Rural Economy Hub	Grŵp Llandrillo Menai	The vision is to create a distinctive, world-class Rural Economy Hub at Glynlifon, offering a range of facilities and services to strengthen and enhance the regional economy, specifically through growing the food and drink sector.
	The Llysfasi Net Zero Farm	Coleg Cambria	Llysfasi Carbon Neutral Centre aims to lead North Wales to a resilient future where carbon neutral land management is at the centre of a developing renewable energy sector supporting a sustainable, thriving and healthy community covering the rural/urban mix of the region.

