



Complete Agenda

**Bwrdd Uchelgais Economaidd  
Gogledd Cymru**

**North Wales  
Economic Ambition Board**

Meeting

**NORTH WALES ECONOMIC AMBITION BOARD**

Date and Time

**1.30 pm, FRIDAY, 29TH APRIL, 2022**

Location

**Virtual Meeting - Zoom**

Contact Point

**Annes Sion**

**01286 679490**

**[anession@gwynedd.llyw.cymru](mailto:anession@gwynedd.llyw.cymru)**

(DISTRIBUTED 22/04/22)

# **NORTH WALES ECONOMIC AMBITION BOARD**

## **MEMBERSHIP OF THE JOINT COMMITTEE**

### **Voting Members**

#### **Councillors**

Hugh Evans	Denbighshire County Council
Llinos Medi Huws	Isle of Anglesey County Council
Mark Pritchard	Wrexham County Borough Council
Ian B. Roberts	Flintshire County Council
Dyfrig L. Siencyn	Gwynedd Council
Charlie McCoubrey	Conwy County Borough Council

### **Advisers - Non-voting**

Dafydd Evans	Grwp Llandrillo Menai
Maria Hinfelaar	Glyndwr University
Yana Williams	Coleg Cambria
Askar Sheibani	Business Delivery Board
Professor Iwan Davies	Bangor University

### **Chief Officers - Non-voting**

Dylan Williams	Isle of Anglesey County Council
Iwan Davies	Conwy County Borough Council
Neal Cockerton	Flintshire County Council
Dafydd Gibbard	Gwynedd Council
Ian Bancroft	Wrexham County Borough Council
Graham Boase	Denbighshire County Council

### **Officers in Attendance**

Dewi Morgan	Section 151 Officer
Iwan G. Evans	Monitoring Officer
Alwen Williams	Portfolio Director
Hedd Vaughan Evans	Operations Manager
Sheryl Le Bon Jones	Temporary Senior Executive Officer

# **A G E N D A**

## **1. APOLOGIES**

To receive any apologies for absence.

## **2. DECLARATION OF PERSONAL INTEREST**

To receive any declarations of personal interest.

## **3. URGENT BUSINESS**

To note any items that are a matter of urgency in the view of the Chair for consideration.

## **4. MINUTES OF THE PREVIOUS MEETING**

5 - 11

The Chair shall propose that the minutes of the meeting held on 25<sup>th</sup> March, 2022 be signed as a true record.

## **5. NWEAB'S REVENUE AND CAPITAL OUT-TURN POSITION FOR 2021-22**

12 - 21

Report by Dewi Morgan (Statutory Finance Officer)

## **6. NORTH WALES GROWTH DEAL - QUARTER 4 PERFORMANCE REPORT**

22 - 51

Report by Hedd Vaughan-Evans (Operations Manager)

## **7. TRANSPORT DECARBONISATION (HYDROGEN) PROJECT UPDATE**

52 - 59

Report by Henry Aron (Energy Programme Manager)

## **8. EXCLUSION OF PRESS AND PUBLIC**

The Chairman shall propose that the press and public be excluded from the meeting during the discussion on the following items due to the likely disclosure of exempt information as defined in Paragraph 14 of Schedule 12A of the Local Government Act 1972 Information relating to the financial or business affairs of any particular person (including the authority holding that information).

There is an acknowledged public interest in openness in relation to the use of public resources and related financial issues. It is also acknowledged that there are occasions, in order to protect the financial and commercial interests that matters related to such information need to be discussed without being publicised. The reports deals specifically with financial and business matter and related discussions. Publication of such commercially sensitive information could adversely affect the interests of the bodies and the Councils and undermine the confidence of other Growth Deal

participants in sharing sensitive information for consideration. This would be contrary to the wider public interest of securing the best overall outcome.

**9. ENTERPRISE ENGINEERING AND OPTICS CENTRE - OUTLINE BUSINESS CASE**

Report to be circulated to Board members only.

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## NORTH WALES ECONOMIC AMBITION BOARD 25/03/22

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### Present:

Voting Members - Councillors:- Ieuan Williams (Isle of Anglesey County Council), Mark Pritchard (Wrexham County Borough Council), Charlie McCoubrey (Conwy County Borough Council) and Dyfrig Siencyn (Gwynedd Council) (Chair).

Advisors – Dafydd Evans (Grŵp Llandrillo Menai), Dr Maria Hinfelaar (Glyndŵr University), Prof. Paul Spencer (Bangor University) and Askar Sheibani (Business Delivery Board)

Chief Officers - Dylan Williams (Isle of Anglesey County Council), Iwan Davies (Conwy County Borough Council), Ian Bancroft (Wrexham County Borough Council) and Graham Boase (Denbighshire Council).

Officers in attendance - Dewi Morgan (Statutory Finance Officer - Host Authority), Iwan Evans (Monitoring Officer - Host Authority), Alwen Williams (Portfolio Director), Hedd Vaughan-Evans (Operations Manager), Sheryl Le Bon Jones (Senior Operational Officer), Stuart Whitfield (Digital Programme Manager), Henry Aron (Energy Programme Manager), Sian Pugh (Group Accountant - Corporate and Projects), Eirian Roberts and Sioned Mai Jones (Democracy Services Officers).

Also present - Wendy Boddington (Welsh Government)

Wendy Boddington from Welsh Government was welcomed to the meeting and she was thanked for her interest in the Board's work.

### **1. APOLOGIES**

Apologies were received from Councillors Hugh Evans (Denbighshire Council), Llinos Medi Huws (Isle of Anglesey County Council) and Ian Roberts (Flintshire Council); Yana Williams (Coleg Cambria), Prof. Iwan Davies (Bangor University), Neal Cockerton (Flintshire Council) and Dafydd Gibbard (Gwynedd Council).

### **2. DECLARATION OF PERSONAL INTEREST**

No declarations of personal interest were received.

### **3. URGENT ITEMS**

None to note.

### **4. MINUTES OF PREVIOUS MEETINGS**

The Chair signed the Minutes of the meeting held on 28 January 2022, as a true record.

### **5. CHANGE CONTROL - DIGITAL PROGRAMME STRUCTURE**

The report was presented by Stuart Whitfield (Digital Programme Manager).

**RESOLVED**

- (1) To approve the change request to restructure three of the Digital Programme's digital infrastructure projects to create two new projects.
- (2) To note the proposal to combine the Connected Corridors and Full Fibre at Key Sites projects into one project to focus on delivery of new fibreoptic network capacity to meet the spending objectives of the two projects. Subject to further assessment of requirements (where a requirement for new fibreoptic networks is identified) an element of the Connected Campus project may be included in this project. No change is recommended to the Last Few % project or the DSP Research and Development project.
- (3) To note revised programme delivery structure and timetable as set out in Appendix 2 to the report.
- (4) To note that there is a requirement to notify Welsh and UK Government of the change agreed.

## REASONS FOR THE DECISION

The outcome of the Economic Case workshops for the Connected Corridors project was the identification of a preferred option which consisted of investment in new fibreoptic network coverage in the region. The Digital Programme's Full Fibre at Key Sites project, currently at SOC stage, was also targeting fibreoptic network coverage, with the current 'key sites' typically close to the transport 'corridors' sites in scope for the Connected Corridors project. This alignment of both locations and now service delivery presented an opportunity to bring the two projects together to deliver spending objectives under a single project. This principle was supported by HM Treasury best practice in its Guide to Developing the Programme Business Case ('Better Business Cases for better outcomes').

To reduce impact to the schedules for project business case development approved by the NWEAB, changes to the programme structure would need to be implemented at the earliest opportunity. Changes to scope of the next strategic outline cases would need to be made before further consultancy support was commissioned.

Procurement of consultancy support to complete Outline Business Cases for the Connected Corridors, Full Fibre at Key Sites and Connected Campus projects would need to start next quarter and the scope of this work cannot be confirmed until a decision has been made on the programme structure. Regular reviews of the Programme Business Case were recommended by HM Treasury to account for changes in the strategic case and the recent outcomes of project workshops, and both market and Government activity suggest that sufficient changes had happened to require a review.

## DISCUSSION

Details were provided about the background and relevant considerations and the consultations held.

The Chair noted that this appeared to be a logical step forward and, if there was any hope of reducing the governance structure, this would be very much welcomed, and that the benefits of procurement were also clear here.

The following matters were raised:-

- The Portfolio Director, Digital Programme Manager and the team were thanked for their hard work.
- A request was made for the matter to be brought back to the Board should the timescale slip.
- It was noted that the request was sensible and proportionate, and the willingness to adapt, if needed as things evolved, was welcomed.

- Concern was expressed that the significant increase in prices meant that there was a risk that companies may fail to keep to their prices, or withdraw from a contract entirely. It was noted that a part of the problem was movement in the market during the period between the end of the purchasing process and approving the business plans. It was stressed that government, nationally and locally, must look at way of getting things moving more quickly, and that was a matter to be considered during the lifetime of the Growth Deal, or, otherwise, there would be a need to re-tender for work continually. In response, the Digital Programme Manager noted that there were interesting opportunities to simplify procurement, as far as possible, in the digital field. He referred specifically to the use of the Crown Commercial Services frameworks, explaining, in the case of the digital programme, that work that had been delivered for some time by the UK Government Department for Digital Culture Media and Sport in establishing a dynamic pricing system which provided an extremely multi-purpose and responsive approach to procurement, and which was now starting to be used by the first authorities in the UK, could be relied upon. On a more general matter, the Operations Manager noted that it was agreed that the PMO would hold a workshop with the regional teams of UK and Welsh Government to discuss our risks, in order to look at how the governments could support us, including looking at how to simplify the decision-making process.

## **6. PROPOSAL FOR DELIVERING LOCAL AREA ENERGY PLANS IN NORTH WALES**

The report was submitted by Henry Aron (Energy Programme Manager).

### **DECISION**

- (1) To agree to adopting a coordinated, regional approach to delivering the Local Area Energy Plans across north Wales local authorities led by the Portfolio Management Office (via Gwynedd Council as Accountable Body).**
- (2) To agree to the recruitment of a project manager and two project officers to deliver the LAEPs to be funded by Welsh Government and delegate authority to the Portfolio Director in consultation with the s151 Officer and the Monitoring Officer, to agree the grant funding agreement with Welsh Government and implement the proposal.**
- (3) To note that, subject to a grant funding agreement, Welsh Government will provide grant funding to cover the costs of delivering the plans and for the project management resource.**
- (4) To note that the appropriate project governance arrangements will be implemented in all local authorities to submit and approve the plans.**

### **REASONS FOR THE DECISION**

To seek the agreement of Ambition North Wales to deliver Local Area Energy Plans (LAEPs) in North Wales.

Welsh Government had made a commitment to support Local Area Energy Planning (LAEP) across Wales and had proposed a coordinated regional approach to delivery. North Wales' local authority Chief Executives had confirmed their support for this approach and for delivery to be coordinated by Ambition North Wales' Portfolio Management Office.

### **DISCUSSION**

Details were provided about the background and relevant considerations and the consultations held.

With reference to the decisions sought, the Energy Programme Manager asked the Board to consider making the following additional decision, following engagement with the chief executives:-

*"To note that the appropriate project governance arrangements will be implemented in all local authorities to submit and approve the plans."*

The Monitoring Officer asked the Board to consider adapting decision 2 as follows, in order to allow the establishment of grant arrangements between Gwynedd and the individual councils also, should they be needed.

*"To agree to the recruitment of a project manager and two project officers to deliver the LAEPs to be funded by Welsh Government and delegate authority to the Portfolio Director in consultation with the s151 Officer and the Monitoring Officer, to agree the grant funding agreement and implement the proposal."*

The following matters were raised by members:-

- It was noted that Conwy Council had gone through the process, and that the feedback showed that the exercise had been beneficial, was a benchmark of where we had reached, and had set a pathway for where we needed to be. It was believed that it was sensible to operate regionally, because, although some things were relevant to specific counties, the main schemes, such as hydrogen, tidal lagoons and transport, would have to be undertaken regionally.
- In response to a request for more clarity regarding the amendment to decision 2, the Monitoring Officer explained that, although grants were received by the Board, an element of their implementation was in the hands of the individual authorities, therefore, there was a need to secure the mechanism for establishing the accountability line between implementing and signing the grant, should that be needed.

## **7. 2022/23 REVENUE AND CAPITAL BUDGET**

The report was submitted by Dewi Morgan (Statutory Finance Officer) and Sian Pugh (Group Accountant - Corporate and Projects).

### **RESOLVED**

- 1. To approve the 2022/23 Revenue Budget as presented in Appendix 1. This includes one-off virements of £85,000 in the revenue budget to be funded from the earmarked reserve.**
- 2. To approve funding contributions to include the partner contributions, local authorities' supplementary contributions and partner interest contributions.**
- 3. To approve the Business Delivery Board's request, that the £20,000 underspend against their 2021/22 budget is carried forward to 2022/23 to give them a total budget of £40,000.**
- 4. To approve the Capital Budget for the Growth Deal as presented in Appendix 2.**

### **REASONS FOR THE DECISION**

In order to operate effectively within the funding available, the NWEAB required an annual budget to be approved.

### **DISCUSSION**

Details were provided about the background and relevant considerations and the consultations held.

During the discussion, the following matters were raised:-

- The Statutory Finance Officer and the Group Accountant - Corporate and Projects were thanked for the work and the clear presentation.
- It was explained that the Training expenditure budget referred to specific training that Ambition Board staff would need during the year.
- In response to a question about the insurance expenditure of £2,980, it was explained that it referred to employer liability and public liability insurance costs arranged as part of the work of the host authority and as part of the Gwynedd Council insurance policy.
- In response to a query regarding why the Business Delivery Board's budget had not been spent in the previous year, it was noted that this Board had been unsure as to where to spend it previously. It was noted that the money being carried over, should the decision be approved, would be spent wisely and productively in the coming year as well as the money from the 2022/23 budget. It was added that timing had been a problem; this budget should be used towards targeting and attracting investments in the region; it was reported that it had been difficult to achieve this until the new brand had been put in place. By now, the NWEAB had far more clarity and a clear aim regarding where to go and what to achieve in terms of attracting investments. The Business Delivery Board was thanked for its support.
- Attention was drawn to the fact that interest rates of 2.2% remained unchanged since October 2020; this was agreed upon following receiving the opinion of an independent treasury consultancy company. A separate fund would be created for earmarked interest so that it was shown separately.
- In response to a comment that there would be increasing inflation pressure on all projects, it was explained that all projects, when going through the development process, would be checked thoroughly regarding affordability; more focus would be placed on this element as well as regular reviews. It was added that inflation and interest rates matters had been given full consideration and that continuous risk management discussions were being held with the regional teams in the UK and with Welsh Government regarding this.
- A question was asked regarding the risk meetings and whether it would be possible to invite Local Authorities to these meeting as similar matters were relevant to the Authorities. It was reported that the original intention was for the meetings to discuss specific Growth Deal items with the two regional teams; the Operations Manager would enquire to see if there was room to extend the discussion.

## **8. PORTFOLIO MANAGEMENT OFFICE - STRUCTURE AND CONTRACTS**

The report was submitted by Alwen Williams (Portfolio Director) and Hedd Vaughan-Evans (Operations Manager).

### **DECISION**

- 1. To approve the principle of extending the fixed term contracts within the Portfolio Management Office until 31 March 2024 and request that the Portfolio Director action this with immediate effect.**
- 2. To note that costs for this extension will be met from existing funding sources (including reserves) and will result in no additional financial ask on partners.**
- 3. To note that delegated authority has previously been provided [January 2020] to the Portfolio Director to make changes to the Portfolio Management Office structure in consultation with the Chief Executive of the Host Authority and the**

**Statutory Finance Officer to amend the structure as required within the funding envelope.**

- 4. To note that the resource requirements of the Portfolio Management Office for the delivery of the Growth Deal post March 2024 will be part of a review of regional resources to be carried out by the Executive Officers Group which will also take into consideration the wider implications of the Regional Economic Framework, Shared Prosperity and other funding sources and the Corporate Joint Committee and the resources required at local authority level to develop and deliver economic development and local regeneration projects and programmes.**

## **REASONS FOR THE DECISION**

To present a proposal and rationale to the Board for the extension of fixed term contracts within the Portfolio Management Office.

The Board had a responsibility for ensuring adequate resources were in place for the delivery of the North Wales Growth Deal.

The Portfolio Management Office had initially been established in January 2020 with a small compliment of staff. Following a successful bid for a European Structural Funds (ESF) grant, the team had been expanded and the current structure recruited to over the past 18 months.

The ESF grant secured was until the end of June 2023 and the majority of staff within the Portfolio Management Office were on fixed term contracts until 30 June 2023.

This represented a significant risk for the Portfolio Management Office as staff who were key to delivering the North Wales Growth Deal were approaching the final 12 months of their contracts and could seek other opportunities with a greater degree of contractual certainty.

As a result of a number of factors including the pandemic, project development delays and recruitment challenges the Growth Deal was approximately 12 months behind the original delivery timetable. With one project already in delivery, the next 24 months were crucial in terms of moving the remaining projects forward to the delivery phase where we would begin to realise the benefits for North Wales.

## **DISCUSSION**

Details were provided about the background and relevant considerations and the consultations held.

With reference to the decisions sought, the Operations Manager asked the Board to consider making the adding the following to the end of point 2.4:-

*"..and the resources required at local authority level to develop and deliver economic development and local regeneration projects and programmes."*

During the discussion, the following matters were raised:-

- Officers were thanked for the presentation and it was believed that the request was a reasonable and logical one.
- It was acknowledged that there was a significant risk in losing members of the team as well as their knowledge and experience. It was noted that this request was a sensible one.

The meeting commenced at 1.30 pm and concluded at 2.45 pm

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**CHAIR**

# Agenda Item 5

North Wales Economic Ambition Board: 29/04/2022

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## REPORT TO THE NORTH WALES ECONOMIC AMBITION BOARD

29/04/2022

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**Title:** NWEAB's Revenue and Capital out-turn position for 2021/22.

**Author:** Dewi A Morgan, Host Authority Statutory Finance Officer

Sian Pugh, Host Authority Group Accountant

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### 1. Purpose of the Report

1.1 This report intends to provide the North Wales Economic Ambition Board (NWEAB) with the final position for both revenue and capital in 2021/22.

### 2. Decision Sought

The Board is asked to:-

2.1 Note and accept the NWEAB's revenue out-turn report for 2021/22 (Appendix 1) and the Capital End of Year Review as at March 2022 (Appendix 3).

2.2 Approve the opening of two new reserves as well as the transfers to reserves as detailed in Appendix 2.

2.3 Delegate the authority to the Programme Director in consultation with the Statutory Finance Officer to approve expenditure from the Projects reserve in 2022/23.

### 3. Reasons for the Decision

3.1 To inform the NWEAB of their financial position for both revenue and capital in 2021/22.

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#### **4. Background and Relevant Considerations**

- 4.1 The NWEAB, for the first year in 2021/22, will be considered a “larger relevant body” pursuant to the Accounts and Audit (Wales) Regulations 2014. This means that the Board will need to prepare an annual Statement of Accounts in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom, rather than an annual return as has been produced for the last two financial years. The draft Statement of Accounts will be presented to the Board in July 2022.

#### **Revenue**

##### **5. Expenditure and income in 2021/22**

- 5.1 Appendix 1 provides a detailed analysis of the actual expenditure and income per heading against its 2021/22 budget.
- 5.2 The final net out-turn position at the end of the 2021/22 financial year, is an underspend of £318,328.

#### **Portfolio Management Office**

- 5.3 The final underspend on this heading is £219,142. The underspend has increased by £21,755 from the third quarter review, and is mainly due to a further underspend on a variety of the budget headings.

#### **Accountable Body Support Services**

- 5.4 The final underspend on this heading is £44,254 as a result of the reduced net expenditure on the Accountable Body (host authority) support services heading.

#### **Joint Committee**

- 5.5 The final underspend on this heading is £45,743, which is due to an underspend on the External Legal Support, External Financial Fees and the Business Delivery Board headings. On 25 March 2022, the Board approved carrying forward the £20,000 underspend on the Business Delivery Board heading to 2022/23, to give a total budget of £40,000.

### Projects and Grant schemes

5.6 The Projects heading has now been split to “Projects” and “Grant schemes”. The “Projects” heading includes expenditure on the project business cases and the “Grant schemes” heading includes items that were funded by specific grants with the corresponding grant income shown under the Income heading. The final underspend on the Projects heading is £224,348 and the underspend has increased £121,981 since the third quarter review due to delays to project development, and expenditure is now expected to occur during 2022/23.

### Transfers to reserves

5.7 The 2021/22 partner interest contributions (£678,020) as well as the interest on these and on the capital grant (£16,272) will be transferred to a specific Interest reserve to be ringfenced to fund the cost of borrowing in future years.

5.8 During the last quarter of the financial year, the NWEAB have been successful in obtaining a grant of £195,000 from Welsh Government to fund specific expenditure that supported the delivery of Regional Economic Framework priorities and accelerate post-Covid economic recovery in 2021/22. The partner contributions (£100,000) and the earmarked reserve (£95,000) that had originally been budgeted to fund these activities in 2021/22, will be transferred to a specific Project reserve to fund further expenditure in this area during 2022/23.

### Funding Contributions

5.9 The main income streams for 2021/22 include partner contributions, ESF Grant, the revenue allocation of the North Wales Growth Deal (NWGD) grant and other specific grants received during the year.

5.10 It was originally anticipated that £384,430 of the revenue allocation of the NWGD grant would be required during 2021/22, but due to lower expenditure than what was originally anticipated, only £218,773 was needed to fund the revenue expenditure during the year. Although the North Wales Growth Deal grant is a capital grant, 1.5% of the North Wales Growth Deal grant (which equates to £3.6m) has been allocated

to fund the revenue expenditure of the Portfolio Management Office in accordance with the grant conditions. This flexibility can be achieved in the same way that local authorities have flexibility to manage the funding for their own capital programmes. In 2021/22 this has involved Gwynedd Council allocating £218,773 of the funding designated for the Growth Deal against other capital projects within their capital programmes and then transferring the equivalent value of revenue funding to the NWEAB to fund their revenue expenditure.

- 5.11 The Community Renewal Funding is received from four local authorities (Denbighshire, Gwynedd, Isle of Anglesey and Wrexham) while the Decarbonisation Grant, Mobile phone coverage survey Grant and the North Wales Regional Economic Framework Grant has been received direct from Welsh Government.

#### NWEAB Reserves

- 5.12 Appendix 2 shows the movement in reserves during the year, and the balances at 31 March 2022.
- 5.13 The total general earmarked reserve balance at 31 March 2022 was £637,027. This was estimated at £620,692 in the third quarter review. The Board in its meeting on 25 March 2022, approved the use of this earmarked reserve as part of the 2022/23 budget as well as to fund the staffing structure during 2023/24.
- 5.14 The projects reserve balance at 31 March 2022 was £195,000, and this will be ringfenced to support the delivery of the Regional Economic Framework priorities during 2022/23.
- 5.15 The interest reserve balance at 31 March 2022 was £699,145, and this will be ringfenced to fund the cost of borrowing in future years.

## **Capital**

5.16 Appendix 2 shows the NWEAB'S Capital programme end of year review for 2021/22. The expenditure on the Digital Signal Processing centre (DSP) project has commenced during 2021/22, with £0.12m worth of equipment received before the end of March 2022, and although orders have been placed, the remaining equipment is expected to be delivered during 2022/23. This then gives revised slippage figures against the original budget that was approved in March 2021 of £18.51m in 2021/22, £39.69m in 2022/23 and £18.93m in 2023/24. The £16m North Wales Growth Deal grant received in March 2021 was used to finance the Capital Programme in 2021/22. A further £20.4m has been approved for 2022/23, and was received on 8 April 2022.

## **6. Legal Implications**

6.1 Section 12 of the Public Audit (Wales) Act 2004 states that a joint committee of two or more (local) authorities is a local government body, and Section 13 of the Act requires such bodies to maintain accounts subject to audit by an external auditor approved by the Auditor General for Wales.

6.2 The Accounts and Audit (Wales) Regulations require all Joint Committees to prepare year-end accounts. Where the annual income or expenditure are over £2.5m, the joint committee is deemed to be a "larger relevant body" and an annual Statement of Accounts in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom must be prepared.

## **7. Consultations Undertaken**

7.1 Appendix 1, Appendix 2 and Appendix 3 as well as a summary of the contents of this report, was presented to the Portfolio Board on 8 April 2022.

**8. Appendices**

Appendix 1 – NWEAB's Revenue out-turn position 2021/22

Appendix 2 – NWEAB's Reserves Balance

Appendix 3 – NWEAB's Capital Programme 2021/22 – End of Year Review (March 2022)

**STATUTORY OFFICERS' RESPONSE:**

**i. Monitoring Officer – Accountable Body:**

No observations to add in relation to propriety

**ii. Statutory Finance Officer – Accountable Body:**

Author of this report.

Expenditure	Base Budget (£)	One-off virements (£)	Total Budget (£)	Final position 2021/22 (£)	Overspend / (Underspend) (£)
<b>Portfolio Management Office</b>					
Employee Expenditure (Pay, N.I. & Superannuation)	1,230,550		1,230,550	1,130,204	(100,346)
Advertising and Assessment of Candidates		5,000	5,000	3,315	(1,685)
Travel and Subsistence	7,500		7,500	864	(6,636)
Training	7,500	10,000	17,500	14,870	(2,630)
Engagement and Meetings	7,500		7,500	1,130	(6,370)
Communications and Public Relations	30,000	50,000	80,000	76,147	(3,853)
Supplies and Services	10,000	10,000	20,000	21,258	1,258
Regional Engagement Team (RET)	42,290		42,290	13,294	(28,996)
Premises	17,500		17,500	18,188	688
Portfolio and Programme Development		95,000	95,000	81,608	(13,392)
Procurement and Transport External Support		80,000	80,000	22,820	(57,180)
<b>Programme Management Office Total</b>	<b>1,352,840</b>	<b>250,000</b>	<b>1,602,840</b>	<b>1,383,698</b>	<b>(219,142)</b>
<b>Accountable Body Support Services</b>					
Finance Services Support	98,110		98,110	60,173	(37,937)
Legal (includes Monitoring Officer)	25,490		25,490	26,840	1,350
Corporate Support	37,110		37,110	35,979	(1,131)
Information Technology	15,000		15,000	15,715	715
Insurance	10,000		10,000	2,749	(7,251)
<b>Accountable Body Support Services Total</b>	<b>185,710</b>	<b>0</b>	<b>185,710</b>	<b>141,456</b>	<b>(44,254)</b>
<b>Joint Committee</b>					
External Legal Support	18,000		18,000	0	(18,000)
External Financial Fees	10,000		10,000	2,257	(7,743)
External Audit Fee	11,000		11,000	11,000	0
Business Delivery Board	20,000		20,000	0	(20,000)
<b>Joint Committee Total</b>	<b>59,000</b>	<b>0</b>	<b>59,000</b>	<b>13,257</b>	<b>(45,743)</b>
<b>Projects</b>					
Project Business Case Development	145,000	105,000	250,000	145,584	(104,416)
External Legal Support	100,000		100,000	38,488	(61,512)
Assurance	40,000	60,000	100,000	41,580	(58,420)
<b>Projects Total</b>	<b>285,000</b>	<b>165,000</b>	<b>450,000</b>	<b>225,652</b>	<b>(224,348)</b>
<b>Grant schemes</b>					
Decarbonisation Grant distribution			0	500,290	500,290
Community Renewal Funding			0	135,895	135,895
Mobile phone coverage survey			0	14,694	14,694
<b>Grant schemes total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>650,879</b>	<b>650,879</b>
<b>Transfers to reserves</b>					
Partner interest contributions	678,020		678,020	678,020	0
Interest on 2021/22 balances			0	16,272	16,272
Regional Economic Framework			0	195,000	195,000
<b>Transfers to reserves total</b>	<b>678,020</b>	<b>0</b>	<b>678,020</b>	<b>889,292</b>	<b>211,272</b>
<b>Total Expenditure</b>	<b>2,560,570</b>	<b>415,000</b>	<b>2,975,570</b>	<b>3,304,234</b>	<b>328,664</b>

	Base Budget	One-off virements	Total Budget	Final position 2021/22	Overspend / (Underspend)
Income	(£)	(£)	(£)	(£)	(£)
<b>Funding Contributions</b>					
<b>Partner Contributions</b>					
Conwy County Borough Council	(50,000)		(50,000)	(50,000)	0
Denbighshire County Council	(50,000)		(50,000)	(50,000)	0
Flintshire County Council	(50,000)		(50,000)	(50,000)	0
Gwynedd Council	(50,000)		(50,000)	(50,000)	0
Isle of Anglesey County Council	(50,000)		(50,000)	(50,000)	0
Wrexham County Borough Council	(50,000)		(50,000)	(50,000)	0
Bangor University	(25,000)		(25,000)	(25,000)	0
Wrexham Glyndwr University	(25,000)		(25,000)	(25,000)	0
Coleg Cambria	(25,000)		(25,000)	(25,000)	0
Grŵp Llandrillo Menai	(25,000)		(25,000)	(25,000)	0
<b>Local Authorities' Supplementary Contributions</b>					
Conwy County Borough Council	(40,000)		(40,000)	(40,000)	0
Denbighshire County Council	(40,000)		(40,000)	(40,000)	0
Flintshire County Council	(40,000)		(40,000)	(40,000)	0
Gwynedd Council	(40,000)		(40,000)	(40,000)	0
Isle of Anglesey County Council	(40,000)		(40,000)	(40,000)	0
Wrexham County Borough Council	(40,000)		(40,000)	(40,000)	0
<b>Partner Interest Contributions</b>					
Conwy County Borough Council	(78,010)		(78,010)	(78,010)	0
Denbighshire County Council	(64,000)		(64,000)	(64,000)	0
Flintshire County Council	(104,000)		(104,000)	(104,000)	0
Gwynedd Council	(82,670)		(82,670)	(82,670)	0
Isle of Anglesey County Council	(46,670)		(46,670)	(46,670)	0
Wrexham County Borough Council	(90,670)		(90,670)	(90,670)	0
Bangor University	(93,330)		(93,330)	(93,330)	0
Wrexham Glyndwr University	(34,000)		(34,000)	(34,000)	0
Coleg Cambria	(34,670)		(34,670)	(34,670)	0
Grŵp Llandrillo Menai	(50,000)		(50,000)	(50,000)	0
<b>Other</b>					
European Social Fund (ESF) Priority 5 funding	(858,120)		(858,120)	(808,304)	49,816
North Wales Growth Deal grant (Gwynedd)	(384,430)		(384,430)	(218,773)	165,657
Earmarked Reserve		(415,000)	(415,000)	(415,000)	0
Interest			0	(16,586)	(16,586)
Decarbonisation Grant			0	(500,290)	(500,290)
Community Renewal Funding			0	(135,895)	(135,895)
Mobile phone coverage survey grant			0	(14,694)	(14,694)
North Wales Regional Economic Framework grant			0	(195,000)	(195,000)
<b>Total Income</b>	<b>(2,560,570)</b>	<b>(415,000)</b>	<b>(2,975,570)</b>	<b>(3,622,562)</b>	<b>(646,992)</b>
<b>Net Overspend / (Underspend)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(318,328)</b>	<b>(318,328)</b>

<b>Total earmarked reserve at 31 March 2021</b>	<b>(738,552)</b>
2020/21 interest transfer	4,853
2021/22 budget allocation	415,000
2021/22 underspend	(318,328)
<b>Total earmarked reserve at 31 March 2022</b>	<b>(637,027)</b>

<b>Total projects reserve at 31 March 2021</b>	<b>0</b>
2021/22 underspend	(195,000)
<b>Total projects reserve at 31 March 2022</b>	<b>(195,000)</b>

<b>Total interest reserve at 31 March 2021</b>	<b>0</b>
2020/21 interest transfer	(4,853)
2021/22 partner interest contributions	(678,020)
2021/22 interest on balances	(16,272)
<b>Total interest reserve at 31 March 2022</b>	<b>(699,145)</b>

NWEAB'S Capital Programme 2021/22 - End of Year Review (March 2022)

Appendix 3

Programme	Project	Project Sponsor	2021/22 (£m)	2022/23 (£m)	2023/24 (£m)	2024/25 (£m)	2025/26 (£m)	2026/27 (£m)	2027/28 (£m)	2028/29 (£m)	Total (£m)
Digital	Digital Signal Processing Centre (DSP)	Bangor University	0.12	2.40	0.44	0.00	0.00	0.00	0.00	0.00	2.96
Digital	Competitive Connectivity - full fibre at key sites	NWEAB	0.00	0.49	3.05	3.16	0.00	0.00	0.00	0.00	6.70
Digital	Connected Corridor	NWEAB	0.00	0.49	1.18	0.50	0.00	0.00	0.00	0.00	2.17
Digital	Connected Campus	NWEAB	0.00	0.00	0.30	3.84	5.81	5.81	4.92	0.00	20.68
Digital	Connecting the last few percentage	NWEAB	0.00	0.69	1.97	1.28	0.00	0.00	0.00	0.00	3.94
Low carbon energy	Morlais	Menter Môn	0.00	4.93	3.94	0.00	0.00	0.00	0.00	0.00	8.87
Low carbon energy	Low Carbon Energy Centre of Excellence	Bangor University	0.00	1.18	8.47	9.36	1.67	0.00	0.00	0.00	20.68
Low carbon energy	Traswfynydd Power Station	Cwmni Eginio	0.00	0.00	4.93	9.85	4.92	0.00	0.00	0.00	19.70
Low carbon energy	Transport Decarbonisation	NWEAB	0.00	0.00	3.94	3.94	3.35	0.00	0.00	0.00	11.23
Low carbon energy	Smart Local Energy	NWEAB	0.00	0.00	1.23	1.97	6.16	6.16	6.16	2.95	24.63
Land and property	Holyhead Gateway	Stena Line	0.00	0.00	11.33	13.79	9.35	0.00	0.00	0.00	34.47
Land and property	Warren Hall Strategic Site	NWEAB	0.00	0.30	1.18	5.91	7.38	0.00	0.00	0.00	14.77
Land and property	Former North Wales Hospital, Denbigh	NWEAB	0.00	0.99	0.99	0.98	0.98	0.00	0.00	0.00	3.94
Land and property	Bodelwyddan Strategic Site	NWEAB	0.00	0.00	0.00	0.49	0.99	5.42	2.95	0.00	9.85
Land and property	Parc Bryn Cegin Strategic Site	NWEAB	0.00	0.25	2.71	2.95	0.00	0.00	0.00	0.00	5.91
Land and property	Wrexham Gateway	NWEAB	0.00	0.00	4.04	4.92	0.00	0.00	0.00	0.00	8.96
Innovation in High Value Manufacturing	Centre of Environmental Biotechnology (CEB)	Bangor University	0.00	0.00	1.23	1.73	0.00	0.00	0.00	0.00	2.96
Innovation in High Value Manufacturing	Enterprise Engineering & Optics Centre	Glyndŵr University	0.00	6.40	3.15	0.30	0.00	0.00	0.00	0.00	9.85
Agri-food and tourism	Glynllifon Rural Economy Hub	Grŵp Llandrillo Menai	0.00	6.90	2.95	0.00	0.00	0.00	0.00	0.00	9.85
Agri-food and tourism	The Llysfasi Net Zero Farm	Coleg Cambira	0.00	4.93	4.92	0.00	0.00	0.00	0.00	0.00	9.85
Agri-food and tourism	Tourism Academy	Grŵp Llandrillo Menai	0.00	0.00	0.00	1.48	1.48	1.47	0.00	0.00	4.43
<b>Total expenditure</b>			<b>0.12</b>	<b>29.95</b>	<b>61.95</b>	<b>66.45</b>	<b>42.09</b>	<b>18.86</b>	<b>14.03</b>	<b>2.95</b>	<b>236.40</b>
<b>Approved budget (March 2021)</b>			<b>18.63</b>	<b>69.64</b>	<b>80.88</b>	<b>46.01</b>	<b>21.24</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>236.40</b>
<b>Variance</b>			<b>(18.51)</b>	<b>(39.69)</b>	<b>(18.93)</b>	<b>20.44</b>	<b>20.85</b>	<b>18.86</b>	<b>14.03</b>	<b>2.95</b>	<b>0.00</b>

The remaining £3.6m of the Growth Deal grant will be used to fund the joint committee's revenue budget.



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**REPORT TO THE NORTH WALES ECONOMIC AMBITION BOARD**  
**29 April 2022**

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**TITLE:** North Wales Growth Deal – Quarter 4 Performance Report  
**AUTHOR:** Hedd Vaughan-Evans, Operations Manager

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**1. PURPOSE OF THE REPORT**

- 1.1. The purpose of the report is to present the Quarter 4 (January - March) 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 4 Performance Report and updated Portfolio Risk Register.
- 2.2. That the Board approves the submission of the Quarter 4 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 NWEAB 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 4 Performance Report
  - Portfolio Risk Register – March 2022

## North Wales Growth Deal – Quarter 4 Performance Report

- 4.4. The Quarter 4 performance report provides an overview of progress on the Growth Deal programmes and projects.
- 4.5. Following the approval of the first Full Business Case (FBC) for the North Wales Growth Deal in December 2021, we have officially moved into the delivery phase. The Digital Signal Processing Centre (DSP) has now placed orders for phase one of the project and the first items of kit have been received.
- 4.6. Two projects successfully completed their gateway assurance reviews during this quarter. The Last few % project completed its Gateway 2 review in February 2022 with the Centre for Environmental Biotechnology project completing its Gateway 1 review in January 2022. Both projects are working on addressing the recommendations as part of the development of their business cases.
- 4.7. Following the adoption of the 2021 update to the Portfolio Business Case in September, we submitted the update to Welsh and UK Government as part of the annual funding award process. In March, we received and signed the award of funding letter for 2021-22 confirming the next instalment of Growth Deal funding of £20.45m.
- 4.8. Our new brand 'Ambition North Wales' and our new website - <https://ambitionnorth.wales> were launched in November 2021. This provides us with a platform for marketing and engagement and is a key tool for North Wales to represent the vision for future economic prosperity and a channel to share information on progress towards delivering the Growth Deal.
- 4.9. The Quarter 4 update is showing projects reporting against the revised Portfolio Business Case 2021 delivery profile which was approved by the Economic Ambition Board in September 2021. Five projects are currently reporting as Red due to either risks to the project scope, or significant delays to project timescales:
  - Low Carbon Energy Centre of Excellence – project under review due to change request for capital and revenue projections.
  - Key Strategic Site, Bodelwyddan (Land and Property Programme) – outline planning consent on the site has lapsed and the project will need to be reviewed when the new planning policy for the site is established.
  - Glynllifon Rural Economy Hub (Agri-food and Tourism Programme) – planning permission to be secured and potential funding gap due to escalating capital build costs.
  - Llysfasi Net Zero Farm (Agri-food and Tourism Programme) – delay to project incorporating Gateway 2 review feedback.
  - Tourism Talent Network (Agri-food and Tourism Programme) – legal structure of hub and spoke model to be agreed and business case development is running behind schedule.
- 4.10. Following the approval of the first Full Business Case in December 2021, expenditure in relation to the Digital Signal Processing Centre was £123k in Quarter 4. The DSP project has placed the orders for the first phase of the project, however the majority of the equipment won't be received until the after April 2022.

## Portfolio Risk Register – March 2022

- 4.11 The Portfolio Risk Register is updated on a regular basis by the Portfolio Management Office and reviewed by the Portfolio Board (Executive Officers Group) and the North Wales Economic Ambition Board on a quarterly basis.
- 4.12 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.
- 4.13 The risk profile has increased over the past quarter. Affordability is now the biggest risk facing the portfolio with inflation, supply chain issues and significant construction cost increases the main factors driving this increase. The increased risk around affordability has a knock-on effect across the portfolio increasing the risks around project delay, meeting spending objective targets and delivering on climate change aspirations.
- 4.14 Five residual risk ratings have increased this quarter – affordability, delay, climate change and biodiversity, spending objectives and political change. The economic recovery risk has reduced following the publication of the Regional Economic Framework and transition from pandemic to endemic.

## **5. FINANCIAL IMPLICATIONS**

- 5.1. There are no financial implications arising directly from approving the decision sought in this report.
- 5.2. The quarterly performance report provides an overview of the expected capital expenditure profile of Growth Deal funding and includes the actual financial expenditure following project business case approval.

## **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.

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### **APPENDICES:**

- Appendix 1** North Wales Growth Deal – Quarter 4 Performance Report
- Appendix 2** Portfolio Risk Register – March 2022

## 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):**

This report is a requirement to be able to continue to claim the Government grant instalments, and I am satisfied that its contents is a fair reflection of the Ambition Board's performance over the last quarter. I will continue to assist the Portfolio Management Office in managing the relevant risks.

# North Wales Growth Deal

2021-22 Quarter 4

(January to March 2022)

Performance Report

1.	Portfolio Director Summary .....	3
2.	Overall Portfolio Performance.....	4
3.	Digital Programme Performance .....	5
4.	Low Carbon Energy Programme Performance .....	7
5.	Land and Property Programme Performance .....	10
6.	Agri-food and Tourism Programme Performance .....	13
7.	Innovation in High Value Manufacturing Programme Performance.....	15
8.	Growth Deal Project Delivery Pipeline – Portfolio Business Case 2021 .....	17
9.	Growth Deal Project Spending Objective Tracker – Overview of delivery .....	18
10.	Growth Deal Grant Expenditure Profile – Portfolio Business Case 2021.....	19
11.	Growth Deal Projects: Capital Funding Allocation Profile .....	20
12.	Growth Deal Projects: Delivery Tracker .....	21
	APPENDIX A - Growth Deal Projects Summary .....	22

Following the approval of the first Full Business Case (FBC) for the North Wales Growth Deal in December 2021, we have officially moved into the delivery phase. The **Digital Signal Processing Centre (DSP)** has now placed orders for phase one of the project and the first items of kit have been received.

We now look forward to seeing the DSP Centre **put North Wales on the map in terms of its ground-breaking work in the sector**. It is also important that our partners, businesses and the public across the region can begin to see the real opportunities and tangible benefits that come from Growth Deal funding.

Two projects successfully completed their gateway assurance reviews during this quarter. The **last few %** project completed its Gateway 2 review in February 2022 with the **Centre for Environmental Biotechnology** project completing its Gateway 1 review in January 2022. Both projects are working on addressing the recommendations as part of the development of their business cases.

Following the adoption of the 2021 update to the Portfolio Business Case in September, we submitted the update to Welsh and UK Government as part of the annual funding award process. In March, we **received and signed the award of funding letter** for 2021-22 confirming the **next instalment of Growth Deal funding of £20.45m**.

Our new brand '**Ambition North Wales**' and our new website - <https://ambitionnorth.wales> were launched in November 2021. This provides us with a platform for marketing and engagement and is a key tool for North Wales to represent the vision for future economic prosperity and a channel to share information on progress towards delivering the Growth Deal.

One of our key priorities now is to **develop our strategy for attracting private sector investment**.

We have a draft strategy in place that acknowledges the requirement to attract private sector investment directly into the Growth Deal projects, but also recognises that Growth Deal investment will improve the regions infrastructure, and therefore create more compelling investment opportunities for the business sector as well as highlight our strengths and competitiveness as a region.

The last two years have been anything but 'usual' in the way we work and we now have the opportunity to face out into the investor market with an approach that will capture and cultivate interest and **demonstrate the potential North Wales can provide for investors**.

Driving towards a **net-zero future** is an underpinning principle for the Growth Deal. Investing in a way that promotes a greener and cleaner future through our investments. We have worked with Arup on an approach that leads the way for capital investment to consider sustainable development and really delivering against the Wellbeing of Future Generations Act as we move forward. This has been described as a pioneering approach by our partners Arup and we're proud to be leading the way in North Wales.



*Alwen Williams*  
Alwen Williams, Portfolio Director

Themes	RAG Status	Commentary
Portfolio Business Case	Green	The 2021 update of the Portfolio Business Case was considered and approved by the North Wales Economic Ambition Board (hereafter referred to as "Economic Ambition Board" or "the Board") in September and submitted to Welsh Government and UK Government for approval as part of the annual award of funding process. The Grant Officer Letter for 2021-22 has been received confirming the award of £20,445,000 as the second annual instalment of Growth Deal funding.
Delivery Pipeline	Yellow	A number of projects are forecasting minor delays against the approved delivery timetable. The decision by the Board to merge projects within the Digital Programme will impact the delivery timetable but provide significant benefits in terms and an opportunity to secure additional value for money to the region. The increasing affordability risk has potential to cause delays to the delivery pipeline.
Governance	Green	Governance Agreement 2 was approved by all partners in December 2020. The Portfolio, Programme and Project Management Framework is now well established with the Portfolio Board and five Programme Boards operating effectively. The Conflicts of Interest process has been rolled out.
Assurance	Green	The second annual Growth Deal assurance review (Programme Assurance Review) was undertaken in August 2021 and delivered an Amber-Green confidence rating, an improvement on the Amber rating received in 2020. Discussions are now taking place regarding the 2022 review.
Resource and Capacity	Green	There is one vacancy within the Portfolio Management Office due to the Land and Property Project Manager leaving to take up another role. Recruitment is underway for a replacement.
Finance	Yellow	The DSP project approved in December has placed the orders for the first phase of the project, however as the majority of the equipment won't be received until the after April 2022 with only £123k of expenditure accrued during 2021-22. The remaining expenditure in this financial year relates to the drawdown against the 1.5% allocation for Portfolio Management Office costs.  Securing the public and private sector investment required to deliver the Growth Deal remains a significant risk across the portfolio and an investment strategy is being developed to support the team to meet the investment targets.
Risk	Red	The risk profile has increased over the past quarter. Affordability is now the biggest risk facing the portfolio with inflation, supply chain issues and significant construction cost increases the main factors driving this increase. The increased risk around affordability has a knock-on effect across the portfolio increasing the risks around project delay, meeting spending objective targets and delivering on climate change aspirations.
Monitoring and Evaluation	Green	A revised Monitoring and Evaluation Plan was submitted to UK Government and Welsh Government as part of the annual update of the 2021 Portfolio Business Case.
Communication and Engagement	Green	This quarter saw the start of our new Digital Discussion series. The first discussion involved the importance of keeping young people in North Wales, which was a part of our quarter-long campaign with M-sparc, called 'Dewch yn ôl'. The campaign's focus was to attract young people back to the region, it also featured activities such as opinion pieces and a video to promote opportunities in the region.

	Delivering to Plan with no issues to address (no action required)		Delivery slightly behind schedule and/or minor/moderate issues to address (management action in place)		Delivery significantly behind schedule and/or significant issues to address (urgent action required)
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Programme Aim	Job Creation Target	GVA Investment Target	Total Investment Target
Deliver the step change in digital connectivity needed to ensure North Wales is able to satisfy user demand, maintain pace with the rest of the UK, unlock the potential of priority sectors and sites and underpin a flourishing innovation ecosystem.	380	£158m	£41.7m

RAG Status	Programme Manager Commentary
Page 30	<ul style="list-style-type: none"> <li>DSP project is now into delivery with first items of Growth Deal funded equipment arriving in Q4 21/22.</li> <li>Last Few % project has completed its Gateway 2 Review with recommendations being addressed in Q4 and into Q1 22/23 with an Assurance of Action review to be held before Outline Business Case submission to the NWEAB.</li> <li>NWEAB approved a change to the Programme in March, consisting of the Full Fibre at Key Sites and Connected Corridors projects merging to form a single project. No changes to the overall project budget or spending objectives are proposed and the change will improve business case delivery, governance capacity and procurement outcomes.</li> <li>The Connected Campus business case development will now proceed in parallel with the new 'Connected key sites and corridors' project to ensure any further synergies are identified at key stages as the projects progress through the SOC-OBC-FBC process.</li> </ul>



**Mark Pritchard**  
Lead Member



**Sioned Williams**  
Senior Responsible Owner



**Stuart Whitfield**  
Programme Manager

Delivering to Plan with no issues to address (no action required)	Delivery slightly behind schedule and/or minor/moderate issues to address (management action in place)	Delivery significantly behind schedule and/or significant issues to address (urgent action required)



Project (Project Sponsor)	Project Stage	Key Milestones (this quarter)	Key Milestones (next quarter)	RAG Status	RAG Rationale
<b>Digital Signal Processing Centre</b> Bangor University	Full Business Case approved	<ul style="list-style-type: none"> <li>Procurement completed with all items in phase 1 within budget</li> <li>Full Business Case approved by NWEAB and assurance approved by Welsh and UK Governments</li> </ul>	<ul style="list-style-type: none"> <li>Delivery of first phase of equipment</li> <li>Gateway 4 Review ('Readiness for Service')</li> <li>Commencement of Research and Development activities associated with the Growth Deal investment.</li> </ul>		<ul style="list-style-type: none"> <li>Progress is on track with no identified barriers</li> </ul>
<b>Connecting the last few %</b> Economic Ambition Board	Developing the Outline Business Case	<ul style="list-style-type: none"> <li>Gateway 2 Review ('Delivery Strategy') review completed</li> <li>'Supplier responses' received from Welsh Government Open Market Review</li> </ul>	<ul style="list-style-type: none"> <li>Assurance of action review' following Gateway 2 recommendation</li> <li>Completion of Commercial, Financial and Economic cases</li> </ul>		<ul style="list-style-type: none"> <li>Gateway 2 recommendations require action before submission of OBC to NWEAB</li> </ul>
<b>Connected Corridors</b> Economic Ambition Board	Developing the Outline Business Case	<ul style="list-style-type: none"> <li>NWEAB approval of change to merge with Full Fibre at key sites project'</li> <li>Mobile coverage survey due to complete end of March</li> </ul>	<ul style="list-style-type: none"> <li>Project activity continues in new 'Connected key sites and corridors project</li> <li>SOC to be developed</li> <li>Project governance to be agreed</li> </ul>		<ul style="list-style-type: none"> <li>Project business case development reprofiled to fit new combined project</li> </ul>
<b>Full Fibre at Key Sites</b> Economic Ambition Board	Developing the Strategic Outline Business Case	<ul style="list-style-type: none"> <li>NWEAB approval of change to merge with Full Fibre at key sites project'</li> </ul>	<ul style="list-style-type: none"> <li>Project activity continues in new 'Connected key sites and corridors project</li> <li>SOC to be developed</li> <li>Project governance to be agreed</li> </ul>		<ul style="list-style-type: none"> <li>Project business case development reprofiled to fit new combined project</li> </ul>
<b>Connected Campuses</b> Economic Ambition Board	Developing the Strategic Outline Business Case	<ul style="list-style-type: none"> <li>Project board review of target sites</li> </ul>	<ul style="list-style-type: none"> <li>Develop Strategic Outline Case</li> <li>Procure external support to provide technical expertise and capacity</li> </ul>		<ul style="list-style-type: none"> <li>Project business case now aligned with new Connected key sites and corridors project</li> </ul>

	Delivering to Plan with no issues to address (no action required)		Delivery slightly behind schedule and/or minor/moderate issues to address (management action in place)		Delivery significantly behind schedule and/or significant issues to address (urgent action required)
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Programme Aim	Job Creation Target	GVA Investment Target	Total Investment Target
To unlock the economic benefits of transformational low carbon energy projects and position North Wales as a leading UK location for low carbon energy generation, innovation and supply chain investment.	980	£530m	£668.5m

RAG Status	Programme Manager Commentary
Page 32	<ul style="list-style-type: none"> <li>Overall amber RAG due to delays to Transport Decarbonisation and Egni business cases and potential impacts of Egni and Morlais change requests upon Programme spending objectives</li> <li><b>Smart Local Energy:</b> SOC approved by Programme Board. OBC development has commenced. Consortium led by EA Technology commissioned to deliver CRF funded feasibility studies by June 22.</li> <li><b>Transport Decarbonisation (Hydrogen):</b> Seeking Board approval of the preferred way forward in April following endorsement from project, programme and portfolio boards.</li> <li><b>Egni:</b> Project Schedule has been reviewed showing possible 8-month delay to business case delivery. Bangor University to begin with Strategic Outline Case</li> <li><b>Morlais:</b> Project ready to commence main construction phase after securing consents, £31m of ERDF funding and agreeing construction contracts.</li> <li><b>Trawsfynydd:</b> Business Plan developed for Cwmni Eginio and recruitment of chief executive and non-executive directors</li> <li>Programme Management Office to coordinate delivery of Local Area Energy Plans with funding support from Welsh Government</li> </ul>



**Cllr Llinos Medi**  
Lead Member



**Dylan Williams**  
Senior Responsible Owner



**Henry Aron**  
Programme Manager

Delivering to Plan with no issues to address (no action required)	Delivery slightly behind schedule and/or minor/moderate issues to address (management action in place)	Delivery significantly behind schedule and/or significant issues to address (urgent action required)



Project (Project Sponsor)	Project Stage	Key Milestones (this quarter)	Key Milestones (next quarter)	RAG Status	RAG Rationale
<b>Morlais</b> Menter Môn	Developing the Full Business Case	<ul style="list-style-type: none"> <li>Project has received £31m funding from the European Regional Development Fund for the Morlais infrastructure project.</li> <li>Jones Bros Civil Engineering secured contract to build the onshore infrastructure</li> <li>Final Investment Decision made by Menter Môn Board on 23<sup>rd</sup> March</li> <li>Successful clearance of pre-construction consent conditions</li> </ul>	<ul style="list-style-type: none"> <li>Commencement of main construction phase</li> <li>Change Request for the £9m Growth Deal Funding currently allocated to the project to be submitted for consideration by the Ambition Board</li> </ul>		<ul style="list-style-type: none"> <li>Project risks have reduced following positive consent decisions, confirmation of WEFO funding and UK Government announcements on annual contracts for difference auction rounds</li> <li>Amber rating due to the expected change request for the £9m Growth Deal funding currently allocated to the project</li> </ul>
<b>Transport Decarbonisation (Hydrogen Project)</b> Economic Ambition Board	Developing the Strategic Outline Business Case	<ul style="list-style-type: none"> <li>Proposed way forward has been endorsed by the project, programme and portfolio boards. First phase will focus the production of green hydrogen in the region with support from a commercial partner. Second phase will focus on regionalisation through public sector transport demand and/or regional distribution</li> <li>Preparation for the first stage of the preferred way forward – issuing a prior information notice (PIN)</li> </ul>	<ul style="list-style-type: none"> <li>Seek Board approval for the proposed way forward</li> <li>Publish the prior information notice (PIN) as a means of early market engagement</li> </ul>		<ul style="list-style-type: none"> <li>Approval of Outline Business Case will be delayed to allow procurement of a commercial partner (subject to Board approval of proposed approach)</li> <li>Project risks will become clearer following early market engagement</li> </ul>

Page 33

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Project (Project Sponsor)	Project Stage	Key Milestones (this quarter)	Key Milestones (next quarter)	RAG Status	RAG Rationale
<b>Low Carbon Energy Centre of Excellence (Egni)</b> Bangor University	Developing the Strategic Outline Case	<ul style="list-style-type: none"> <li>Agreement to develop Strategic Outline Case ahead of Outline Business Case</li> <li>Strategic Case for Change workshop held in March</li> </ul>	<ul style="list-style-type: none"> <li>Progress development of Strategic Outline Case and submit to Programme Board</li> <li>Procure first phase of project delivery - demolition of existing buildings to make way for new Egni building</li> </ul>		<ul style="list-style-type: none"> <li>Approval of Outline Business Case delayed to December 2022</li> <li>Change request and impact upon Programme Spending Objectives to be considered as part of OBC</li> </ul>
<b>Smart Local Energy</b> Economic Ambition Board  Page 34	Developing the Strategic Outline Case	<ul style="list-style-type: none"> <li>Strategic Outline Case approved by the Programme Board. The preferred way forward involves establishing a fund to support low carbon energy projects across the region.</li> <li>Engagement sessions held with similar funds from other regions have provided valuable advice and lessons learned.</li> <li>EA Technology appointed to deliver feasibility studies into potential pilot sites for smart local energy systems.</li> </ul>	<ul style="list-style-type: none"> <li>Develop the Outline Business Case and associated workshops</li> <li>Continue delivery of smart local energy system feasibility studies</li> </ul>		<ul style="list-style-type: none"> <li>Project on track with no significant risks / issues</li> </ul>
<b>Trawsfynydd</b> Cwmni Eginio	Business case process expected to commence in 2022/23	<ul style="list-style-type: none"> <li>Development of business plan for developing Cwmni Eginio and engagement with key stakeholders</li> <li>Recruitment of Cwmni Eginio Chief Executive, stakeholder engagement lead and non-executive directors</li> </ul>	<ul style="list-style-type: none"> <li>Engagement with site owner and operator regarding collaboration agreement</li> <li>Development of programme for developing the business proposition and securing a technology partner to enable the next key steps for the project</li> <li>Cwmni Eginio to provide update to Programme Board</li> </ul>		<ul style="list-style-type: none"> <li>Risk of delays to technology partner procurement and consequential delays to developing project scope and business case</li> </ul>

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Programme Aim	Job Creation Target	GVA Investment Target	Total Investment Target
To address the shortage of suitable land and properties for business growth and to bring forward sites for housing development. To deliver improvements that stimulate investment in sites and premises in the Port of Holyhead and the wider region. Enables other programmes by ensuring the right land and property infrastructure is available.	2280	£1.29bn	£355.4m

RAG Status	Programme Manager Commentary
Page 35	<ul style="list-style-type: none"> <li>The use of Design for Manufacturing and Assembly methodologies could be used at Parc Bryn Cegin, Bangor in order to meet Ambition North Wales position statement on reductions in operational and embodied carbon.</li> <li>Wrexham County Borough Council have approved funding to develop a Masterplan for the Western Gateway Project site and to support the Councils representations to the Welsh Government’s Roads Review Panel for the approval of the A483 Junction upgrades.</li> <li>Warren Hall, Broughton – The report on Local Development Plan Examination in Public Report was delayed due to the Dee Catchment Phosphate Reduction Strategy which has now been approved but this has meant that the publication of the Inspectors report is now expected after the Local Elections.</li> <li>Former North Wales Hospital, Denbigh – Ambition North Wales, Denbighshire County Council and Jones Bros and their consultancy team are in discussion to deliver the project.</li> <li>The Port Capacity Enhancement discussions involving Stena, Ambition North Wales, Ynys Mon Council and Welsh Government are continuing with greater certainty around the future commercial need by the offshore industry for these works.</li> </ul>



**Cllr Hugh Evans**  
Lead Member



**Andrew Farrow**  
Senior Responsible Owner



**David Mathews**  
Programme Manager

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Project (Project Sponsor)	Project Stage	Key Milestones (this quarter)	Key Milestones (next quarter)	RAG Status	RAG Rationale
<b>Western Gateway, Wrexham</b> Wrexham County Borough Council	Developing the Strategic Outline Business Case	<ul style="list-style-type: none"> <li>Wrexham Council and Ambition North Wales have agreed draft written representations in support of the A483 Junction upgrades to the Welsh Government Road Review Panel.</li> <li>Wrexham Council has approved revenue funding required to complete Masterplanning and the Strategic Outline Case.</li> </ul>	<ul style="list-style-type: none"> <li>Complete the Memorandum of Understanding with the Council.</li> <li>The Council to make formal representations to the Welsh Government Roads Review Panel.</li> <li>Commence site surveys, design, costings and other detailed site assessment/investigation works.</li> </ul>		<ul style="list-style-type: none"> <li>A483 junction upgrade Road Review Panel decision is vital for this project.</li> <li>Risk rating reflects this dependency.</li> </ul>
<b>Warren Hall, Broughton</b> Welsh Government / Economic Ambition Board	Developing the Strategic Outline Business Case	<ul style="list-style-type: none"> <li>The Planning Inspector has approved the Phosphate Reduction Strategy removing one of the remaining obstacles to deliver her LDP report.</li> <li>The Warren Hall estate road has been included within the Welsh Government Highways Capital Programme Road Review Panel.</li> </ul>	<ul style="list-style-type: none"> <li>Submit a written representation to the Welsh Government Roads Review Panel to support the construction of the new estate road to open up the site for development.</li> <li>Agree the Joint Venture Agreement with Welsh Government.</li> </ul>		<ul style="list-style-type: none"> <li>Local Development Plan Adoption is now anticipated in the Autumn of 2022.</li> <li>Risk rating reflects this dependency.</li> </ul>
<b>Key Strategic Site Bodelwyddan</b> Economic Ambition Board	Developing the Strategic Outline Business Case	<ul style="list-style-type: none"> <li>Denbighshire County Council are to undertake a Strategic Flood Consequence Assessment prior to assessing which sites are to be included within the LDP review.</li> <li>Ambition North Wales has undertaken a high level assessment of a revised project delivery timeline allowing for the updated LDP review</li> </ul>	<ul style="list-style-type: none"> <li>Develop the discussion with Denbighshire as to the Local Development Plan timeline.</li> </ul>		<ul style="list-style-type: none"> <li>Local Development Plan review may mean that the project may not be retained as is currently set out within the Growth Deal .</li> <li>Risk rating reflects this dependency</li> </ul>
<b>Former North Wales Hospital, Denbighshire</b> Jones Bros (Ruthin) Limited / Denbighshire County Council	Developing the Outline Business Case	<ul style="list-style-type: none"> <li>A draft Outline Project Business Case has been provided by Jones Bros consultants but discussions have been halted pending a resolution of the project viability issue.</li> <li>A phased development scenario provided by ANW to de-risk the abnormal development costs has been agreed in principal as a way forward to deliver the project.</li> </ul>	<ul style="list-style-type: none"> <li>Develop the Outline Business Case incorporating the Phased Development Scenario with Jones Bros and their consultants.</li> <li>Agree all revised contractual links and procurement matters with Jones Bros and Denbighshire County Council.</li> </ul>		<ul style="list-style-type: none"> <li>Project risk still reflects dependency of new funding and abnormal costs increases.</li> <li>Risk rating reflects this uncertainty.</li> </ul>

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Project (Project Sponsor)	Project Stage	Key Milestones (this quarter)	Key Milestones (next quarter)	RAG Status	RAG Rationale
<b>Parc Bryn Cegin, Bangor</b> Welsh Government / North Wales Economic Ambition Board	Developing the Strategic Outline Business Case	<ul style="list-style-type: none"> <li>The draft Joint Venture Agreement is currently with Welsh Government's solicitors for amending prior to returning to Ambition North Wales for approval.</li> <li>The Design for Manufacturing and Assembly (DfMA) consortium have confirmed that use of DfMA can reduce embodied carbon.</li> </ul>	<ul style="list-style-type: none"> <li>Complete the Joint Venture Agreement with Welsh Government.</li> <li>Agree use of Welsh Government's property delivery business case as a Strategic Outline Case and developing an enhanced Business Justification Case.</li> </ul>		<ul style="list-style-type: none"> <li>Potential occupier demand appears strong.</li> <li>Willing land owner</li> <li>Planning Policy compliant proposed use.</li> </ul>
<b>Holyhead Gateway</b> Stena Line Ports Limited	Developing the Strategic Outline Business Case	<ul style="list-style-type: none"> <li>Discussions to fund the refurbishment of the Holyhead Breakwater have been progressing</li> <li>Stena, Welsh Government, Isle of Anglesey County Council and Ambition North Wales have held discussions to understand port requirements and timelines for off shore operators.</li> <li>Stena have instructed consultants to commence drafting an Outline Business Case.</li> </ul>	<ul style="list-style-type: none"> <li>The breakwater refurbishment funding is agreed by the relevant parties.</li> <li>Agree with Stena the Outline Business Case for the delivery of the port capacity enhancement works and a timeline for the delivery of the project.</li> </ul>		<ul style="list-style-type: none"> <li>Desire to use the port for off shore energy projects by industry is now more certain.</li> <li>Project risk rating reflects the balance of the above.</li> </ul>

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Programme Aim	Job Creation Target	GVA Investment Target	Total Investment Target
To build a more sustainable, vibrant and resilient foundation economy in the region, optimising opportunities for employment and prosperity through our environment and landscape.	380	£281m	£41.3m

RAG Status	Programme Manager Commentary
Page 38	<ul style="list-style-type: none"> <li>Coleg Cambria are considering next steps for their Net Zero Farm Project following the Gateway 2 Review in November 2021 of their Outline Business Case, reflecting in particular on the project contribution to the regional jobs target and alignment with wider national environmental goals around pollution and biodiversity.</li> <li>Grŵp Llandrillo Menai has been working with the Portfolio Management Office to scope the structure of the Tourism Talent Network project given the partnership between the college and private sector partners.</li> <li>Grŵp Llandrillo Menai are working towards a pre-planning application for the Glynllifon Rural Economy Hub through environmental and transport surveys.</li> <li>Three businesses participating in the Whole System Business Research &amp; Innovation for Decarbonisation (WBRID) business competition are wrapping up their Net Zero Farm projects demonstrating a scalable anaerobic digester, drone support for farm tasks and developing a carbon footprint platform for Welsh livestock farmers</li> </ul>



Cllr Charlie McCoubrey  
Lead Member



Jane Richardson  
Senior Responsible Owner



Robyn Lovelock  
Programme Manager

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Project (Project Sponsor)	Project Stage	Key Milestones (this quarter)	Key Milestones (next quarter)	RAG Status	RAG Rationale
<b>Glynllifon Rural Economy Hub</b> Grŵp Llandrillo Menai	Developing the Full Business Case	<ul style="list-style-type: none"> <li>Ongoing development of pre-planning application</li> <li>Tenant onboarding methodology reviewed</li> <li>Ongoing work with consultants on design</li> </ul>	<ul style="list-style-type: none"> <li>Progress pre-planning application</li> <li>Integrate carbon emissions and biodiversity methodology to Full Business Case stage</li> <li>Produce draft Full Business Case</li> </ul>		<ul style="list-style-type: none"> <li>Planning permission to be secured</li> <li>Potential funding gap due to escalating capital build costs</li> </ul>
<b>Llysfasi Net Zero Farm</b> Coleg Cambria	Finalising the Outline Business Case	<ul style="list-style-type: none"> <li>Review feedback on Gateway 2 Review recommendations</li> <li>Stakeholder discussions regarding a forward plan from Gateway 2 Review</li> </ul>	<ul style="list-style-type: none"> <li>Confirm revised project scope taking into account Review findings</li> <li>Commence change management process</li> </ul>		<ul style="list-style-type: none"> <li>Delay to project incorporating Gateway 2 Review feedback</li> </ul>
<b>Tourism Talent Network</b> Grŵp Llandrillo Menai	Developing the Strategic Outline Business Case	<ul style="list-style-type: none"> <li>Legal aspects of project structure explored for a hub and spoke model</li> <li>Stakeholder workshops and business case development paused to resolve legal questions</li> </ul>	<ul style="list-style-type: none"> <li>Project stakeholder engagement</li> <li>Confirm legal positions on project structure</li> <li>Progress business case workshops through workshop</li> </ul>		<ul style="list-style-type: none"> <li>Legal structure of hub and spoke model to be agreed</li> <li>Business case development is running behind schedule</li> </ul>

Page 39

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Programme Aim	Job Creation Target	GVA Investment Target	Total Investment Target
To consolidate North Wales position as a powerful and innovative high value manufacturing cluster, building on existing specialisms and leading expertise to create a higher value, more diverse economic base that supports the transition to a low carbon economy.	180	£114m	£39.5m

RAG Status	Programme Manager Commentary
Page 40	<ul style="list-style-type: none"> <li>• Programme Board approval of Wrexham Glyndwr University Enterprise Engineering and Optics Centre project Outline Business Case (March 2022). Portfolio Board and Economic Ambition Board consideration April 2022.</li> <li>• Portfolio Management Office and Programme Board completed business case review of the Centre for Environmental Biotechnology Strategic Outline Case, endorsement consideration April 2022.</li> <li>• Both projects working to integrate the Carbon Emissions and Biodiversity approach into business case process.</li> <li>• Gateway 1 Review of Bangor University Centre for Environmental Biotechnology project received a delivery confidence rating of Amber.</li> </ul>



Cllr Dyfrig Siencyn  
Lead Member



Paul Bevan  
Senior Responsible Owner



Robyn Lovelock  
Programme Manager

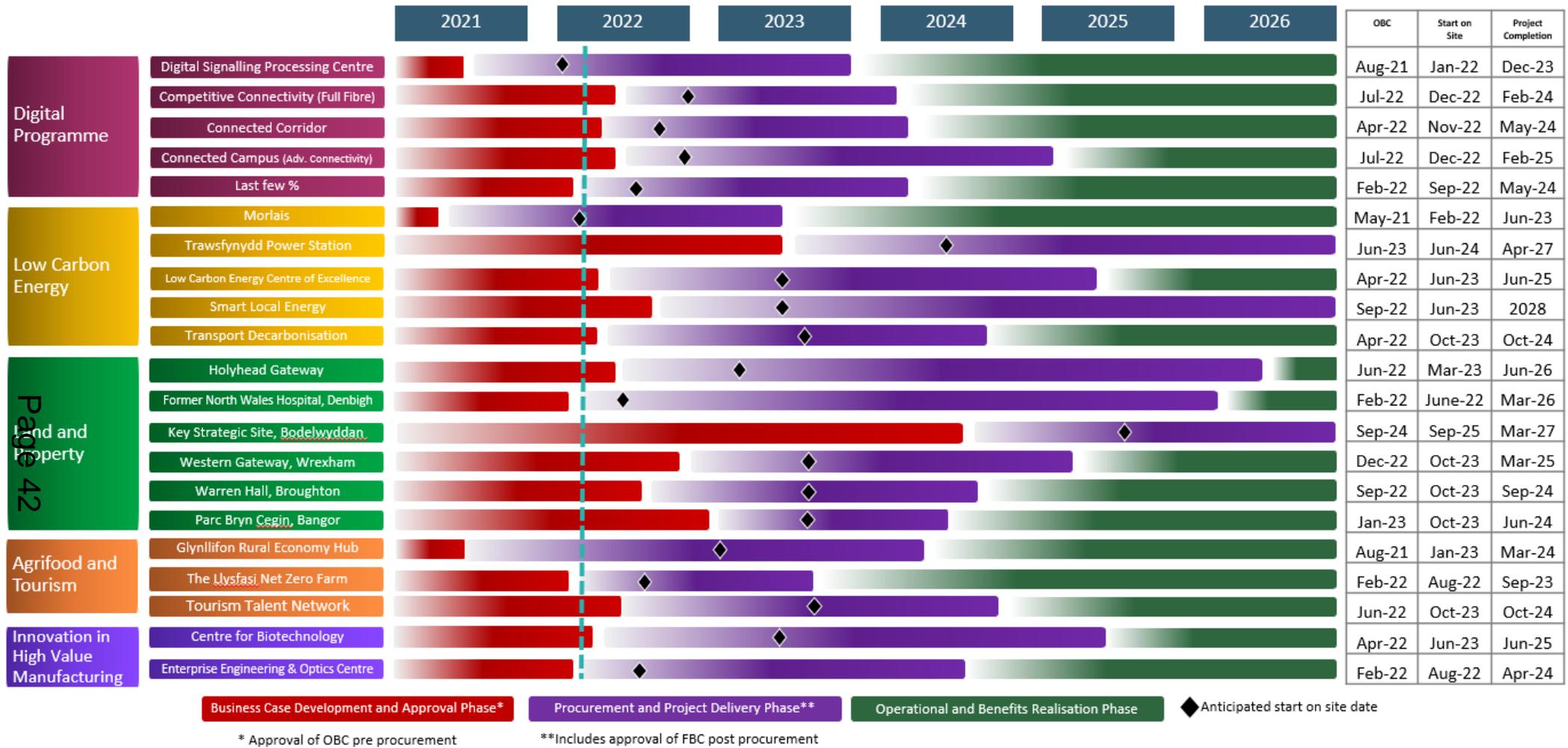
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Project (Project Sponsor)	Project Stage	Key Milestones (this quarter)	Key Milestones (next quarter)	RAG Status	RAG Rationale
<b>Enterprise Engineering and Optics Centre</b> Wrexham Glyndŵr University	Developing the Outline Business Case	<ul style="list-style-type: none"> <li>Portfolio Board considered change request for capital and revenue projections</li> <li>Programme Board approval of Outline Business Case</li> <li>Participation in a visit to AMRC to develop regional collaboration opportunities</li> </ul>	<ul style="list-style-type: none"> <li>Economic Ambition Board consideration of outline business case (April 2022)</li> <li>Integrate emissions and biodiversity methodology</li> <li>Prepare for procurement and FBC consideration</li> </ul>		<ul style="list-style-type: none"> <li>Match fund position clarified</li> <li>Started outline business case approval process</li> </ul>
<b>Centre for Environmental Biotechnology</b> Bangor University	Developing the Strategic Outline Business Case	<ul style="list-style-type: none"> <li>Recruitment of Project Manager</li> <li>Development of economic case including stakeholder workshop</li> <li>PMO and Programme Board Review of Strategic Outline Case</li> <li>Participation in a visit to AMRC to develop regional collaboration opportunities</li> <li>Gateway 1 Review held and received delivery confidence rating of Amber</li> </ul>	<ul style="list-style-type: none"> <li>Develop detail of change request for capital and revenue projections</li> <li>Programme Board consideration of Strategic Outline Case</li> <li>Start Outline Business Case development</li> <li>Integrate emissions and biodiversity methodology</li> </ul>		<ul style="list-style-type: none"> <li>Outstanding change request for capital and revenue projections</li> <li>Started strategic outline case approval process</li> </ul>

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\*Delivery profile as per 2021 Portfolio Business Case. Where an Outline Business Case or Full Business Case has been approved figures have been updated with the latest information.

\*\* Profile will be updated to take account of Digital Programme changes following confirmation from Welsh Government and UK Government.

		Portfolio Business Case 2020 Targets			Approved Project Business Case Targets				Difference		
		GVA (EM)	Jobs Created (net)	(EM) Total Investment*	OBC/ FBC**	GVA (EM)	Jobs Created (net)	(EM) Total Investment*	GVA (EM)	Jobs Created	(EM) Total Investment*
Digital	Digital Signal Processing Centre (DSP)	50	80	7.3	FBC	12	33	3.0	-38	- 47	- 4.3
	Connecting the last few %	35	150	4	n/a	n/a	n/a	n/a	n/a	n/a	n/a
	Connected Corridor	25	0	2.2	n/a	n/a	n/a	n/a	n/a	n/a	n/a
	Full fibre at Key Sites	20	120	7.2	n/a	n/a	n/a	n/a	n/a	n/a	n/a
	Connected Campuses	35	0	21	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Low Carbon Energy	Morlais	50	100	36	OBC	79	210	34	+29	+110	- 2
	Transport Decarbonisation	60	90	28.6	n/a	n/a	n/a	n/a	n/a	n/a	n/a
	Low Carbon Energy Centre of Excellence	20	20	97.7	n/a	n/a	n/a	n/a	n/a	n/a	n/a
	Smart Local Energy	120	180	106.2	n/a	n/a	n/a	n/a	n/a	n/a	n/a
	Trawsfynydd Power Station	230	510	400	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Land and Property	Western Gateway, Wrexham	220	360	43.4	n/a	n/a	n/a	n/a	n/a	n/a	n/a
	Warren Hall, Broughton	235	440	70	n/a	n/a	n/a	n/a	n/a	n/a	n/a
	Key Strategic Site, Bodelwyddan	125	250	82	n/a	n/a	n/a	n/a	n/a	n/a	n/a
	Former North Wales Hospital, Denbigh	20	50	74	n/a	n/a	n/a	n/a	n/a	n/a	n/a
	Parc Bryn Cegin, Bangor	30	50	6	n/a	n/a	n/a	n/a	n/a	n/a	n/a
	Holyhead Gateway	545	930	80	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Agrifood and Tourism	Glynllifon Rural Economy Hub	25	40	13	OBC	45	96	13	+20	+56	0
	Llysfasi Net Zero Farm	215	310	15.4	n/a	n/a	n/a	n/a	n/a	n/a	n/a
	Tourism Talent Network	20	0	12.9	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Innovation in High Value Manufacturing	Enterprise Engineering and Optics Centre	45	70	29.9	n/a	n/a	n/a	n/a	n/a	n/a	n/a
	Centre for Environmental Biotechnology	60	90	9.6	n/a	n/a	n/a	n/a	n/a	n/a	n/a
<b>Growth Deal Portfolio Total</b>		<b>2,185</b>	<b>3,830</b>	<b>1,146</b>	<b>2 OBC 1 FBC</b>	<b>136</b>	<b>342</b>	<b>50</b>	<b>+49</b>	<b>+119</b>	<b>- 6.3</b>

\* Total investment includes 15% Portfolio Management Office costs

\*\* OBC - Outline Business Case, FBC - Full Business Case

Programme	Project	Project Sponsor	2021/22 £m	2022/23 £m	2023/24 £m	2024/25 £m	2025/26 £m	2026/27 £m	2027/28 £m	2028/29 £m	Total £m
Digital	Digital Signal Processing Centre**	Bangor University	182	0.70	0.44	0.00	0.00	0.00	0.00	0.00	2.96
	Connecting the Last Few %	Economic Ambition Board	0.00	0.69	1.97	1.28	0.00	0.00	0.00	0.00	3.94
	Connected Corridor	Economic Ambition Board	0.00	0.49	1.18	0.50	0.00	0.00	0.00	0.00	2.17
	Full Fibre at Key Sites	Economic Ambition Board	0.00	0.49	3.05	3.16	0.00	0.00	0.00	0.00	6.70
	Connected Campuses	Economic Ambition Board	0.00	0.00	0.30	3.84	5.81	5.81	4.92	0.00	20.68
Low Carbon Energy	Morlais**	Menter Môn	0.00	4.93	3.94	0.00	0.00	0.00	0.00	0.00	8.87
	Transport Decarbonisation	Economic Ambition Board	0.00	0.00	3.94	3.94	3.35	0.00	0.00	0.00	11.23
	Low Carbon Energy Centre of Excellence	Bangor University	0.00	1.18	8.47	9.36	1.67	0.00	0.00	0.00	20.68
	Smart Local Energy	Economic Ambition Board	0.00	0.00	1.23	1.97	6.16	6.16	6.16	2.95	24.63
	Trawsfynydd Power Station	Cwmni Eginio	0.00	0.00	4.93	9.85	4.92	0.00	0.00	0.00	19.70
Land and Property	Western Gateway, Wrexham	Economic Ambition Board	0.00	0.00	4.04	4.92	0.00	0.00	0.00	0.00	8.96
	Warren Hall, Broughton	Economic Ambition Board	0.00	0.30	1.18	5.91	7.38	0.00	0.00	0.00	14.77
	Key Strategic Site, Bodelwyddan	Economic Ambition Board	0.00	0.00	0.00	0.49	0.99	5.42	2.95	0.00	9.85
	Former North Wales Hospital, Denbigh	Economic Ambition Board	0.00	0.99	0.99	0.98	0.98	0.00	0.00	0.00	3.94
	Parc Bryn Cegin, Bangor	Economic Ambition Board	0.00	0.25	2.71	2.95	0.00	0.00	0.00	0.00	5.91
	Holyhead Gateway	Stenaline	0.00	0.00	11.33	13.79	9.35	0.00	0.00	0.00	34.47
Agrifood and Tourism	Glynllifon Rural Economy Hub**	Grŵp Llandrillo Menai	0.00	6.90	2.95	0.00	0.00	0.00	0.00	0.00	9.85
	Llysfasi Net Zero Farm	Coleg Cambria	0.00	4.93	4.92	0.00	0.00	0.00	0.00	0.00	9.85
	Tourism Talent Network	Grŵp Llandrillo Menai	0.00	0.00	0.00	1.48	1.48	1.47	0.00	0.00	4.43
Innovation in High Value Manufacturing	Enterprise Engineering and Optics Centre	Glyndwr University	0.00	6.40	3.15	0.30	0.00	0.00	0.00	0.00	9.85
	Centre for Environmental Biotechnology	Bangor University	0.00	0.00	1.23	1.73	0.00	0.00	0.00	0.00	2.96
<b>Portfolio Management Office Costs (15%)</b>											<b>3.60</b>
<b>Total</b>											<b>240.00</b>

\* The Growth Deal capital funding allocation profile is based on the 2021 Portfolio Business Case.

\*\* Where an Outline Business Case or Full Business Case has been approved figures have been updated with the latest information.

Programme	Project	Project Sponsor	Profile 21/22 (£m)	Actual YTD (£m)	Variance (£m)*	Rationale
Digital	Digital Signal Processing Centre	Bangor University	1.82	0.123	-1.7	Slippage in DSP project expenditure from 21-22 to 22-23 as orders placed will not arrive before end of the financial year. Expenditure will happen in early 22-23.
	Connecting the Last Few %	North Wales Economic Ambition Board	0.00	0.00	0.00	
	Connected Corridor	North Wales Economic Ambition Board	0.00	0.00	0.00	
	Full Fibre at Key Sites	North Wales Economic Ambition Board	0.00	0.00	0.00	
	Connected Campuses	North Wales Economic Ambition Board	0.00	0.00	0.00	
Low Carbon Energy	Morlais	Menter Môn	0.00	0.00	0.00	No Full Business Cases have been approved. Expenditure profile now aligned to 2021 Portfolio Business Case update.
	Transport Decarbonisation	North Wales Economic Ambition Board	0.00	0.00	0.00	
	Low Carbon Energy Centre of Excellence	Bangor University	0.00	0.00	0.00	
	Smart Local Energy	North Wales Economic Ambition Board	0.00	0.00	0.00	
	Trawsfynydd Power Station	Cwmni Eginio	0.00	0.00	0.00	
Land and Property	Western Gateway, Wrexham	North Wales Economic Ambition Board	0.00	0.00	0.00	No Full Business Cases have been approved. Expenditure profile now aligned to 2021 Portfolio Business Case update.
	Warren Hall, Broughton	North Wales Economic Ambition Board	0.00	0.00	0.00	
	Key Strategic Site, Bodelwyddan	North Wales Economic Ambition Board	0.00	0.00	0.00	
	Former North Wales Hospital, Denbigh	North Wales Economic Ambition Board	0.00	0.00	0.00	
	Parc Bryn Cegin, Bangor	North Wales Economic Ambition Board	0.00	0.00	0.00	
	Holyhead Gateway	Stenaline	0.00	0.00	0.00	
Agri-food and Tourism	Glynllifon Rural Economy Hub	Grŵp Llandrillo Menai	0.00	0.00	0.00	No Full Business Cases have been approved. Expenditure profile now aligned to 2021 Portfolio Business Case update.
	Llysfasi Net Zero Farm	Coleg Cambria	0.00	0.00	0.00	
	Tourism Talent Network	Grŵp Llandrillo Menai	0.00	0.00	0.00	
Innovation in High Value Manufacturing	Enterprise Engineering and Optics Centre	Glyndwr University	0.00	0.00	0.00	No Full Business Cases have been approved. Expenditure profile now aligned to 2021 Portfolio Business Case update.
	Centre for Environmental Biotechnology	Bangor University	0.00	0.00	0.00	
Portfolio Management Office Costs (1.5%)			0.384	0.219	-0.165	Expenditure lower than expected, mainly due to project delays.
Total			2.204	0.342	-1.865	See above

\* Variance is the difference between the planned profile (Portfolio Business Case 2021) and the Actual Year to Date (YTD) expenditure. YTD figures up to end of December 2021.

Project	Consenting Stage				Stage 1	Stage 2	Stage 3	Stage 4	Stage 5	Stage 6	Stage 7	Stage 8
	Pre-application stage	Outline planning / Consent	Full planning / Consent	Conditions discharged	Determine the Project context	Preparing the Strategic Outline Case	Preparing the Outline Business Case	Approval of the Outline Business Case	Preparing the Full Business Case	Approval of the Full Business Case	Project implementation and monitoring	Project Evaluation
Digital Signal Processing Centre	No planning required				✓	✓	✓	✓	✓	✓	⌚	
Full Fibre at Key Sites	Consenting requirements TBC				✓	⌚						
Connected Corridors	Consenting requirements TBC				✓	✓	⌚					
Connected Campuses	Consenting requirements TBC				✓	⌚						
Last Few %	Consenting requirements TBC				✓	✓	⌚					
Morlais	✓	✓	✓	✓	✓	✓	✓	✓	⌚			
Trawsfynydd Power Station	Consenting requirements TBC				✓	⌚						
Local Carbon Energy Centre of Excellence	⌚				✓	⌚						
Smart Local Energy	Consenting requirements TBC				✓	✓	⌚					
Transport Decarbonisation	Consenting requirements TBC				✓	✓	⌚					
Hyhead Gateway	Harbour Revision Order Submitted & Marine License granted				✓	✓	⌚					
Former North Wales Hospital	✓	✓	⌚		✓	✓	⌚					
Key Strategic Site, Bodelwyddan	New LDP required				⌚							
Western Gateway	LDP adoption to be completed				✓	⌚						
Warren Hall	LDP adoption to be completed				⌚							
Parc Bryn Cegin Strategic Site	⌚				⌚							
Glynllifon Rural Economy Hub	⌚				✓	✓	✓	✓	⌚			
Llysfasi Carbon Neutral Centre	Consenting requirements TBC				✓	✓	⌚					
Tourism Talent Network	Consenting requirements TBC				✓	⌚						
Centre for Environmental Biotechnology	No planning required				✓	⌚						
Enterprise Engineering and Optics Centre	✓	✓	✓		✓	✓	⌚					

Programm	Project	Sponsor	Summary
Digital	Digital Signal Processing Centre (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.
	Connecting the last few %	Economic Ambition Board	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).
	Connected Corridor	Economic Ambition Board	To introduce high bandwidth mobile coverage on road and rail transport networks with deployment in step with or in advance of UK Government targets. Current focus is high quality 4G coverage and facilitation of 5G deployment. Delivery of coverage to include A55, A483 and A5.
	Full Fibre at key sites	Economic Ambition Board	This project will deliver full fibre connectivity (gigabit capable) with a current focus at 28 key business sites across North Wales.
	Connected Campuses	Economic Ambition Board	The project will accelerate the development of a range of digital connectivity options with a current focus at 18 key regional economic sites.
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.
	Transport Decarbonisation	Economic Ambition Board	Support delivery of a demonstrator project involving the production of green hydrogen from low carbon energy sources and its use within regional transport networks.
	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	Economic Ambition Board	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.
	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.

Programme	Project	Sponsor	Summary
Land and Property	Western Gateway, Wrexham	Economic Ambition Board	Delivery of primary services to enable the site to be brought to the market for sale and development.
	Warren Hall, Broughton	Economic Ambition Board	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.
	Key Strategic Site, Bodelwyddan	Economic Ambition Board	Delivery of primary services to enable the mixed-use commercial and residential development site to be brought to the market for development.
	Parc Bryn Cegin, Bangor	Economic Ambition Board	Provide industrial floor space to meet known demand for units.
	Former North Wales Hospital, Denbigh	Economic Ambition Board	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
	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.
Agriculture and Tourism	Glynllifon Rural Economy Hub	Grŵp Llandrillo Menai	The vision is to create a distinctive, world-class Rural Economy Hub at Glynllifon, offering a range of facilities and services to strengthen and enhance the regional economy, specifically through growing the food and drink sector.
	Llysfasi Net Zero Farm	Coleg Cambria	The Llysfasi Net Zero Farm 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.
	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.
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 Small and medium-sized enterprises (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.

NORTH WALES GROWTH DEAL PORTFOLIO RISK REGISTER

Risk ID	Date Raised	Risk Category	Risk Name	Risk Owner	Description of the Risk	Current Gross Risk Rating			Trend	Mitigating Actions	Action Due Dates	Action owner	Residual Risk Rating			Trend	Status (Open / Closed)	Commentary	Date of last update
						P	I	Score					P	I	Score				
R001	21/10/2020	Programme and Project Delivery	Capacity	Portfolio Director	If sufficient resources are not in place at portfolio, programme and project level, there is a risk that this could impact on the successful delivery of the deal	3	4	12	↔	NWEAB approval for fixed term contract extensions to March 2024 Additional procurement and legal technical capacity to be secured for projects as required PMO to utilise external technical support when necessary PMO supporting partners to ensure capacity for delivery and support recruitment activity	In place April 2022 Reviewed monthly Reviewed monthly	PMO PMO PMO PMO, Project Sponsors	3	3	9	↔	Open	Risk reviewed. No changes to gross or residual risk scores. The full PMO team is in place with only one vacancy and fixed term posts are being extended to 2024.	30.03.22
R002	21/10/2020	Programme and Project Delivery	Delay	Portfolio Management Office	If there are delays to project delivery, there is a risk this could have an impact on the realisation of benefits or could result in projects not progressing.	4	4	16	▲	Monthly highlight reports to Programme Board with escalation routes to NWEAB Programme and project RAID logs in place to record risks and manage issues Project business cases and implementation plans to clearly set out risks to project delivery and mitigations Quarterly reports to the NWEAB and Portfolio Board Project timetables reviewed as part of Portfolio business Case Update	Monthly Monthly N/A Quarterly Aug 2022	PMO PMO, Project Sponsor Project Sponsor Project Sponsor PMO	4	4	16	▲	Open	Risk reviewed. Gross and residual risk scores increased due to the increased likelihood that projects will be delayed beyond revised delivery timetable adopted as part of the 2021 Portfolio Business Case update. The increasing affordability risk is a factor adding to uncertainty around project timetables.	30.03.22
R003	21/10/2020	Financial	Affordability	Portfolio Management Office	If projects increase in cost, there is a risk they may not go ahead or project scope may need to be scaled down	5	5	25	▲	Project Business Cases will set out detailed project level financial, commercial and risk management measures to manage costs. Robust performance, risk and financial reporting arrangements will be established for all projects Once Project Business Cases are approved, any additional costs incurred will be the responsibility of the Project Sponsor. Discussions with UK/WG on mitigation strategy for managing the risk of increasing costs	N/A Monthly N/A April 2022	PMO, Project Sponsor PMO PMO PMO	5	4	20	▲	Open	Risk reviewed. Gross and residual risk scores increased as inflationary pressures continue to increase costs for capital projects. This could result in projects becoming unaffordable, resulting in possible delay, reduced scope or project failure. This is an issue impacting on all City and Growth Deals and the risk has been raised with Government on behalf of all City and Growth Deals. Further engagement is planned over the coming months.	07.01.21
R004	21/10/2020	Programme and Project Delivery	Economic Recovery	Portfolio Director	If regional economic recovery is limited, there could be a risk to the delivery of the Growth Deal portfolio and the viability of certain projects.	4	4	16	↔	Regional collaboration on economic recovery co-ordinated by the Portfolio Director and the Executive Officers Group. Project Business Cases will consider the implications of COVID-19 Regional Economic Framework published and sets the strategic priorities for the North Wales economy. Implementation phase to progress in 2022	N/A N/A N/A	PMO, SROs PMO, SROs, NWEAB Portfolio Director	4	3	12	▼	Open	Risk reviewed. Name and description updated. No changes to gross score, decrease in residual score following publication of the Regional Economic Framework. It is clear from economic evidence gathered throughout the pandemic that attention is required on skills, employment and training to ensure that North Wales are prepared to respond to the new jobs created by the Growth Deal but also and more immediately the changing labour market conditions driven by Covid.	30.03.22
R005	21/10/2020	Programme and Project Delivery	EU-UK Trade and Cooperation Agreement	Portfolio Director	If the new UK-EU trading relationship impacts on certain sectors of the economy there is a risk that the viability of certain Growth Deal projects may change.	3	3	9	↔	Project Business Cases will consider the implications of the new UK-EU trading relationship. Where the new UK-EU trading relationship could have a clear impact upon the viability / need for a project, the project will be subject to full review ahead of business case development	N/A N/A	PMO, Project SROs PMO, Project SROs	2	3	6	↔	Open	Risk reviewed. No changes to gross or residual risk scores.	30.03.22
R006	21/10/2020	Environmental	Climate Change and Biodiversity	Portfolio Director	If projects do not take account of carbon emissions or biodiversity loss within project level assessments, there is a risk the portfolio could contribute towards the issues of climate change and biodiversity loss	4	3	12	▲	Position statement on Climate Change and Biodiversity adopted by the NWEAB. Project business cases to demonstrate delivery against the adopted NWEAB position. Draft methodology on how to take account of carbon emissions and biodiversity loss within project business cases is being consulted upon with partners	N/A N/A April 2022	NWEAB PMO, Project SROs PMO	3	3	9	▲	Open	Risk reviewed. Increase to gross or residual risk scores due to escalating costs and the increased risk that projects will become unaffordable. This could result in there being less funding available to scope projects to meet climate change and biodiversity objectives.	30.03.22
R007	21/10/2020	Financial	Private Sector Investment	Portfolio Management Office	If the private sector investment is not secured, there is a risk that projects will not be delivered or delivered at reduced scale impacting on the benefits to the region.	4	4	16	↔	Continued engagement with Project Sponsors and private sector partners Development of robust project business cases and contractual agreements for Growth Deal funding Agreed process for consideration of new projects if required Following PAR recommendation, an investment strategy has been developed	N/A N/A N/A In place	PMO, Project SROs PMO, Project SROs NWEAB, PMO PMO PMO	4	4	16	↔	Open	Risk reviewed. No changes to gross or residual risk scores. Investment Strategy has been developed but risk remains high due to increasing costs and challenging targets	30.03.22

Risk ID	Date Raised	Risk Category	Risk Name	Risk Owner	Description of the Risk	Current Gross Risk Rating			Trend	Mitigating Actions	Action Due Dates	Action owner	Residual Risk Rating			Trend	Status (Open / Closed)	Commentary	Date of last update
						P	I	Score					P	I	Score				
R008	21/10/2020	Financial	Public Sector Investment	Portfolio Management Office	If the public sector investment is not secured, there is a risk that projects will not be delivered or delivered at reduced scale impacting on the benefits to the region.	4	4	16	↔	All NWEAB partners have signed up to the Growth Deal and Governance Agreement 2. Development of robust project business cases and contractual agreements for Growth Deal funding Agreed process for consideration of new projects or changes to public sector investment projections	Complete N/A N/A	NWEAB PMO, Project SROs NWEAB, PMO	4	4	16	↔	Open	Risk reviewed. No changes to risk scores but risk remains high due to project level funding issues and ongoing project change requests proposing amendments to capital investment projections.	30.03.22
R009	21/10/2020	Regulatory	Planning and Statutory Consents	Portfolio Management Office	If projects do not receive the necessary statutory consents and planning approval, there is a risk that projects will not be delivered and the benefits would not be realised.	4	5	20	↔	Project business cases will set out the consenting requirements for each project and the risks to project delivery Continued engagement with project sponsors to understand consenting process and risks with support provided where appropriate Local authority phosphates strategies in place as part of Local Plan adoption. PMO to deliver review of project consenting progress	N/A N/A April 2022 April 2022	PMO, Project SROs PMO Local Authorities PMO	3	5	15	↔	Open	Risk reviewed. No changes to gross or residual risk scores. Welsh Government planning policy on coastal erosion and flood risk updated (TAN 15) and phosphates strategies in place for relevant local authorities. Review of consenting has highlighted the complex consenting requirements of the portfolio and the need for robust risk management of consenting.	30.03.22
R010	21/10/2020	Reputational and Social Impact	Spending Objectives	Portfolio Director	If projects fail to deliver against the portfolio spending objectives, there is a risk that the Growth Deal may not meet its targets in relation to job creation, GVA and investment.	5	4	20	▲	Robust business cases will be developed for each programme and project in line with 5 Case Business Model and will need to set out contribution to portfolio spending objective targets Project review and change control process in place. Agreed process for consideration of new projects or changes to public sector investment projections Following PAR recommendation, investment strategy has been developed	N/A N/A N/A In place	PMO, Project SROs PMO NWEAB, PMO PMO	4	4	16	▲	Open	Risk reviewed. Gross risk increased due to increasing costs and the consequential impact upon project outputs and outcomes. Possible reductions in public sector investment projections could also impact upon the Portfolio Investment spending objective target	30.03.22
R013	21/10/2020	Reputational and Social Impact	Political Change	Portfolio Director	If stakeholders are not managed effectively, there is a risk that political change could impact support for the portfolio, programme and projects.	4	4	16	▲	Frequent engagement with UK, Welsh Government and local government politicians and officials. GA2 and Final Deal agreement to confirm commitments of all parties. New members to be briefed on the Growth Deal Portfolio	N/A Complete May / June 2022	NWEAB, PMO NWEAB PMO, Portfolio	3	4	12	▲	Open	Risk reviewed. Increased gross and residual risk score due to possible political change after local elections	30.03.22
R014	22/10/2020	Financial	Fraud	Portfolio Director	If appropriate processes are not put in place and managed, there is a risk that the portfolio could be subject to fraudulent claims resulting in misuse of public funds	4	4	16	↔	Projects to have robust financial monitoring processes in place PMO to review claims submitted before passing them onto accountable body for payment Code of conduct and conflicts of interest policy incorporated as part of Governance Agreement 2 Conflict of Interest Register maintained for all programmes, projects and advisory groups.	N/A N/A Complete N/A	PMO PMO Monitoring Officer PMO	2	4	8	↔	Open	Risk reviewed. No changes to gross or residual risk scores.	30.03.22
R015	22/10/2020	Reputational and Social Impact	Benefits Realisation	Portfolio Management Office	If project benefits are not realised, there is a risk that the overall Growth Deal could fail to deliver the benefits set out within business case.	4	4	16	↔	Each programme and project will be responsible for benefits management through a Benefits Realisation Plan. Monthly highlight reports to Programme Board to monitor benefits realisation Procurement Principles to be adopted with focus on community benefits and social value Benefits Realisation guidance developed and being disseminated to project sponsors for use in project business cases	N/A Monthly Complete N/A	PMO, Programme and Project SROs PMO PMO PMO	3	3	9	↔	Open	Risk reviewed. No changes to gross or residual risk scores.	30.03.22
R016	22/10/2020	Programme and Project Delivery	Assurance	Operations Manager	If agreed assurance processes are not followed, there is a risk that project approval could be impacted and could result in suspension/postponement of government grant payments.	3	5	15	↔	Integrated Assurance and Approval Plan (IAAP) agreed with Welsh and UK Government as part of Final Deal. Continued engagement with Welsh Government Assurance Hub to refine and update the Integrated Assurance and Approval Plan (IAAP) PMO assurance lead to coordinate delivery of assurance in accordance with the IAAP	Complete Quarterly N/A	PMO PMO PMO	2	4	8	↔	Open	Risk reviewed. No changes to gross or residual risk scores.	30.03.22
R017	22/10/2020	Financial	Financial Management	s151 Officer	If appropriate financial arrangements are not put in place, there could be a risk to the delivery of the deal, draw-down of the funding grant and allocation of funds.	3	4	12	↔	NWEAB will utilise existing financial processes of Gwynedd Council as Host Authority Project Business Cases will set out detailed project level financial, commercial and risk management measures to manage finances Robust monthly performance, risk and financial reporting arrangements will be established for all projects Robust financial claims process established for the drawdown of funding	N/A N/A Monthly N/A	PMO PMO, Project SRO PMO, Project SRO PMO	2	3	6	↔	Open	Risk reviewed. No changes to gross or residual risk scores. First claims to be made as DSP enters delivery phase.	30.03.22

Risk ID	Date Raised	Risk Category	Risk Name	Risk Owner	Description of the Risk	Current Gross Risk Rating			Trend	Mitigating Actions	Action Due Dates	Action owner	Residual Risk Rating			Trend	Status (Open / Closed)	Commentary	Date of last update
						P	I	Score					P	I	Score				
R018	01/10/2020	Financial	Revenue Funding	Portfolio Management Office and Project Sponsors	If sufficient revenue funding is not in place to support the activities of the NWEAB and delivery of the Growth Deal, then project delivery and achievement of spending objectives and benefits may be impacted	3	4	12	↔	NWEAB has approved extension of fixed term contracts to March 2024. Longer term solutions continue to be investigated Partners and project sponsors responsible for sourcing revenue funding to support non-NWEAB led projects PMO working to identify additional funding opportunities for NWEAB led projects PMO exploring the potential capitalisation of project salary costs.	N/A N/A N/A N/A	PMO PMO, Project SRO PMO, Project SRO PMO	2	4	8	↔	Open	Risk reviewed. No changes to gross or residual risk scores. Short term solution to PMO revenue funding in place following NWEAB decision to extend fixed term contracts to March 2024. Longer term solutions continue to be investigated.	30.03.22
R019	01/10/2020	Programme and Project Delivery	Supply Chain & Skills Capacity	Portfolio Management Office	If the regional supply chain does not have the capacity to deliver projects, then projects delivery could be impacted and regional benefits could be lower.	4	4	16	↔	Project business cases and implementation plans to clearly set out risks to project delivery and mitigations, including supply chain risks. RSP working with PMO to identify regional supply chain / skills challenges and identify mitigations Additional funding secured for skills activity Projects to conduct early market engagement where appropriate	N/A N/A In place N/A	PMO PMO PMO Project Sponsors	3	4	12	↔	Open	Risk reviewed. No changes to gross or residual risk scores.	30.03.22



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**REPORT TO THE NORTH WALES ECONOMIC AMBITION BOARD**  
**29 April 2022**

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**TITLE:** Transport Decarbonisation (Hydrogen) Project Update  
**AUTHORS:** Henry Aron, Energy Programme Manager

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**1. PURPOSE OF THE REPORT**

- 1.1. To seek agreement for the preferred way forward for the project as recommended by the Project Board and Energy Programme Board and to prepare and publish a Prior Information Notice.

**2. DECISION SOUGHT**

- 2.1. That the Board endorse the preferred way forward for the project and,
- 2.2. Authorise the Portfolio Director, in consultation with the Programme Board, to prepare and issue a Prior Information Notice in accordance with the report.

**3. REASONS FOR THE DECISION**

- 3.1. The Project Board and Programme Board have agreed a preferred way forward which has been endorsed by the Portfolio Board for consideration by the Economic Ambition Board. This report seeks the support of the Board for the preferred way forward and to progress with the first stage of delivery. This involves publishing a Prior Information Notice (PIN) to test the market, gauge interest and collate intelligence to inform a competitive process for bringing on board a commercial partner to complete the business case and deliver the project.
- 3.2. Subject to the North Wales Economic Ambition Board approving the preferred way forward, the aim is to publish the PIN following the elections in May 2022. Its development will require input from procurement, legal and industry professionals. In order to make the best use of time it is being drafted through the pre-election period with the intention of publishing it following the elections.
- 3.3. The purpose of the Prior Information Notice is to engage with the private sector to establish interest from potential partners to invest, develop and operate the Hydrogen Hub and to gather intelligence to help shape the size, scope and location of the proposed Hydrogen Hub.
- 3.4. Progress to the next stage of the preferred way forward (competitive dialogue) would be subject to a separate Board decision. This will include a proposal for a new name for the project.

#### 4. BACKGROUND AND RELEVANT CONSIDERATIONS

- 4.1. The use of hydrogen is seen as a significant method of decarbonising parts of the economy ranging from transport, industrial processes and manufacturing through to domestic heating. The UK Hydrogen Strategy recognises these opportunities and further policy announcements are expected to be unveiled this summer.
- 4.2. The Transport Decarbonisation (Hydrogen) Project is one of five projects within the North Wales Growth Deal's Low Carbon Energy Programme. The Project was at concept stage when the Growth Deal was signed and aimed to utilise green hydrogen to help decarbonise regional transport networks. In 2019, Welsh Government funding enabled research, conducted by Jacobs, into Strategic Hydrogen Opportunities in North Wales. The work identified the Deeside area as a potential location for the hub. Additional Welsh Government funding enabled more detailed research into this potential location.
- 4.3. The research was undertaken by Jacobs between February and December 2021. The Project Board considered the recommendations of the business case and proposed a way forward. The Project Board have identified a need to change the name of the project to more accurately reflect the nature of the project and improve our ability to engage with the market. The PIN would be published under the name 'Ambition North Wales – Hydrogen Hub' with a formal name change proposal to be made to the Board ahead of the next phase of work.

#### 5. THE PREFERRED WAY FORWARD

- 5.1. The preferred way forward would see £11.4m earmarked from the North Wales Growth Deal being apportioned across two overlapping workstreams (the exact proportion will be determined during the business case development). The remaining funding estimated at £17.2m would need to be secured from public/private sources split across the two workstreams.

##### **Workstream 1 – Develop the business case and deliver a green hydrogen production hub**

- 5.2. This phase starts with a Prior Information Notice to test the market, gauge interest and collate intelligence to inform a competitive process. This would be followed by a competitive process to bring onboard a commercial partner to help progress the project. The process could follow a similar model to that applied by other regions/cities, such as Aberdeen, that have similar projects.
- 5.3. The commercial partner will support the project in determining the business case for a commercial green hydrogen production hub. Plans for the specific location / site of the hub will be developed in partnership with the commercial partner and we will consider options for making public sector land available to maximise the investment potential and attract interest. The partnership will also explore potential demand for all viable hydrogen applications. This could include transport, industrial, heating or as a contingency / augmentation for projects such as HyNet. If a business case can be made, the commercial partner would lead the development and delivery of the project.

- 5.4. Alongside the Holyhead Hydrogen Hub and other planned projects, workstream 1 will support initial growth of the regional hydrogen economy and allow the region to learn lessons. It is expected that the cost of hydrogen fuel cell vehicles will reduce during this period to the point where they become viable for fuller adoption in the transport sector. This also allows time for local authorities to evaluate their optimal fleet mix, trial hydrogen vehicles and learn from the experience of other hydrogen vehicle customers.

### Workstream 2 – Regionalisation and Decarbonisation

- 5.5. This will build on workstream 1 by regionalising the distribution and use of hydrogen across north Wales. This could include the development of a hub and spoke model, with hydrogen being distributed to refuelling stations in other areas. It could also involve the development of additional production hubs or increasing demand for hydrogen through the procurement of hydrogen vehicles. The need for a regional strategy for the growth of the hydrogen economy in north Wales will also be considered, as will the links with existing initiatives such as Grŵp Llandrillo Menai’s Hydrogen Strategy and the Enhanced Engineering & Optics Centre’s hydrogen work. The appropriate funding split between workstream 1 and 2 will be considered by the NWEAB as we progress through the procurement process.
- 5.6. An overview of the key risks & opportunities and the rationale for the preferred way forward are set out within Appendix 1.

### Next Steps

- 5.7. The first stage will involve testing the market through a Prior Information Notice (PIN). The PIN will not include any form of down-selection or competition. It will be used to enable early market engagement by; explaining our ambitions for the project, explaining our intention to procure a partner and seeking feedback from the market on our proposals. It could provide insight into a number of factors, including:
- Project costs and the level of funding / guaranteed hydrogen demand that a partner may require to proceed
  - The best locations / sites for the hub
  - The potential for expansion including additional facilities across the region
  - The potential commercial structure of the partnership
  - Existing market intentions that could be complementary or competitive in nature.
- 5.8. Subject to the North Wales Economic Ambition Board approving the preferred way forward in March 2022, the aim is to publish the PIN following the elections in May 2022. Having assessed the information gained through the PIN notice, we will then design a formal tendering process, subject to approval from the Ambition Board.
- 5.9. The table below shows an indicative timeline for procuring a commercial partner.

Milestone	Target Date
Programme Board consulted on preferred way forward	01-Mar-22
Portfolio Board consulted on preferred way forward	04-Mar-22
NWEAB approve preferred way forward	29-Apr-22
Issue Prior Information Notice	May-22
Commence tender process	Oct-22
Award contract	Feb-23



## 6. CONSULTATION UNDERTAKEN

- 27th Jan – Energy Programme Board briefed on preferred way forward
- 4th Feb – Portfolio Board briefed on preferred way forward
- 1st March – Programme Board endorsed preferred way forward
- 4th March – Portfolio Board endorsed preferred way forward
- 10th March – NWEAB Strategic Group and Transport Sub-committee consulted on the preferred way forward.

## 7. FINANCIAL IMPLICATIONS

- 7.1. There are no new financial implications arising directly from approving the decision sought in this report. There is already budget provision for project development within the Portfolio Management Office and any costs incurred in the development of the PIN will be from existing resources.

## 8. LEGAL IMPLICATIONS

- 8.1. A Prior Information Notice is a procedure whereby a public body can give formal notice of its intention to undertake a particular procurement. It notifies the market of the proposed procurement. It can also be a mechanism by which market information can be sought in order to shape and better inform the procurement process. It is not a tender nor does it commit the publisher to take any particular actions or steps.

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### APPENDICES:

- Appendix 1** Rationale for Preferred Way Forward & Overview of Risks & Opportunities
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### STATUTORY OFFICERS RESPONSE:

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

I have contributed legal comments in the report. It is a logical and appropriate step to undertake a PIN exercise which should be a means of strengthening the feasibility of the model and the procurement process.

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

I can confirm the accuracy of Part 6 of the report, and that there are no new financial implications arising directly from approving the decision sought in this report. The decision sought is reasonable way of progressing to the next phase of the project.





## **Appendix 1 – Rationale for Preferred Way Forward & Overview of Risks / Opportunities**

### **Rationale for Preferred Way Forward**

The Project has been developing the business case for a hydrogen hub for a number of months. The work was supported by consultants who undertook their research between February and December 2021. During this time, the hydrogen picture in north Wales- and globally- has continued to emerge. This means that the work to date presents a snapshot in time relating to the period when the evidence was gathered.

The findings of the research indicate that:

- Hydrogen is currently the optimal zero emission solution for some heavy duty/ long range trucks and buses and for the decarbonisation of other key sectors (e.g. fuel source for industry).
- The optimal means of producing hydrogen is by water electrolysis, using renewable energy (green hydrogen).
- Hydrogen fuel cell vehicles will become more widely available in the UK but costs will be high relative to other options.
- Based on market engagement, there is limited public sector demand for hydrogen in north Wales until 2026. Plans to incorporate hydrogen vehicles into fleet strategies are at an early stage for most public sector bodies.
- Based on market engagement, there is no committed private sector demand for green hydrogen for transport in the near term. However, there is potential for this to change as transport fleet operators continue to review their options and availability of hydrogen vehicles increases.
- Based on market engagement, there are currently no hydrogen refuelling stations in north Wales and with the exception of the Holyhead Hydrogen Hub project, there are no plans to build any.
- With the exception of the Holyhead project, the private sector has no confirmed plans to develop green hydrogen production or distribution in north Wales in the next 5 years.
- Public sector intervention is required to stimulate the demand for and production of green hydrogen, thereby stimulating the growth of the regional hydrogen economy and associated benefits.
- It is expected to take 2 to 3 years to develop a project involving hydrogen production and distribution systems.

The pace of change means that industry will soon begin to make implementation decisions for decarbonisation. Commercial decisions are expected to be grounded in considerations such as technical applicability, legislative compliance, affordability, shareholder and public pressure- and long-term financial viability. They are business decisions made by business leaders. They will therefore not necessarily align perfectly with the North Wales Growth Deal objectives. There will however be an overlap of interests where the project will be able to negotiate and influence decisions that better reflect its objectives.

The project needs to be closely linked or embedded with industry, whilst promoting its values and maintaining its integrity. The evolving nature of the hydrogen market means that observing the unfolding events will lead to a reactive and ineffective project. The project aims to help shape the hydrogen economy, generate a revenue stream for regional reinvestment, and ensure that all of north Wales is able to benefit from the new technologies. This is best achieved by being a participant inside the industry.

## Recent changes

Since Jacobs gathered their evidence between February and December 2021, significant changes have happened which have a direct bearing on the project.

- The UK Hydrogen Investor Roadmap has been published [Hydrogen Investor Roadmap](#). This includes:
  - The target for hydrogen production by 2030 has now been doubled to 10 GW.
  - Green hydrogen now has its first separate target of at least 50% of the new hydrogen target.
  - Up to £100 million has been allocated specifically for electrolytic hydrogen projects- such as this one.
- The production of diesel cars must stop in 2030, medium sized diesel goods vehicle production will stop in 2035, and *all* diesel vehicle production will cease in 2040. This leaves very few propulsion options. The two mainstream zero-emission options are BEV and hydrogen. Hydrogen is likely to become highly competitive for heavy and long distance uses.
- The UK now has its first Hydrogen Strategy and this clearly sets out that hydrogen will play a significant part in the decarbonisation of the UK's economy. The production of hydrogen will be subsidised by government and there is a wide range of initiatives to promote research and development.
- The project has been approached by some large companies in North Wales who potentially have a need for large volumes of green hydrogen for a mixture of uses, but they would like it sooner than the market is currently scheduled to deliver.
- At COP26, the UK government announced that their policy is moving towards requiring larger companies to publish their [net zero plans](#). These plans are likely to include supply chain emissions and a key part of many supply chains is road transport. Companies may therefore be required to carry out detailed analyses of their fleets and those of their suppliers. It is expected that this will reveal more vehicles that should be transitioned to hydrogen.
- Wholesale gas prices have increased by 400% since the data was gathered. Longer term, it is likely that this will continue to have a bearing on the energy market and thus hydrogen market. It therefore has a bearing on this project as well.
- The design elements of a UK standard for low carbon hydrogen are expected soon. This will make it clear what is and what isn't eligible for government support. That will influence the market and it could therefore influence potential partners for this project as well.
- The UK Energy Security Strategy has been published in response to the war in Ukraine, which is disrupting the global oil and gas markets. This evolving situation should be monitored and considered.

## Key Risks & Opportunities

<b>Risks</b>	
<b>Description</b>	<b>Mitigation</b>
Currently no regional vision or strategy for growing the north Wales hydrogen economy. This could lead to unrealised potential and competition between publicly funded projects.	Regional coordination to be addressed by an appropriate regional forum.
Project team is not currently resourced with the required technical, legal, or procurement specialists. This could result in a poorly executed project.	Review the composition of the project board and develop a plan to ensure that suitable legal, commercial and technical specialists form part of the project team. Seek a commercial partner to lead the delivery of the hydrogen hub.
There could be insufficient commercial interest from the market	Progress Prior Information Notice procedure to ascertain market interest
There is a lack of intelligence about potential competition in the north Wales hydrogen market. This could lead to public money being spent on interventions that would be provided anyway by the private sector.	Progress Prior Information Notice procedure to ascertain market intentions
<b>Opportunities</b>	
Decarbonising industry and transport	Procure commercial partner to produce green hydrogen and identify early demand. Progress workstream 2 to identify opportunities for decarbonisation of public sector fleets and the wider regional economy
Address market failures and supporting the growth of regional hydrogen economy	Through the two workstreams, the project will explore both demand and supply side interventions with support from a commercial partner
Activities directly linked to the Hydrogen Hub and wider supply chain linkages will result in both direct and indirect jobs. The project could also safeguard jobs and skills relevant to market opportunities where hydrogen could replace existing fuels	The Programme Spending Objective on jobs will be considered as part of the procurement process and subsequent business case development.