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**REPORT TO THE NORTH WALES ECONOMIC AMBITION BOARD**  
**10 December 2021**

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**TITLE:** Investment Strategy  
**AUTHOR:** Alwen Williams, Portfolio Director

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**1. PURPOSE OF THE REPORT**

- 1.1. The purpose of this report is to provide and update to the board about the development of a strategy to address the required investment for the Growth Deal. Investment is required directly into some of the Growth Deal projects but the strategy also recognises the wider opportunities for investment in the region.

**2. DECISION SOUGHT**

- 2.1. To note the update on the development of an investment strategy.

**3. REASONS FOR THE DECISION**

- 3.1. As outlined within the report.

**4. BACKGROUND**

- 4.1 Each year the North Wales Growth Deal enters into an independent Gateway Review as part of its governance and assurance process.
- 4.2 The Portfolio's Gateway Review, held in August 2021 delivered a delivery confidence rating of Amber/Green, which recognises that successful delivery appears probable. However, constant attention will be needed to ensure risks do not materialise into major issues threatening delivery.
- 4.3 The review panel's report concluded with five recommendations, one of these being that a portfolio level strategy for attracting and securing private, and other, sector investment should be developed and adopted.
- 4.4 The North Wales Growth Deal is based on the delivery of projects across five programmes with an anticipated total capital expenditure of up to £1.1 billion (2020/21 prices).
- 4.5 Of this total, £240million has been committed by UK and Welsh Government, £179.2million of additional capital is expected to come from other public sector sources and £722million is to be committed by the private sector. The investment will collectively contribute to the region's economic growth over a ten to fifteen-year term.

- 4.6 The primary driver for all projects within the Growth Deal is to deliver economic and social benefits to North Wales in line with the strategic outcomes set out in the portfolio business case.
- 4.7 The Growth Deal aims to maximise investment across the portfolio to achieve sustainable economic growth for North Wales.
- 4.8 Investment is targeted at strategically important industrial sectors, via the portfolio's five programmes, in two categories;
- a. Those increasing the value of high growth sectors
    - Low carbon energy programme
    - Innovation in high value manufacturing programme
    - Agri-food and tourism programme
  - b. Those addressing key barriers to growth
    - Land and property programme
    - Digital connectivity programme
- 4.9 An initial draft was presented to the Portfolio Board on 26<sup>th</sup> November for consideration. The Portfolio Board requested additional time to consider and input into the document and requested an updated version be presented at the next meeting in January.

## 5. INVESTMENT STRATEGY

- 5.1 The Portfolio and Programme Business Cases set out the required funding and investment in the Growth Deal project. A breakdown is presented in Table 1.1

Table 1.1 Capital Funding Breakdown				
Programme	Growth Deal Investment (£m)	Other Public Sector Investment (£m)	Private Sector Investment (£m)	Total Capital Investment (£m)
Digital	37.0	0.0	0.4	37.4
Low Carbon Energy	86.4	138.4	441.7	666.5
Land and Property	79.1	1.9	274.4	355.4
Innovation in High Value Manufacturing	13.0	26.4	0.0	39.4
Agri-food and Tourism	24.5	12.4	4.5	41.4
<b>GROWTH DEAL TOTAL</b>	<b>240.0</b>	<b>179.1</b>	<b>721.0</b>	<b>1,140.1</b>

- 5.2 The strategy acknowledges the challenge to attract investment directly into the Growth Deal projects. It also recognises that Growth deal investment will improve the regions infrastructure, therefore creating more compelling investment opportunities for the business sector and highlighting our strengths and competitiveness as a region.

- 5.3 The strategy aims to convene data, insights and knowledge that will enable a coordinated regional approach to attracting investment
- 5.4 The draft strategy sets out seven key objectives to address it's aims effectively and to encourage regional collaboration and seek to identify opportunities and potential threats associated with securing investment.

INVESTMENT STRATEGY OBJECTIVES	
Objective 1	Undertake an investment research analysis study.
Objective 2	Establish a Private-Public sector Stakeholder Investment Group to drive forward the investment opportunities.
Objective 3	Devise, adopt and execute a communications and engagement plan to drive investment in North Wales.
Objective 4	Commission a North Wales investment prospectus which communicates a clear and compelling message to promote and encourage investment.
Objective 5	Agree the Growth Deal principles for investment.
Objective 6	Create a knowledge bank of tools to aid with the investment process.
Objective 7	Develop an investors framework.

- 5.5 Successfully delivering on these objectives will ensure there is an informed cohesive approach to securing the required investment.
- 5.6 The PMO will continue to work with regional stakeholders to build upon the approach outlined and feedback is being invited and received by the Portfolio Board and the Business Delivery Board.
- 5.7 The PMO will be providing an update on the development of the Investment Strategy to the Joint UK/WG Governance Board on the 14<sup>th</sup> December as part of the annual award of funding process.

## 6. FINANCIAL IMPLICATIONS

- 6.1. There are no financial implications directly associated with the update in this report, however it should be noted that delivery of some of the key objectives will require budget.
- 6.2. The Covid Recovery Prospectus for North Wales recently submitted to Welsh Government includes a requirement of £25K to develop an investment prospectus for North Wales.
- 6.3. The full financial implications will be considered by the Portfolio Director as work to develop and deliver the investment strategy progresses.
- 6.4. It should be noted that securing the investment required is fundamental to the delivery of the Growth Deal. Failure to deliver on the portfolio spending objectives could have financial implications for the region as set out in the Award of Funding agreement with Welsh Government.

## 7. LEGAL IMPLICATIONS

- 7.1. There are no legal implications arising directly from approving the decision sought in this report, however failure to deliver an investment strategy could have implications on future Award of Funding agreements with Welsh Government.
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**APPENDICES:** None

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### STATUTORY OFFICERS RESPONSE:

- i. **Monitoring Officer – Host Authority:**  
No observations to add in relation to propriety.
  
- ii. **Statutory Finance Officer (the Host Authority’s Section 151 Officer):**  
I confirm part 6.1 of the report, namely that there are no financial implications arising directly from receiving this update. However, as part 4.4 – 4.5 of the report states, delivering the £ 1.1 billion Growth Deal will require total private sector investment of £722 million in some individual projects, and resources to achieve certain objectives. As section 6.3 of the report states, as the overall investment strategy is developed, the Portfolio Director will identify the financial implications to address this significant challenge.