



REPORT TO THE NORTH WALES ECONOMIC AMBITION BOARD
15 July 2022

TITLE: North Wales Growth Deal – Quarter 1 Performance Report
AUTHOR: Hedd Vaughan-Evans, Operations Manager

1. PURPOSE OF THE REPORT

- 1.1. The purpose of the report is to present the Quarter 1 (April-June) Growth Deal report and updated Portfolio Risk Register.
- 1.2. Quarterly reporting on progress against the North Wales Growth Deal is a requirement of the Final Deal Agreement. Following consideration by the North Wales Economic Ambition Board, the reports will be shared with Welsh Government, UK Government and the local authority scrutiny committees.

2. DECISION SOUGHT

- 2.1. That the Board consider and note the Quarter 1 Performance Report and updated Portfolio Risk Register.
- 2.2. That the Board note the work to reprofile the delivery plan as part of the Portfolio Business Case update and that this information will be available for the Quarter 2 report.
- 2.3. That the Board approves the submission of the Quarter 1 Performance Report to Welsh Government and UK Government, as well as the local authority scrutiny committees.

3. REASONS FOR THE DECISION

- 3.1. As stated in the report.

4. BACKGROUND AND RELEVANT CONSIDERATIONS

- 4.1. In December 2020, the 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 1 Performance Report
 - Portfolio Risk Register – June 2022

North Wales Growth Deal – Quarter 1 Performance Report

- 4.4. The Quarter 1 performance report provides an overview of progress on the Growth Deal programmes and projects.
- 4.5. This quarter saw the approval of another outline business case with the Enterprise Engineering and Optic Centre project by Wrexham Glyndŵr University securing approval to move to the next phase.
- 4.6. The Connecting the Last Few % project within the Digital Programme has made significant progress this quarter by completing its assurance process and securing endorsements from the Programme Board and Business Delivery Board ahead of presenting the outline business case to the Board in July for consideration.
- 4.7. The Quarter 1 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. Four 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. Project sponsor has requested additional time to complete the business case.
 - Key Strategic Site, Bodelwyddan – outline planning consent on the site has lapsed. Additional information has been requested from Denbighshire County Council on the likely planning policy position for the site moving forward and the timescales involved.
 - Glynllifon Rural Economy Hub – planning permission to be secured and potential funding gap due to escalating capital build costs.
 - Llysfasi Net Zero Farm – delay to project incorporating Gateway 2 review feedback.
- 4.8. First claim for the DSP project covering costs from January to the end of June expected in July 2022. The remaining expenditure in this financial year to date relates to the drawdown against the 1.5% allocation for Portfolio Management Office costs.

Portfolio Risk Register – June 2022

- 4.9. 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.
- 4.10. The risk register has been updated with a number of changes recorded in the document, including revised risk descriptions, revised scoring and mitigating actions, and the commentary has been updated for all risks.
- 4.11. The risk profile has remained stable over the past quarter. Affordability remains the biggest risk facing the portfolio with inflation, supply chain issues and construction cost increases the main factors driving this increase.
- 4.12. The risk of political change has decreased following the local government elections in May 2022.

5. FINANCIAL IMPLICATIONS

- 5.1. There are no financial implications arising directly from approving the decision sought in this report.
- 5.2. The report sets out that the delivery and expenditure profile is currently being updated as part of the annual update of the Portfolio Business Case and will be reported on from Quarter 2.

6. LEGAL IMPLICATIONS

- 6.1. There are no direct legal implications arising from the report.
- 6.2. Regular reporting on Growth Deal performance is part of the agreed governance framework and a key requirement of the Final Deal agreement.

APPENDICES:

Appendix 1	North Wales Growth Deal – Quarter 1 Performance Report
Appendix 2	Portfolio Risk Register – June 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.