



REPORT TO THE NORTH WALES ECONOMIC AMBITION BOARD
27th October 2023

TITLE: North Wales Growth Deal – Quarter 2 Performance and Risk Report
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1. PURPOSE OF THE REPORT

- 1.1. The purpose of the report is to present the Quarter 2 (July to September) 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 2 Performance Report and updated Portfolio Risk Register.
- 2.2. That the Board approves the submission of the Quarter 2 Performance Report to Welsh Government and UK Government, as well as the local authority scrutiny committees.

3. REASONS FOR THE DECISION

- 3.1. As stated in the report.

4. BACKGROUND AND RELEVANT CONSIDERATIONS

- 4.1. In December 2020, the Economic Ambition Board and the Welsh and UK Governments agreed the Final Deal Agreement for the North Wales Growth Deal.
- 4.2. Regular reporting on progress against the North Wales Growth Deal is a requirement of the Final Deal Agreement.
- 4.3. This report includes two appendices:
- North Wales Growth Deal – Quarter 2 Performance Report
 - Portfolio Risk Register – September 2023
- 4.4. [North Wales Growth Deal – Quarter 2 Performance Report](#)
- 4.4.1. The Quarter 2 performance report provides an overview of progress on the Growth Deal programmes and projects.

4.4.2. This quarter saw 5 new projects invited to join the Growth Deal:

- Responsible Adventure project by Zip World with a conditional allocation of £6.2m
- Kinmel Studios project by Stage Fifty with a conditional allocation of £6.8m
- Holyhead Hydrogen Hub project by Menter Môn with a conditional allocation of £3.8m
- Deeside Waste to Fuel Plant project by The Circular Economy Ltd with a conditional allocation of £6.4m
- Wrexham Gateway project by Wrexham County Borough Council with a conditional allocation of £4.79m

Work is ongoing onboarding the new projects, site visits have taken place to all 5 projects. These new projects will support our economy to thrive, create new jobs and deliver investment into North Wales.

4.4.3. On September 11th the Hydrogen Sponsor Challenge closed for applications. The evaluation process is underway, with a final decision anticipated in December 2023. Up to £11.2million of capital is available to enable industry demand for hydrogen.

4.4.4. The Quarter 2 update is showing projects reporting against the revised portfolio delivery profile approved by the Board. Five projects are currently reporting as red due to either risks to the project scope or significant delays to project timescales:

- Connecting the Last Few % - Procurement activity on the project has been suspended until UK Government confirms the launch date for its new intervention, expected to be confirmed in Q3 23/24 for launch in 2024. The UK Government intervention may remove the need for the Last Few % project.
- Western Gateway, Wrexham – a review of the project is required to assess its delivery considering the recommendations from the Road Review Panel and Welsh Governments four tests for highways investment.
- Former North Wales Hospital – the viability gap on the project has increased, there are ongoing discussions with the development partner on possible solutions.
- Glynllifon Rural Economy Hub – planning permission is yet to be secured. The pre-planning advised that further bat surveys are needed on land outside of the Glynllifon boundary. Further survey work is underway as requested by Natural Resources Wales and CADW.
- Centre for Environmental Biotechnology – project remains red due to repeated delays. The project is now moving in a positive direction with a business case now expected in early 2024.

4.5. Portfolio Risk Register – September 2023

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

4.5.2. The risk register has been fully updated with a number of changes recorded in the documents, including revised risk descriptions, revised scoring and mitigating actions, and the commentary has been updated for all risks.

4.5.3. While the risk profile has remained stable over the past quarter, the risk profile does remain high with a number of red residual risks including capacity, delay, affordability, public and

private sector investment, consenting and spending objectives. The risk on benefits realisation has increased due to a number of projects experiencing delays which will impact on the timing of benefits realisation. The risk on capacity has decreased due to the improved revenue position.

5. FINANCIAL IMPLICATIONS

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

6. LEGAL IMPLICATIONS

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

APPENDICES:

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

STATUTORY OFFICERS RESPONSE:

i. Monitoring Officer – Host Authority:

“It is one of the key tasks of the Economic Ambition Board to monitor progress and risks. The Board needs to consider the register and satisfy itself that it constitutes an accurate reflection of the risk status and that mitigation actions are being addressed.”

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

“I am satisfied that the report is a fair reflection of the financial situation of Ambition North Wales during quarter 2. Implementing the decision sought will not create a new spending commitment.”