



REPORT TO THE NORTH WALES ECONOMIC AMBITION BOARD
2nd February 2024

TITLE: North Wales Growth Deal – Quarter 3 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 3 (October to December) 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 3 Performance Report and updated Portfolio Risk Register.
- 2.2. That the Board approves the submission of the Quarter 3 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 3 Performance Report
 - Portfolio Risk Register – December 2023
- 4.4. North Wales Growth Deal – Quarter 3 Performance Report
 - 4.4.1. The Quarter 3 performance report provides an overview of progress on the Growth Deal programmes and projects.

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- 4.4.2. This quarter saw the approval of the updated Portfolio Business Case and the submission to Welsh and UK Governments as part of the annual award of funding process.
- 4.4.3. The Economic Ambition Board approved three project Outline Business Cases during the quarter. These were the Tourism Talent Network, Egni and Deeside Anaerobic Digestion Plant. The Board also approved the Full Business Case for the Enterprise Engineering and Optic Centre project, a significant milestone for the Growth Deal.
- 4.4.4. The Quarter 3 update is showing projects reporting against the revised portfolio delivery profile approved by the Board. Three 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 new proposed intervention by UK Government is likely to meet or improve upon the project's spending objectives.
 - Western Gateway, Wrexham – a review of the project is being undertaken to assess its delivery considering the recommendations from the Road Review Panel and Welsh Governments four tests for highways investment.
 - Glynllifon Rural Economy Hub – planning permission is yet to be secured. Survey work is underway as requested by Natural Resources Wales and CADW.

4.5. Portfolio Risk Register – December 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 affordability, capacity, delay, planning and statutory consents, public and private sector investment, and spending objectives. The risk on economic context has increased due to the developing global issues affecting supply chains and the energy market likely to affect costs in the short to medium term. The risk on delay remains red but has decreased due to the progress made during the quarter including the OBC and FBC approvals.

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:

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| Appendix 1 | North Wales Growth Deal – Quarter 3 Performance Report |
| Appendix 2 | Portfolio Risk Register – December 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 3. Implementing the decision sought will not create a new spending commitment. I will continue to assist the Portfolio Management Office in managing the relevant risks.”