



# Investing in North Wales

## Approach to secure investment



Uchelgais Gogledd Cymru  
Ambition North Wales

Version Control

Version	Date	Editor	Details
1.0	08/02/2024	Alwen Williams	1 <sup>st</sup> Draft

## CONTENTS

<b>1.</b>	<b>Purpose</b>	<b>1</b>
<b>2.</b>	<b>Introduction</b>	<b>1</b>
<b>3.</b>	<b>Strategic Overview</b>	<b>2</b>
	Growth Deal Programme Investment Breakdown	3
	Growth Deal Project Investment Breakdown	4
<b>4.</b>	<b>Investment Strategy Principles</b>	<b>5</b>
<b>5.</b>	<b>Investment Landscape</b>	<b>6</b>
<b>6.</b>	<b>Investment Action Plan</b>	<b>7</b>
	Objectives	7
	Approach and Action Plan	8
<b>7.</b>	<b>Budget and Resource Requirements</b>	<b>12</b>
<b>8.</b>	<b>Results Measurements</b>	<b>12</b>
<b>9.</b>	<b>Risks and Mitigating Measures</b>	<b>13</b>
<b>10.</b>	<b>Governance</b>	<b>13</b>
<b>11.</b>	<b>Reporting, Measurement and Monitoring</b>	<b>13</b>
<b>12.</b>	<b>Conclusion</b>	<b>13</b>
<b>APPENDICES</b>		<b>14</b>
	APPENDIX 1: SWOT ANALYSIS	14

# 1. Purpose

- 1.1 This document outlines the portfolio level strategy, principles, and plan, adopted by the Portfolio Management Office (PMO), to coordinate and manage activity by partners and project sponsors to leverage the required private sector investment for the £1bn North Wales Growth Deal. The strategy also acknowledges the broader investment opportunities for the region.
- 1.2 It builds on the publication of Welsh Government's new Economic Mission: Priorities for a Stronger Economy<sup>1</sup> which outlines the focus required for a stronger, fairer, and greener Welsh economy, aimed at giving young people the confidence to plan ambitious futures in Wales. The Growth Deal is a demonstration of joint working across governments, public sector, and the private sector to build a more prosperous economy based on sustainable jobs and fair work.
- 1.3 A research project, conducted by Savills consultancy, was commissioned to inform this regional investment approach. Key insights and recommendations are made to identify, unlock, and capture private sector investment into a wide range of economic opportunities. Savills conducted extensive stakeholder engagement which has led to the development of seven key investment principles that underpin our strengths and opportunities for investment. The research assessed the economic, investment and property market.

# 2. Introduction

- 2.1 Ambition North Wales has a long association and relationship with the private sector. The North Wales Mersey Dee Business Council were a key partner in developing the Growth Deal's portfolio until late 2020 when Covid re-prioritised their attention. The Business Delivery Board, as an advisory body, is represented by founders and senior members of private sector organisations across key industry sectors and it is instrumental within the Growth Deal's delivery structure. And the North Wales Regional Skills Partnership which sits within Ambition North Wales has a broad reach into industry and education to inform our skills and employability plans. This collaboration fosters alignment between the Growth Deal's projects and the business sectors in North Wales.
- 2.2 UK and Welsh Government have jointly committed, by means of the Growth Deal agreement, to invest £240million of capital to help unlock the potential in the North Wales economy. A further £760million of additional capital is targeted from other public and private sector sources. The investment will collectively contribute to the region's economic growth by 2036.
- 2.3 The Growth Deal is a long-term, large, and diverse portfolio of transformational projects which will evolve and change over time. The portfolio will continue to evolve and as such the investment strategy and plan is agile and can flex to respond to project level change i.e., projects dropping out or ceasing to be feasible.

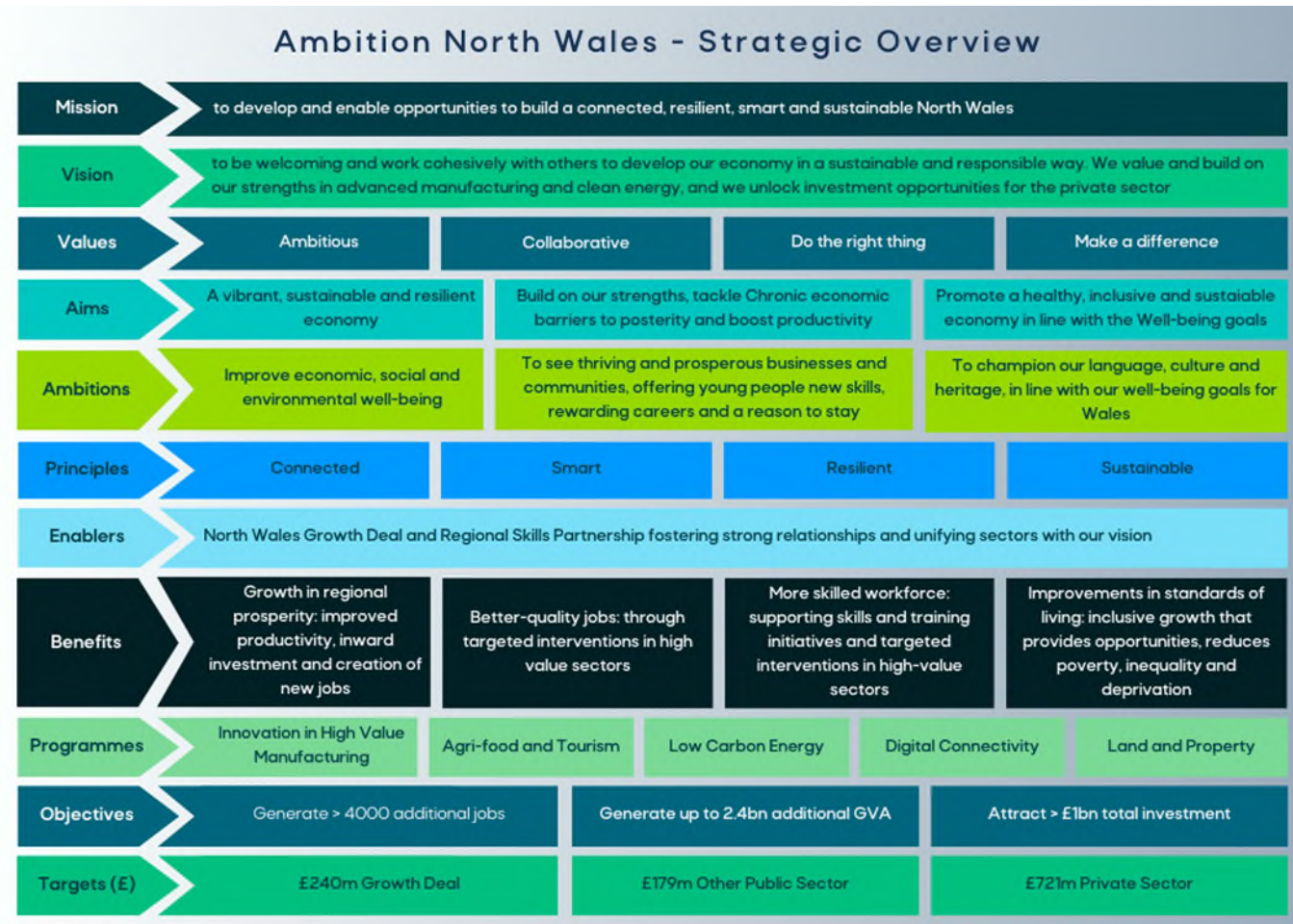
---

<sup>1</sup> Welsh Government: Economic mission: priorities for a stronger economy - [Economic mission: priorities for a stronger economy](#)

### 3. Strategic Overview

3.1 Ambition North Wales under the leadership of the Economic Ambition Board has set out its strategic overview all of which is underpinned by the overarching vision, mission, and values.

Diagram 1: Strategic Overview summary



## Growth Deal Programme Investment Breakdown

3.2 The North Wales Growth Deal is contributing to achieving the vision through a portfolio of five programmes, each comprising a set of projects. The Portfolio Business Case sets out the investment objectives for the North Wales Growth Deal, which are to:

- create up to 4,200 new jobs.
- add to the economy up to £2.4bn in net additional GVA.
- deliver total investment of over £1bn.

Successful delivery of these objectives requires a strong and collaborative partnership with Governments and the private sector.

3.3 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 programme

3.4 The Growth Deal aims to maximise investment across the portfolio to achieve sustainable economic growth for North Wales.

A breakdown of the forecasted investment split is presented in Table 1.1

Programmes	Growth Deal Investment (£m)	Other Public Sector Investment (£m)	Private Sector Investment (£)	Total Capital Investment (£m)
Digital Programme	36.7	0.1	0.4	37.2
Low Carbon Energy Programme	78.5	247.8	157.0	483.3
Land and Property Programme	82.7	2.0	362.2	446.9
Innovation in High Value Manufacturing Programme	14.5	5.4	0.0	19.9
Agri-food and Tourism Programme	22.5	11.7	8.0	42.2
<b>GROWTH DEAL TOTAL</b>	<b>234.8</b>	<b>267.0</b>	<b>527.6</b>	<b>1029.5</b>

\* Remainder of £240m is allocated to support the Portfolio Management Office

Table 1.1: Growth Deal programme – required funding breakdown.



3.5 The Growth Deal, serving as a catalyst for long-term economic prosperity, is reliant on investment as outlined from the public and private sector. This joint financial commitment is crucial to enhance the region’s infrastructure, thereby creating a more attractive opportunity for the business sector. This approach not only amplifies our regional strengths but also significantly boosts our competitiveness within the UK wide and Global market. The Growth Deal lays a solid foundation for the North Wales economy to thrive and deliver social, economic, and environmental benefits that surpass its initial investment objectives.

### Growth Deal Project Investment Breakdown

3.6 The Growth Deal comprises 23 projects across the five programmes. Their primary driver is to deliver long-term economic and social benefits to North Wales in line with the strategic outcomes set out in the portfolio business case.

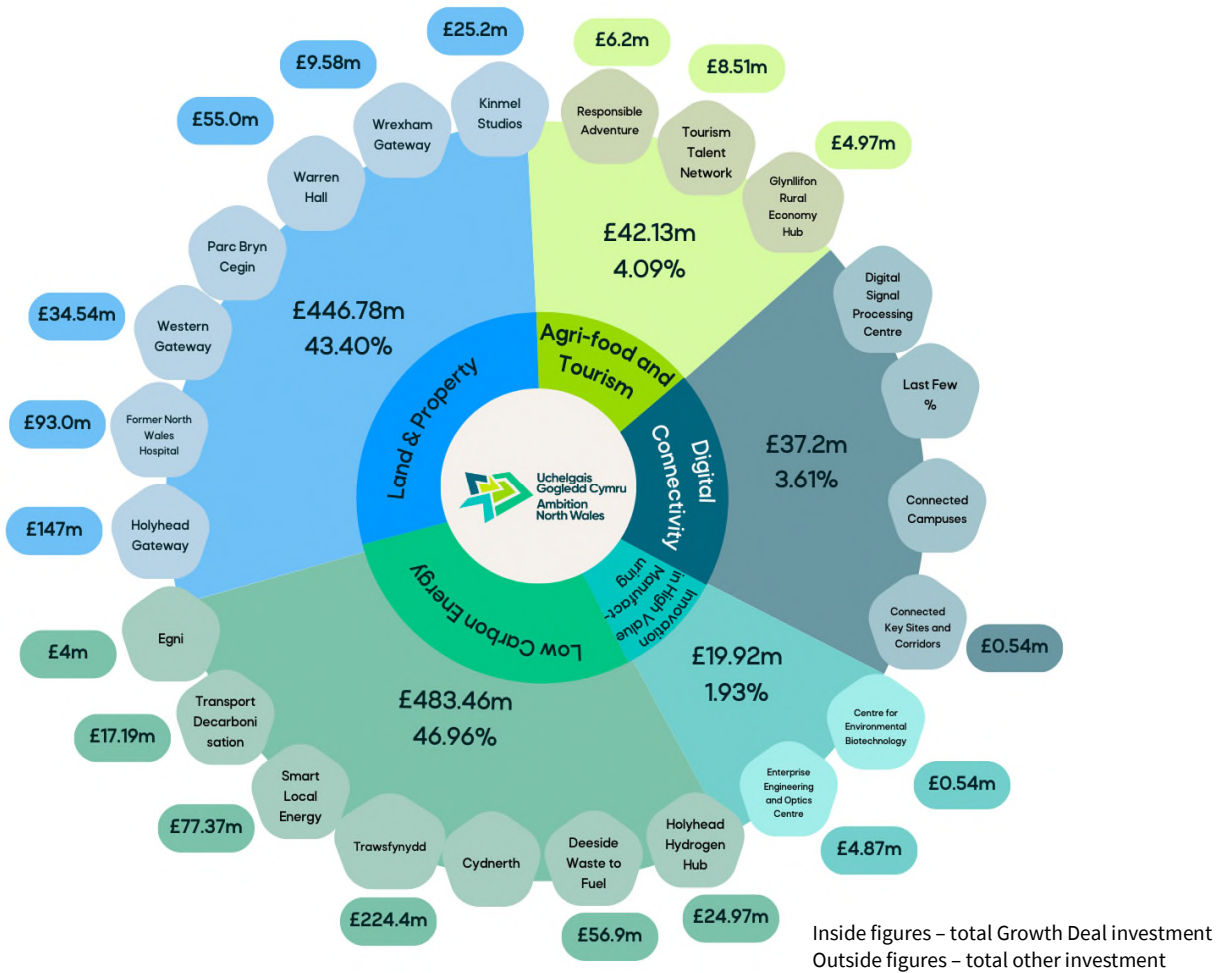


Diagram 2: Project investment breakdown

3.7 A total of £760 million of other public and private sector investment is required to achieve the portfolio investment target of £1billion. The Low Carbon Energy programme and projects will deliver 58 percent of this target and Land and Property 32 percent. The remaining 10 percent is split across the other three programmes.

3.8 The Portfolio Business Case<sup>2</sup> (Table 1.4) outlines the rationale and process, during 2023, which led to a recommendation for five new projects to receive Growth Deal funding, subject to business case approval. The five new projects were recommended for support following assessments against the investment return, net jobs, quality, financial due diligence, and subsidy control information. This illustrates the changing nature of the Growth Deal’s portfolio.

3.9 The Portfolio Business Case’s financial case (Section 4) outlines the key capital requirements at a project level, including a project level breakdown of the private sector investment position. Changes in the programme expenditure profile, summarised in Diagram 3, demonstrates the impact of the project changes, approvals, and project delays. The Growth Deal is still on track to meet the investment target (£1bn); however, this is now forecast to be reached in 2032/33, rather than in 2027/28 as set out in the 2021 portfolio profile.

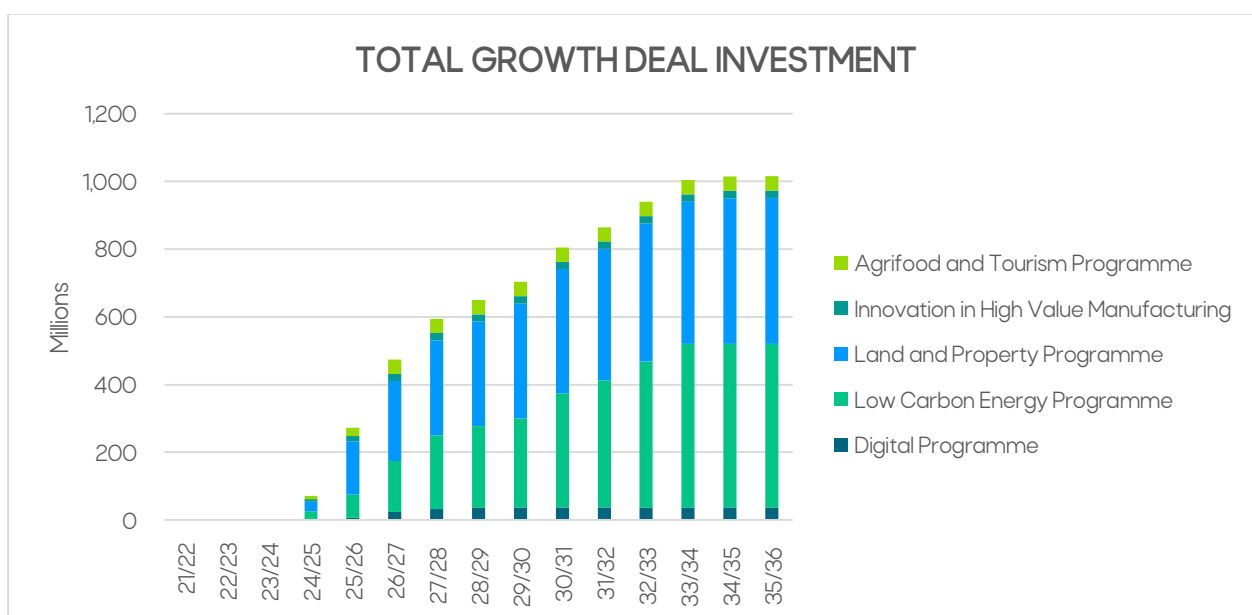


Diagram 3: Programme expenditure profile

## 4. Investment Strategy Principles

4.1 The following key principles found the strategy for investment and wider regional economic sustainable development in North Wales. Each serves as a guide to underpin our strengths and opportunities for investors.

4.2 Drive **collaboration** – Ambition North Wales plays a pivotal role in unifying regional stakeholders – to present a cohesive, collaborative ‘Team North Wales’s welcome for potential investors, to build relationships and leverage cross-border opportunities.

<sup>2</sup> The Portfolio Business Case is not a public document due to commercially sensitive information.



- 4.3 Build **on our strengths** – we prioritise our people, skills, culture, language, and heritage, and capitalise on our industrial and low-carbon energy sectors, inviting investors to join us to create impactful partnerships that emphasise social value and community benefits.
- 4.4 Promote **our magnet sites as foundations for regional growth** – highlighting their potential for new investments, skills, and collaborations, and demonstrating our readiness for business.
- 4.5 Enhance **our visibility to unlock investment** – we commit to developing and marketing strategic investment opportunities, actively promoting them to bridge information gaps and empower confident and effective investor engagement.
- 4.6 Build **opportunities of scale** – we aim to target a broad spectrum of investors, from local to international. By packaging schemes to create opportunities of significant scale we can achieve projects likely to appeal in a wider investor market.
- 4.7 Promote **our town centres** – dynamic town centres are crucial to support the development of year-round economies and address labour market challenges. We will actively promote the opportunity for investment and ongoing partnerships that are transforming our towns.
- 4.8 Cultivate **opportunity through strategic development** – we commit to reversing the trend of population decline and outmigration of skilled people by co-creating and delivering strategic development and regional transport plans that create thriving, accessible and well-connected communities.

## 5. Investment Landscape

5.1 Savills Consultancy were appointed to conduct an Investment Research Analysis to inform development of this strategy. The analysis focuses on the current investment market, barriers to investment, and suggests a range of interventions that may support Ambition North Wales and partners unlock further investment. While there is a focus on Growth Deal areas there is a broader scope for the recommendations to consider investment opportunities across the whole of the North Wales economy.

### 5.2 Barriers to Investment in North Wales

The research has identified several barriers to private sector investment in North Wales. They include:

- **Scale and Value** – Limited scale or limited focus on high value opportunities that attract investors to break into a new market, or make the case for long term investment (e.g. Grade A space, or £500m + investments etc);
- **Risk and uncertainty** – Limited market evidence of demand, delivery, or high values being unlocked can increase risk for developers considering increasing costs and limited labour force and supply chain issues.
- **Information and knowledge gaps** – Poor understanding of current assets, the routes to delivery for major projects, funding gaps, or the scale of investment potential and impact.

- **Specialist nature of some opportunities** – Many of the large-scale opportunities are very specialised in advanced manufacturing, emerging low carbon projects, or digital technologies that require specialist advice to understand the investment pipeline and profile.
- **Coordination across public sector** – Gaps in the links between local, regional, and national government in coordinating support, and delivering support at scale and in a targeted way.
- **Speed of response** – Potential delays in decision making, timeframes to respond, or certainty of direction may have resulted in opportunities going elsewhere.
- **Public investment** – Perceptions of limited public investment in placemaking place quality, or delivery of allocations to support growth.

## 6. Investment Action Plan

### Objectives

- 6.1 The following objectives aim to effectively encourage regional collaboration and seek to identify opportunities and potential threats associated with securing private sector investment in North Wales.

INVESTMENT STRATEGY OBJECTIVES	
Title	Aim
1. <b>Research Analysis</b>	Commission an independent investment research analysis study in 2023 to inform a more detailed regional action plan. The action plan should be founded on the key investment principles and identified by impact, cost, and timeframe to support delivery of the private sector investment required for successful delivery of the Growth Deal and wider investment opportunities.
2. <b>Investment Principles</b>	Agree the Growth Deal principles for investment.
3. <b>Investment Group</b>	Establish a Private–Public sector Stakeholder Investment Group to drive forward the investment opportunities
4. <b>Communications and Engagement</b>	Devise, adopt and execute a communications and engagement plan to drive investment in North Wales
5. <b>Marketing Communications</b>	Commission a North Wales investment prospectus which communicates a clear and compelling message to promote and encourage investment.
6. <b>Investment Toolkit</b>	Create a knowledge bank of tools to aid with the investment process.
7. <b>Investment Framework</b>	Develop an investment framework for North Wales to help perspective investors make informed decisions based on the investment opportunities within the region.

- 6.2 Successfully delivering on these objectives will ensure there is an informed cohesive approach to securing the required investment.

## Approach and Action Plan

### 6.3 Investment Strategy Objective 1

Research Analysis	Expected date of completion
Undertake/Commission an investment research analysis study to identify: <ul style="list-style-type: none"> <li>• The socioeconomic baseline and understanding of the investment landscape.</li> <li>• Barriers to investment</li> <li>• Investment principles</li> <li>• Ways of working to leverage investment.</li> <li>• North Wales investment opportunities</li> </ul>	13/12/2023
Progress achieved	Status
Research analysis completed December 2023.	Complete
RAG Status	100%

### 6.4 Investment Strategy Objective 2

Investment Principles	Expected date of completion
The Growth Deal investment principles will seek to secure sustainable ethical investment which is resilient and safeguards the region's economic growth	13/12/2023
Progress achieved	Status
Investment principles achieved board support 15 December 2023	Complete
RAG Status	100%

### 6.5 Investment Strategy Objective 3

Investment Group	Expected date of completion
To establish a Private-Public sector Stakeholder Investment Group to drive forward the investment opportunities for North Wales. The	2024

<p>dynamics and diversity of the group will enhance the collective knowledge gained. To achieve this, we will ensure we:</p> <ul style="list-style-type: none"> <li>• work with existing members of the Business Delivery Board (BDB), the Confederation of British Industry (CBI), the Federation Small Businesses (FSB), the Executive Group for Ambition North Wales, and both UK and Welsh Government to gain insights and understanding about investors and potential partners. An institutional mapping exercise will help identify and understand the channels for possible investment, future partnerships, and key relationships.</li> <li>• draw on the Growth Deal’s Business Delivery Board for their collective and individual expertise as business owners/representatives, employers, ambassadors, activators, and influencers to drive forward the investment needs, identify potential opportunities and promote North Wales as an Economy to invest in.</li> <li>• allocate and agree roles and responsibilities ensuring risks and benefits associated with the investment at Portfolio, Programme and Project level are managed appropriately.</li> <li>• collaborate with members that are supportive and influential and able to champion and challenge assumptions and provide other options and solutions.</li> </ul>	
<b>Progress achieved</b>	<b>Status</b>
Terms of reference to be drafted.	Not started
<b>RAG Status</b>	

6.6 Investment Strategy Objective 4

<b>Communications and Engagement</b>	<b>Expected date of completion</b>
<p>To put in place a targeted plan for attracting investment and ensure that this is appropriately adopted by regional stakeholders, including the Portfolio Management Office, the Economic Ambition Board, and its partners. The plan will bring together engagement and communication activities and present a joined-up approach that:</p> <ul style="list-style-type: none"> <li>• invests time to build relationships and trust by timetabling regular consultations about investment.</li> </ul>	2024

<ul style="list-style-type: none"> <li>• provides a platform for discussion, collaboration, engagement and learning.</li> <li>• ascertains and defines measurable results to ensure effectiveness and continued adaptation and learning.</li> <li>• agrees the communications channels to be used for the target audiences.</li> <li>• embeds the agreed investment plan into the overarching communications strategy and plan managed by the Regional Portfolio Management Office.</li> </ul>	
<b>Progress achieved</b>	<b>Status</b>
Objective not started.	Not started
<b>RAG Status</b>	

6.7 Investment Strategy Objective 5

<b>Marketing Communications</b>	<b>Expected date of completion</b>
<p>The investment prospectus will showcase the regions unique selling points and opportunities as well as communicate a clear and compelling message that promotes and encourages the inward investment. The potential investor will understand the reasons to invest in North Wales which include:</p> <ul style="list-style-type: none"> <li>• other investments</li> <li>• digital connectivity</li> <li>• transport links</li> <li>• quality of life</li> </ul>	2024
<b>Progress achieved</b>	<b>Status</b>
Objective not started. Funding to be identified and secured.	Not started
<b>RAG Status</b>	

6.8 Investment Strategy Objective 6

<b>Investment Toolkit</b>	<b>Expected date of completion</b>
---------------------------	------------------------------------

<p>The knowledge bank will inform potential investors of the opportunities available and provide a library of relevant documentation, information, support and advice as determined by the Stakeholder Investment Group. This will provide a shared understanding of the investment expectations and seek to create favourable conditions for investors. In effect this will be a one stop shop/portal providing a hub of information to forearm investors and potentially alleviate some of the associated commercial risk.</p> <ul style="list-style-type: none"> <li>• investor enquiry points of contact</li> <li>• relevant key policies</li> <li>• signposting links to financial aid, grants, challenge funds and loans</li> <li>• inspiring case studies from the region’s successful investors</li> <li>• details of potential partner collaborations</li> <li>• connecting investors to appropriate local networks</li> </ul>	
<b>Progress achieved</b>	<b>Status</b>
Objective not started. Funding to be identified and secured.	2024
<b>RAG Status</b>	

6.9 Investment Strategy Objective 7

<b>Investment Framework</b>	<b>Expected date of completion</b>
<p>The investment framework will outline the investment required by the Growth Deal Portfolio which will be mapped against:</p> <ul style="list-style-type: none"> <li>• any secured investment and potential investment opportunities available</li> <li>• help to identify and focus efforts on any investment gaps.</li> <li>• cross reference potential investors with investment opportunities.</li> <li>• score potential investors using a due diligence risk assessment methodology which measures the potential likelihood of investment.</li> <li>• mitigations and alternative options at Programme and Project level</li> <li>• enable regularly reporting.</li> <li>• highlight where investment is needed, and efforts are required.</li> </ul>	2024
<b>Progress achieved</b>	<b>Status</b>



Objective not started. Funding to be identified and secured.	Not started
<b>RAG Status</b>	

## 7. Budget and Resource Requirements

7.1 **Budget** and resources to support Private Sector Investment (coordination, oversight, management)

- The development and execution of this strategy will require joint working, particularly as the strategy’s scope is broader than the private sector investment required to deliver the Growth Deal projects.
- Budget and resources required to deliver against each of the objectives will be developed in greater detail within the detailed plan.
- Specific funding of £25,000 to commission an Investment Prospectus has been outlined as an ask of Welsh Government within the North Wales Economic Recovery Prospectus.

7.2 **Budget** assumptions and main sources of financing (including any plans for external funding, and arrangements to secure long-term financial sustainability)

- Budget will be required, particularly with regards to developing regional investment marketing materials, the investment toolkit and the investment framework.
- Budget and resources will be scoped in further detail in alignment with the plan

## 8. Results Measurements

8.1 The monitoring and evaluation activities should be developed further in consultation on this draft strategy. This includes the development and agreement of:

- Participatory methods/mechanisms to be used to measure and evaluate effectiveness and impact.
- Key indicators to be tracked (including business benefits) and baseline data required.
- Resource and budget requirements

Likely activities to be included are:

- Investor satisfaction survey and feedback
- Number of investors supported.
- Value of investment secured (Growth Deal/Non-Growth Deal)
- Number of investor events held.

## 9. Risks and Mitigating Measures

9.1 A risk assessment will be completed and updated regularly to identify the risks associated with any potential investment. This will aid the Portfolio Management Office to plan in the event the investment does not materialise and ensure mitigating actions to ensure that other sources of investment are identified are implemented. Risks and mitigations on investment aligned with the Growth Deal projects will be updated in line with the Programme and Project Management framework adopted by the Portfolio Management Office. Possible risks include:

- Who does the risk effect?
  - Growth Deal
  - North Wales Residents
  - Welsh Economy GVA
  - Businesses
  - Environment
- Type of risk
  - Growth Deal
  - North Wales Residents
  - Welsh Economy GVA

## 10. Governance

10.1 The Portfolio Management Office and ultimately Project Sponsors will be responsible for securing and monitoring the level of investment required. For projects within the North Wales Growth Deal, there are well established governance arrangements in place.

## 11. Reporting, Measurement and Monitoring

11.1 A series of reporting templates will be developed and used to measure and record the identified investment. Ongoing monitoring and evaluation to identify funding gaps will ensure that mitigating actions can be developed to respond to these gaps. For projects within the North Wales Growth Deal there are well established reporting and monitoring arrangements in place.

## 12. Conclusion

12.1 The draft investment strategy puts forward an approach to pull together key information and resources that will support North Wales as a region to develop understanding of the investor market, develop key relationships and identify possible sources of private sector funding for the Growth Deal and other investment opportunities in North Wales.

# APPENDICES

## APPENDIX 1: SWOT ANALYSIS

The SWOT matrix sets out the strengths, weaknesses, opportunities, and threats identified to inform the approach to securing the required private sector investment for the North Wales Growth Deal.

Strengths	Weaknesses
<ul style="list-style-type: none"> <li>• Long established partnership in Ambition North Wales</li> <li>• Investment in a central PMO team to drive delivery with partners</li> <li>• Land availability in North Wales</li> <li>• Nodes of core economic activity and major employers in advanced industry</li> <li>• Attractive historic towns</li> <li>• Quality of Life</li> <li>• Cultural and heritage assets</li> <li>• Environmental and sustainability assets</li> <li>• Natural assets, mountains, coast, countryside to attract residents</li> <li>• A portfolio level investment target allows for programmes and projects to share the risk</li> <li>• Education and skills assets</li> <li>• Sectoral regional analysis informs the strategy and plan<sup>3</sup></li> <li>• Connectivity - infrastructure, digital connectivity, and natural capital</li> <li>• Clusters of expertise across the region</li> </ul>	<ul style="list-style-type: none"> <li>• Ageing population</li> <li>• Low employment activity</li> <li>• High deprivation and social challenges in places</li> <li>• Limited economic diversity</li> <li>• Historic growth in low value or transitioning industries</li> <li>• Limited development pipeline</li> <li>• Lack of agglomeration</li> <li>• Potential structural challenges to support inward investment (e.g. planning, schooling, second home restrictions)</li> <li>• Coordination across public sector</li> <li>• Speed of response and funding decisions - not attractive to private sector</li> <li>• Low understanding in the private sector with regards to developing Five Case business cases</li> <li>• Differing experiences of accessing public funding by the private sector</li> <li>• Lack of PMO resource for business development and management of private sector/investor relationships</li> <li>• Lack of a coherent regional approach to inward investment (with both Governments and Local Government stakeholders)</li> </ul>

<sup>3</sup> Independent analysis conducted by Savills Consultancy during 2023

	<ul style="list-style-type: none"> <li>• Demand on existing resources focused on delivery</li> <li>• Two of the five Growth Deal programmes carry over 90 percent of the overall Private Sector Investment target</li> </ul>
<b>Opportunities</b>	<b>Threats</b>
<ul style="list-style-type: none"> <li>• Major assets to build on and leverage growth</li> <li>• Agile/Flexible working – footloose industry and labour could support population growth and in-migration</li> <li>• Migration to take advantage of quality-of-life benefits</li> <li>• Affordability – more affordable homes, value for money, lower cost development sites and commercial properties</li> <li>• Learn from other Growth Deals i.e., value of MIPIM, UKREiF</li> <li>• Co-production of regional investor prospectus and marketing collateral</li> <li>• Develop a regional vision for investment</li> <li>• Engage with existing businesses to support growth and retention</li> <li>• Encourage feedback from existing businesses and listen/respond to it</li> <li>• Encourage more private sector led approach to attracting regional investment (Business Delivery Board)</li> <li>• Focus on investment that can contribute towards decarbonisation targets</li> </ul>	<ul style="list-style-type: none"> <li>• Potential to be left behind, leading to further generational decline and negative social and economic impacts</li> <li>• Ageing population placing pressure on service</li> <li>• Affordability placing pressure on housing for residents</li> <li>• Inward migration could impact traditional communities</li> <li>• Organic growth is insufficient</li> <li>• Profile, and opportunities not realised</li> <li>• Uncertainty regarding energy policy decisions at UK Government. The Trawsfynydd project carries £360m of the overall target</li> <li>• Missed opportunities due to uncoordinated response to enquiries</li> <li>• Competition for private sector investment across City &amp; Growth Deals in Wales</li> <li>• Welsh Government are overly focused on attracting investment into South Wales – North Wales voice/opportunities muted</li> <li>• Differing funding mechanisms available in other Growth Deals (Phase 1) i.e. CCR can offer capital from key funds – five case business case on the fund rather than the project</li> <li>• Investors lose interest due to costs and slow democratic process</li> <li>• Potential threat of the levelling up agenda focusing investment into English regions</li> </ul>