Cyd-Bwyllgor Corfforedig
Gogledd Cymru
North Wales
Corporate Joint Committee

# ECONOMIC WELL-BEING SUB-COMMITTEE

## 3rd October, 2025

**TITLE:** North Wales Growth Deal – Quarter 1 Performance and Risk Report

**AUTHOR:** Hedd Vaughan-Evans, Head of Operations

## 1. PURPOSE OF THE REPORT

1.1. The purpose of the report is to present the Quarter 1 (April to 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 Economic Well-being Sub-Committee, the reports will be shared with Welsh Government, UK Government and the local authority scrutiny committees.

## 2. DECISION SOUGHT

2.1. That the Sub-Committee consider and note the Quarter 1 Performance Report and updated Portfolio Risk Register.

2.2. That the Sub-Committee approves the submission of the Quarter 1 Performance Report to Welsh Government and UK Government, as well as the local authority scrutiny committees.

## 3. REASON FOR THE DECISION

3.1. As stated in the report.

## 4. BACKGROUND AND RELEVANT CONSIDERATIONS

4.1. In December 2020, Ambition North Wales 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 2025

4.4. <u>North Wales Growth Deal – Quarter 1 Performance Report</u>

4.4.1. The Quarter 1 performance report provides an overview of progress on the Growth Deal programmes and projects.

4.4.2. At the beginning of the quarter, the Portfolio Management Office Team, the Growth Deal and it's funding transferred into the North Wales Corporate Joint Committee under the brand name Ambition North Wales. The Growth Deal is now overseen by the Economic Well-being Sub-Committee within the wider Corporate Joint Committee governance structure.

4.4.3. During the quarter, the Economic Well-being Sub-Committee approved two Full Business Cases, for the 4G+ Project and the Smart Local Energy project (now named the Clean Energy Fund). Approval was also given for the Theatr Clwyd Business Justification Case – part of the Tourism Talent Network project.

4.4.4. The loan agreement for the Cydnerth project was officially completed and signed between Ambition North Wales and Menter Môn, and the first drawdown of funding was processed.

4.4.5. A number of key decisions were taken by the Economic Well-being Sub-Committee to progress the delivery of the Growth Deal at pace. The Portfolio Management Office carried out a Portfolio Review focussing on five projects that had been reporting red, as well as four projects reporting amber. The Economic Well-being Sub-Committee approved a decision to:

- Withdraw two projects from the Growth Deal, namely the Last Few % project and the Full Fibre projects.
- Withdraw the Trawsfynydd project from the Growth Deal, and add an alternative scheme for Trawsfynydd onto the Reserve List.
- Move the Kinmel Studios and New-H2 projects to the reserve list.

4.4.6. In May, the Economic Well-being Sub-Committee agreed to invite 17 projects to join the Growth Deal Reserve List following the completion of an Expression of Interest process.

4.4.7. A Streamlined Assurance and Approval process was agreed by the Sub-Committee and both Governments, with a more risk-based approach that mirrors the approach by Government.

4.4.8. The Quarter1 performance report includes information on projects reporting against the portfolio delivery profile. Four projects are reporting as red at the end of the quarter and are currently under review. The projects reporting red currently are:

- Holyhead Hydrogen Hub – Project under review whilst key outstanding matters and risks are discussed/resolved.
- Western Gateway – Project under review, pending the assessment of the WELTaG Lite report.
- Warren Hall – Project under review, pending the airfield safety case being fully assessed and agreed.
- Holyhead Gateway – Project under review, pending the outcome of Stena Line's commercial negotiations with end user of new port areas.

4.4.9. On approval of the Cydnerth Full Business Case in February 2025, the Economic Ambition Board requested an update report on the Cydnerth project progress within 6 months. Appendix 3 provides a summary of the progress made since Full Business Case approval.

4.5. <u>Portfolio Risk Register – June 2025</u>

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 Economic Well-being Sub-Committee (previously the North Wales Economic Ambition Board) on a quarterly basis.

4.5.2. The risk register has been fully reviewed by the Portfolio Management Office, with changes recorded in the documents, including mitigating actions and the comments updated.

4.5.3. There were two changes to the residual risks this quarter. The residual risk for 'Delay' decreased following the Portfolio Review and the withdrawal of projects and moving projects that were reporting red to the reserve list. The residual risk on 'Planning and Statutory Consents' increased as the process to upgrade water treatment works to mitigate phosphates from their discharges is taking longer and this is now impacting planning applications, no Growth Deal projects are currently affected by this.

4.5.4. While the risk profile has remained stable overall during the past quarter, the risk profile does remain high with a number of red residual risks including affordability, planning and statutory consents, private sector investment and spending objectives.

## 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 1 Performance Report |
| Appendix 2 | Portfolio Risk Register – June 2025 |
| Appendix 3 | Cydnerth Interim Project Update |

---

## STATUTORY OFFICERS RESPONSE:

### i. Monitoring Officer:

"It is one of the key tasks of the Economic Well-being Sub-Committee to monitor progress and risks. The Sub-Committee 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:

"I am satisfied that the report is a fair reflection of the financial situation of Ambition North Wales during quarter 1. 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."