



ECONOMIC WELL-BEING SUB-COMMITTEE

5th December, 2025

TITLE: Portfolio Business Case Update 2025 and Overarching Business Plan

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1. PURPOSE OF THE REPORT

- 1.1. The purpose of the report is to present the 2025 update of the Portfolio Business Case, the 2026-2030 Overarching Business Plan and the outcome of the 2025 Portfolio Assurance Review for the North Wales Growth Deal.
- 1.2. It is a requirement of the Final Deal Agreement that the Portfolio Business Case is updated on an annual basis and submitted to Welsh Government and UK Government as part of the annual award of funding process.
- 1.3. It is a requirement set out in the Delivery and Funding Agreement (previously Governance Agreement 2) for the partners of the North Wales Growth Deal to update the Overarching Business Plan every five years.

2. DECISION SOUGHT

- 2.1. That the Sub-Committee approve the 2025 update of the Portfolio Business Case and its submission to Welsh Government and UK Government as part of the annual award of funding process.
- 2.2. That the Sub-Committee request that the Portfolio Director submit all required documentation and change request form to Welsh and UK Government as part of the annual award of funding process and delegate to the Portfolio Director, in consultation with the Chair, Vice Chair, the Monitoring Officer and the S151 Officer, authority to negotiate with Welsh Government and UK Government on the timing of the award of funding and to make any minor amendments as requested by either government.
- 2.3. That the Sub-Committee approve the updated Overarching Business Plan 2026-2030 that sets out the arrangements for delivering the North Wales Growth Deal.
- 2.4. That the Sub-Committee notes the verbal update on the 2025 Portfolio Assurance Review and requests that the Portfolio Director develop an action plan to address the recommendations.

3. REASON FOR THE DECISION

- 3.1. As stated in the report.

4. BACKGROUND AND RELEVANT CONSIDERATIONS

4.1. Portfolio Business Case

- 4.2. In December 2020, Ambition North Wales and the Welsh and UK Governments agreed the Final Deal Agreement for the North Wales Growth Deal.
- 4.3. The annual update of the Portfolio Business Case is a requirement of the Final Deal Agreement. The 2025 update is based on a streamlined format agreed with Welsh Government and UK Government to capture key changes since the last iteration.
- 4.4. The business case and appendices have been fully reviewed with the key changes outlined in the tables below:

Case	Summary of key changes
Strategic Case	<ul style="list-style-type: none">• Details of new (since 2024 update) policies and strategic initiatives relevant to the portfolio were added. See table 1.1• Details of changes to the macro-economic context were added. See table 1.2• Updated major risks table 1.4• A summary of further minor changes to the portfolio strategic case has been provided. See table 1.5
Economic Case	<ul style="list-style-type: none">• Eight projects received FBC approval;<ul style="list-style-type: none">○ Parc Bryn Cegin (Land and Property Programme) OBC was approved in December 2024, closely followed by the FBC in February 2025.○ Cydnerth project (Low Carbon Energy Programme) was approved in February 2025.○ 4G+ (Digital Connectivity programme) was approved in April 2025.○ Smart Local Energy FBC Approved in May 2025.○ Advanced Wireless (Digital Connectivity programme) was approved in July 2025.○ Freeport Gateway (Land and Property Programme) BJC+ approved in October 2025.○ Gogledd Môn Sites and Premises (Land and Property Programme) BJC+ approved in October 2025.○ Society 5.0 (Innovation in High Value Manufacturing Programme) BJC+ approved in October 2025.• Three OBCs received approval:<ul style="list-style-type: none">○ Responsible Adventure project (Agri-food and Tourism programme) was approved in February 2025.○ Project Prince (Innovation in High Value Manufacturing Programme) approved in October 2025.

	<ul style="list-style-type: none"> ○ Venue Cymru (Agri-food and Tourism programme) OBC was approved in November 2025. • The results of the approved BJC for the Sheep Milk Wales part of the Glynllifon Rural Economy Hub (Agri-food and Tourism programme) have also been used to inform the updates to the Economic Case. • The Economic Case has been updated to take account of projects withdrawn from the Growth Deal or moved to the Reserve List as well as Best/Medium/Worst Case scenarios for the reallocation of unallocated funding to Reserve List projects. • Other projects have seen delays affect the profile of costs and benefits.
Commercial Case	<ul style="list-style-type: none"> • There has been minimal change to the commercial case of the portfolio. • Eight project procurements have taken place in the last 12 months, which include: Glynllifon Rural Economy Hub, Centre for Environmental Biotechnology+, Cydnerth, Clean Energy Fund, Egni, LPWAN, 4G+ and the Digital Signal Processing Centre. • Procurement has also taken place for Shared Prosperity Funded workstreams including Clean Energy Feasibility (Low Carbon Energy Programme), Mobile Network Survey Equipment (Digital Connectivity Programme), Smart Agriculture IoT trials (Digital Connectivity Programme). These procurements add value and inform projects within the Low Carbon Energy programme and Digital Connectivity programme.
Financial Case	<ul style="list-style-type: none"> • The financial case has been updated with charts and tables, to account for the approved OBCs, BJCs and FBCs. • The Financial Case has been updated to take account of projects withdrawn from the Growth Deal or moved to the Reserve List as well as Best/Medium/Worst Case scenarios for the reallocation of unallocated funding to Reserve List projects.
Management Case	<ul style="list-style-type: none"> • Provided updates to the Growth Deal Delivery Structure, following the establishment of the North Wales Corporate Joint Committee, including the transfer of the Portfolio Management Office, the Growth Deal and all it's funding into the North Wales CJC. • Provided updates to the Gateway review summary table. 2 projects have gone through assurance and alignment with expectations since the prior portfolio. • A Streamlined Approvals process has been approved and introduced.

Progress against spending objectives

4.5. **Spending Objective 1 – Net Jobs**

The net new jobs created are projected to fall largely within the range set out in Spending Objective 1 (to create between 3,400 and 4,200 net new jobs in North Wales through the Growth Deal by 2036). The current forecasted range is between 3,540 and 4,170 net new jobs created and this includes Best/Medium/Worst case scenarios on net new jobs created by the reallocation of unallocated funding to Reserve List projects.

4.6. **Spending Objective 3 – Investment**

The latest total investment forecast that the projects will bring in a total investment of between £820m and £970m. This forecast includes Best/Medium/Worst case scenarios on investment created by the reallocation of unallocated funding to Reserve List projects. This demonstrated the potential of the portfolio to achieve near the original target of £1bn in a best-case scenario while highlighting the level of risk associated with the worst-case scenario. The range highlights the challenges in replacing some of the bigger projects removed from the Growth Deal in the last 12 months. A capital expenditure profile over the term of the Growth Deal is included in Appendix Kb.

4.7. **GVA**

The Growth Deal programmes are expected to generate a total of £1.5 to £1.7 billion in net additional GVAUK and Welsh Government confirmed in November 2023 that “there is no longer a government requirement to directly track and associate GVA with the growth deal portfolio”. However, for consistency, it is still being profiled within this document.

- 4.8. In summary, the Portfolio Business Case 2025 demonstrates how the North Wales Growth Deal can still deliver on the net jobs and investment targets agreed in the Final Deal, while the range presented for each target reflects the level of risk associated with meeting the original ambitious targets. The Best/Medium/Worst Case Scenarios are presented to provide the Sub-Committee and UK and Welsh Government with an honest assessment of potential deliver, the impact of the significant changes made by the Growth Deal in the last 12 months and the scale of the challenges ahead.

4.9. **Overarching Business Plan**

- 4.10. The first Overarching Business Plan 2020-2025 was the basis on which partners entered into the North Wales Growth Deal. It provided an overview of the deal including the programmes and projects to be delivered, it set out what the Growth Deal will deliver in terms of outputs and benefits for the region, the financial contributions of each partner and the governance and performance management arrangements to ensure the Growth Deal is delivered.

- 4.11. The Overarching Business Plan for 2026-2030 provides an overview of progress over the past 5 years, a forward look for the next five years, along with information on the partnership, the Growth Deal, its funding and governance.

- 4.11. A copy of the Overarching Business Plan is available in Appendix 3.

4.12 **Portfolio Assurance Review 2025**

- 4.13 The 2025 Portfolio Review was undertaken from 24-27 November 2025. The final report is expected to be available on Thursday 4th December and a verbal update will be provided at the meeting.

5. FINANCIAL IMPLICATIONS

- 5.1. Approving the 2025 update of the Portfolio Business Case will enable the Portfolio Management Office to submit the business case as part of the annual award of funding process.
- 5.2. As the current expenditure forecast to the end of 2025-26 is less than has already been received in grants payments for Welsh Government and UK Government, the Portfolio Director will enter into negotiation with both government regarding the next drawdown of funding. The PMO are still waiting for confirmation of the status of the deferred Growth Deal grant drawdown from 2024/25.
- 5.3. The updated business case does not impact on the agreed partner contributions for 2025-26 which have been agreed by Ambition North Wales. Due to the changes in the project timescales and spend profiles and interest rate rises, and the likely changes in the level of the Non-Domestic Rates grant, the interest requirement and all partners' contribution levels from 2025-26 onwards will be recalculated in the coming months.
- 5.4. The updated Portfolio Business Case set out a Best/Medium/Worst Case scenario in terms of securing investment through the reallocation of unallocated funding to Reserve List projects. This is a prudent approach to demonstrating the range that can be achieved from future decisions taken by the Sub-Committee in relation to funding reallocation.

6. LEGAL IMPLICATIONS

- 6.1. It is a requirement of the Final Deal Agreement for the Portfolio Business Case to be updated on an annual basis.
- 6.2. It is a requirement of the Delivery and Funding Agreement (previously Governance Agreement 2) that the Overarching Business Plan is updated and approved by partners every 5 years. It is a key document in relation to the delivery of the Growth Deal. The content of the Plan serves to create a legitimate expectation that the Growth Deal will be progressed as set out in the Plan. Accordingly, it is important that each Partner is content with the content of the Overarching Business Plan.

7. IMPACT ASSESSMENTS

- 7.1. Ambition North Wales through its programmes and projects along with the processes put in place will ensure the Growth Deal will achieve a positive impact against all of the 7 well-being goals.
- 7.2. The Growth Deal will have a neutral impact on equalities against the 11 protected characteristics. All programmes and projects are being co-produced through partnerships involving the public and private sector, research bodies and the regional skills partnership, with a focus on engagement to positively impact those disadvantaged by gender, disability, ethnicity or age.

- 7.3. Delivery of the Growth Deal programmes and projects will have a positive impact on the Welsh Language, proactively seeking opportunities to promote and facilitate the use of the Welsh language across the region.
- 7.4. An Individual Impact Assessment is completed for all projects as part of the Business Case development.
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APPENDICES:

- Appendix 1** Executive Summary of the Portfolio Business Case 2025
- Appendix 2** Portfolio Business Case 2025 – Key Appendices
- Appendix 3** Overarching Business Plan 2026-2030

*Please note the remaining appendices referenced within the Portfolio Business Case are available on request to the Portfolio Management Office.

BACKGROUND DOCUMENTS *(available on request)*

- Portfolio Business Case 2025 – Appendices
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STATUTORY OFFICERS RESPONSE:

i. Monitoring Officer:

“There’s a number of key decisions for the Sub-Committee in relation to both the Portfolio Business Case but also the Overarching Business Plan. As part of the Transfer and Financing Agreement the CJC is empowered to update the OBC from time to time. The proposed changes incorporate information about changes and developments since adoption and are within the powers of the CJC.

ii. Statutory Finance Officer:

“I am satisfied that this report is a fair and accurate reflection of the activities of Ambition North Wales and of its current situation. I can confirm the accuracy of the financial information contained in this cover report and in the Annex, and they explain the financial considerations for the forthcoming period.”