



ECONOMIC WELL-BEING SUB-COMMITTEE

11th July, 2025

TITLE: Transport Projects in the Growth Deal

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1. PURPOSE OF THE REPORT

- 1.1. The report is submitted to the Sub-Committee, as requested in May, to determine if the formal change process should be commenced to allow for the Growth Deal to be extended to include Transport projects.
- 1.2. Following a review process, an assessment and appraisal of three options, along with a recommendation, is presented in **Appendix 1** of this report.

2. DECISION SOUGHT

- 2.1. To agree the recommendation and preferred way forward (Option 2), as set outlined below and in **Appendix 1**.
- 2.2. To request that the Portfolio Director initiate the change process to formally accommodate these transport elements within the Land and Property Programme

3. REASON FOR THE DECISION

- 3.1. In March 2025, Ambition North Wales launched an 'Expression of Interest' process to select projects for a newly created Reserve List that would be able to bring forward business cases for funding in the future. One of the criteria was that projects were required to be within the scope of the existing five Growth Deal programmes – Digital Connectivity, Low Carbon Energy, Land and Property, Innovation in High Value Manufacturing and Agri-food and Tourism.
- 3.2. Of the 27 EOLs presented, four were considered out of scope of the Growth Deal. One of these was a revenue-based project and the other three were primarily transport projects, two of which were submitted by Welsh Government and the other one submitted by Cyngor Gwynedd. Only one of the projects, the 'Padeswood' met the scoring threshold to be considered for inclusion on the reserve list, however, the report to the sub-committee made clear that this would be subject to a separate decision on the inclusion of transport projects within the Growth Deal.
- 3.3. At the Economic Wellbeing Sub-Committee in May, it was agreed that:
 - a. the Sub-Committee agrees to initiate a process to assess and review the scope and case for extending the current Growth Deal to include transport projects.

- b. the Sub-Committee commissions the Portfolio Director to prepare a detailed options report in consultation with Welsh and UK Government and officials of the Constituent Councils and Education Partners.
- c. that the options report be submitted to the Sub-committee with the intention of determining whether the formal change process should be commenced to ensure agreement for the extended Growth Deal to include Transport projects.

4. BACKGROUND AND RELEVANT CONSIDERATIONS

- 4.1. When the North Wales Growth Deal was conceptualised, the proposition comprised a wider scope of programmes including an enhanced funding request to Governments for £75m to establish a Regional Transport Fund and a Regional Transport Body. Described in the original Growth Deal proposal as the Strategic Transport Programme, it aimed *“to deliver the region’s strategic transport programme to improve regional connectivity, access to employment and for business and economic growth. Transport will be better integrated and alternatives to road-based access developed.”*
- 4.2. Negotiations between the Region and both Governments, leading up to the Growth Deal’s Heads of Terms agreement in 2019, led to only one transport project being in scope for the Growth Deal. This was a Regional Transport Decarbonisation project with £12.5m of funding allocated to *“support the change from carbon based fuelled vehicles as the main mode of transport to alternative low and zero carbon transport across North Wales.”*
- 4.3. During the process to develop the Portfolio Business Case, leading up to the Final Deal Agreement in December 2020, the Economic Ambition Board took the decision to move the ‘Regional Transport Decarbonisation’ project (which subsequently changed to a hydrogen-based project) into the Low Carbon Energy programme and remove the Strategic Transport Programme from the Growth Deal.
- 4.4. While this decision determined that a dedicated programme was not required for transport, it did remain a key focus within the wider Growth Vision for North Wales - recognising that to achieve inclusive economic growth a strong focus on developing integrated and affordable transport networks would be required. In the same way, the strategic significance of Skills and Employability should be recognised as a critical component to create a foundation for economic prosperity, despite there not being revenue funding available from the Growth Deal. Both Transport and Skills have remained very prominent in our regional narrative.
- 4.5. Following the decision by the Economic Well-being Sub-Committee in May, to ask for a detailed assessment the PMO have commenced considered three options in relation to the inclusion of Transport projects within the Growth Deal as outlined in **Appendix 1 and summarised in the table below:**

Summary of Appraisal

	Summary
Option 1 – New Transport Programme	The scale of the investment required set out in the Regional Transport Plan is significant and would represent a complimentary regional intervention to the Growth Deal, Investment Zone and Freeport. It would not be practical to seek to create this as a programme within the Growth Deal and would require significant additional funding above the £240m allocated to the Deal. As a result, this option is discounted.
Option 2 – Amended Land and Property Programme	Expand the Land and Property Programme to clarify that projects containing enabling onsite and offsite transport infrastructure can be taken forward provides the flexibility for Ambition North Wales to fund some enabling works as part of a larger project that would deliver economic growth and contribute to our portfolio targets. There would need to be strict criteria around the scope and level of funding that could be provided as transport infrastructure on its own would not create the level of jobs required by the Growth Deal but could potentially use considerable funding. However, so long as the criteria is clear and managed effectively this represents an opportunity to unlock some projects that could not proceed without additional funding from the Growth Deal and should be considered. This represents the preferred option.
Option 3 – No change	Maintaining the current position would have the least impact on the Growth Deal in terms of process and resources but it could also represent a missed opportunity to unlock schemes that would deliver against Growth Deal targets. As a result, this option is discounted.

- 4.6. The recommendation from the PMO for consideration by the Economic Wellbeing Sub-Committee, is that Option 2 should be agreed as set out below:
- i. The scope of the programme be amended to clarify that projects including enabling onsite and offsite transport infrastructure can be taken forward as part of a wider project where directly linked to economic development activity and the creation of new jobs.
 - ii. That projects should only be considered “in scope” where they meet the following criteria:
 - a) Projects should be strategic projects of regional significance and proposed for inclusion in the Growth Deal by Welsh Government.
 - b) Enabling onsite or offsite transport infrastructure improvements to form part of the project, targeting economic development/job creation activity e.g. expansion of existing facilities or creation of new facilities.
 - c) The Growth Deal would be a minority capital funder in such projects and would be considered a funder of last resort, providing funding to unlock delivery.

- d) The projects can be delivered, and benefits realised within the time frame of the Growth Deal. The same criteria around deliverability would apply as with all other Growth Deal projects.

4.7. Should the Economic Well-being Sub-Committee support the recommendations (Option 2) above, the Portfolio and Land and Property Programme targets and objectives would be reviewed to take into account the change, potentially requiring a renegotiation with UK and Welsh Governments on portfolio level targets.

5. FINANCIAL IMPLICATIONS

5.1. There are no financial implications arising directly from approving the decision sought in this report. Clarification of the scope of the Land and Property Programme may enable a wider range of projects to be considered for Growth Deal funding in the future, however the funding envelope for the Growth Deal remains fixed at £240m.

6. LEGAL IMPLICATIONS

6.1. The preferred way forward clarifies that enabling onsite or offsite transport infrastructure can be taken forward as part of a wider project within the scope of the Land and Property programme and is a decision that can be taken by the Economic Wellbeing Sub-Committee. This relates to providing finance for enabling transport works which are a necessary part of a project which can meet Growth Deal target and outputs. The funding agreement conditions would necessarily be linked to the outputs of the wider project and time scales. Stand alone transport projects including general/strategic highway or network developments could not be considered as this would extend beyond the scope the Growth Deal is currently committed to deliver and such a change would require the approval of the 10 Ambition North Wales partners along with Welsh Government and UK Government.

APPENDICES:

Appendix 1: Options Paper: Transport projects within the North Wales Growth Deal

STATUTORY OFFICERS RESPONSE:

i. Monitoring Officer:

“The report explains that amendments to the Growth Deal remain a matter reserved to the partner Councils and Organisations and the Governments. The proposal is to allow for transport elements which enable specific projects within the Land and Property Programme to be included as part of the funding. This is consistent with the scope of this programme. However, there has been uncertainty around such enabling elements and this proposal will provide that clarity. Given the constrained funding envelope the conditions set out in the report are a necessary and clear guide as to the scope of transport elements which might qualify.”

ii. **Statutory Finance Officer:**

“I do not have objections with the principle of the decision sought. From a finance perspective there is a finite funding envelope as noted in 5.1 above, which is capital expenditure.”