

Environment and Economy Overview and Scrutiny Committee

Date of Meeting	Tuesday, 12 October 2021
Report Subject	The North Wales Growth Deal Quarterly Performance Report
Cabinet Member	Cabinet Member for Economic Development
Report Author	Chief Officer (Planning, Environment and Economy)
Type of Report	Operational

EXECUTIVE SUMMARY

The purpose of the report is to present the Quarter 1 (March-June) Growth Deal report.

Quarterly and annual reporting on progress against the North Wales Growth Deal is a requirement of the Final Deal Agreement. Following the consideration of the documents by the North Wales Economic Ambition Board it follows that the reports will be shared with Welsh Government, UK Government and each Local Authority Scrutiny Committee.

RECOMMENDATIONS

1	That Members consider and note the Quarter 1 Performance Report.
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REPORT DETAILS

1.00	
1.01	In December 2020, the NWEAB and the Welsh and UK Governments agreed the Final Deal Agreement for the North Wales Growth Deal. Regular reporting on progress against the North Wales Growth Deal is a requirement of the Final Deal Agreement.
1.02	This report includes one appendix: <ul style="list-style-type: none"> <input type="checkbox"/> North Wales Growth Deal Quarter 1 Performance Report;
1.03	North Wales Growth Deal Quarter 1 Performance Report (Appendix 1)

	The Quarter 1 performance report provides an overview of progress on the Growth Deal programmes and projects.
1.04	This quarter saw the first Outline Business Case (OBC) considered and approved by the North Wales Economic Ambition Board and the assurance process for the project has since been approved by Welsh Government. The Morlais tidal energy project, run by Anglesey social enterprise, Menter Môn will now move to the next phase and submit a Full Business Case for consideration once the consenting process has been completed.
1.05	Two further Outline Business Cases – the Glynllifon Rural Economy Hub led by Grŵp Llandrillo Menai, and the Digital Signal Processing Centre led by Bangor University, have started the approval process. Both have completed their independent Gateway Reviews and were presented to the North Wales Economic Ambition Board in July.
1.06	The majority of programmes and projects are currently reporting as Amber following revising the business case development timetables resulting in a delay compared to the timetable outlined in the Portfolio Business Case. This is primarily due the business case development process and our internal assurance and approvals process taking longer than originally estimated. The process we follow is robust and in-line with the relevant guidance, and will ultimately ensure that only business cases of the highest quality are approved to deliver for North Wales. The delays are not considered to represent a risk to the overall delivery of the Growth Deal benefits but may impact on exact timing of benefits realisation.
1.07	Four projects are currently reporting as Red due to either risks to the project scope, or significant delays to project timescales: <ul style="list-style-type: none"> □ Full Fibre at Key Sites and Connected Campuses (Digital Programme) – The business case development timetable has been pushed back to allow programme capacity to focus on initial two Portfolio Management Office projects. □ Key Strategic Site, Bodelwyddan (Land and Property Programme) – outline planning consent on the site has lapsed and the project will need to be reviewed when the new planning policy for the site is established. □ Holyhead Gateway (Land and Property Programme) – scope of the project under review due to concerns about the cost of the project and the commercial case.
1.08	A number of procurement activities have been completed to support the work of the team. We have welcomed a new strategic communications partner, Ateb Cymru, who have been appointed to support our communications and marketing activities, while Hatch Regeneris are appointed to provide general business case consultancy to the Portfolio Management Office. We also commissioned Wavehill to support the development of an economic case for the Smart Local Energy project and Real Wireless to deliver a scoping study to support the Connected Corridors project within the Digital Programme.
1.09	At this stage, no project Full Business Cases have been approved, therefore the only expenditure to date relates to the drawdown against the 1.5% allocation for Portfolio Management Office costs.

1.10	The Portfolio Risk Register is updated on a regular basis by the Portfolio Management Office and reviewed by the Portfolio Board (Executive Officers Group) and the North Wales Economic Ambition Board on a quarterly basis.
1.11	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.
1.12	The overall risk profile of the Growth Deal is stable, however the risk on affordability has increased as construction costs have increased significantly in recent months. This is impacting on other City and Growth Deals and is being kept under review. There remain some significant risks associated with a couple of individual projects and securing the required private sector investment in the Growth Deal.

2.00	RESOURCE IMPLICATIONS
2.01	There are no direct financial implications arising from the report. The quarterly performance report provides an overview of the expected capital expenditure profile of Growth Deal funding. At this stage, no project business cases have been approved and therefore there is no expenditure to report on. Future iterations of the report will include reporting on financial expenditure following project business case approval

3.00	IMPACT ASSESSMENT AND RISK MANAGEMENT
3.01	None.

4.00	CONSULTATIONS REQUIRED/CARRIED OUT
4.01	None.

5.00	APPENDICES
5.01	Appendix 1 North Wales Growth Deal – Quarter 1 Performance Report

6.00	LIST OF ACCESSIBLE BACKGROUND DOCUMENTS
6.01	None.

7.00	CONTACT OFFICER DETAILS
7.01	Contact Officer: Andrew Farrow (Chief Officer, Planning, Environment and Economy) Telephone: 01352 703201 E-mail: andrew.farrow@flintshire.gov.uk

8.00	GLOSSARY OF TERMS