

Environment and Economy Overview and Scrutiny Committee

Date of Meeting	Tuesday 7 th December 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 2 (July-September) Growth Deal report.

Quarterly and annual reporting on progress against the North Wales Growth Deal is a requirement of the Final Deal Agreement. Following 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 2 Performance Report.
---	--

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	<p>This report includes one appendix:</p> <ul style="list-style-type: none"> □ North Wales Growth Deal Quarter 2 Performance Report.
1.03	<p><u>North Wales Growth Deal Quarter 2 Performance Report (Appendix 1)</u> The Quarter 2 performance report provides an overview of progress on the Growth Deal programmes and projects.</p>
1.04	<p>This quarter saw the completion of the second annual Growth Deal assurance review with an Amber-Green rating achieved. This is the second highest delivery confidence rating available and an improvement on the Amber rating received in 2020. The review carried out by an independent review team verifies the progress made over the last 12 months, particularly since the signing of the Final Deal Agreement with both Governments in December 2020.</p>
1.05	<p>In August, the Board approved two further Outline Business Cases (OBC): the Glynllifon Rural Economy Hub, led by Grŵp Llandrillo Menai, and the Digital Signal Processing Centre led by Bangor University. Both projects have also had their assurance process approved by Welsh Government and will now move to the next phase and submit a Full Business Case (FBC) for consideration once the relevant consenting and procurement activities have been completed.</p>
1.06	<p>This quarter also saw the completion of the first annual update of the Portfolio Business Case, a requirement of our Final Deal Agreement with Welsh and UK Governments. The updated business case was presented to the Board in September and approved for submission to Government.</p>
1.07	<p>The majority of programmes and projects are currently reporting as Amber due to delays in the business case development process. A revised timetable has been submitted to both Governments as part of the 2021 Portfolio Business Case update.</p>
1.08	<p>Eight projects are currently reporting as Red due to either risks to the project scope, or significant delays to project timescales:</p> <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. ▪ Morlais – due to key risks and issues associated with State Aid and funding constraints, consenting and Government revenue support mechanisms. ▪ Low Carbon Energy Centre of Excellence – project under review due to change request for capital and revenue projections. ▪ 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.

	<ul style="list-style-type: none"> ▪ Enterprise Engineering and Optics Centre – project under review due to change request for capital and revenue projections. ▪ Centre for Environmental Biotechnology - project under review due to change request for capital and revenue projections.
1.09	A number of procurement activities have been completed to support the work of the team. FarrPoint have been appointed to support the development of business cases for the Last Few % and Connected Corridors projects within the Digital Programme. Arup have also been appointed to support the development of a methodology to help projects deliver on the Board’s commitments to climate change and biodiversity.
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	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.

2.00	RESOURCE IMPLICATIONS
-------------	------------------------------

2.01	<p>There are no direct financial implications arising from the report.</p> <p>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.</p>
------	---

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 2 Performance Report
------	---

6.00	LIST OF ACCESSIBLE BACKGROUND DOCUMENTS
6.01	None.

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

8.00	GLOSSARY OF TERMS
	-