

## Environment & Economy Overview & Scrutiny Committee

<b>Date of Meeting</b>	10 January 3023
<b>Report Subject</b>	North Wales Growth Deal – Quarter 2 Performance and Risk Report
<b>Cabinet Member</b>	Cabinet Member for Climate Change and Economy
<b>Report Author</b>	Chief Officer (Planning, Environment & Economy)
<b>Type of Report</b>	Operational

### EXECUTIVE SUMMARY

The purpose of the report is to present the Quarter 2 (July - September) Growth Deal progress report.

Quarterly reporting on progress against the North Wales Growth Deal is a requirement of the Final Deal Agreement. Following consideration by the North Wales Economic Ambition Board, the reports are to be shared with Welsh Government, UK Government and the local authority scrutiny committees.

### RECOMMENDATIONS

1	That the Committee considers and notes the Quarter 2 Performance.
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### REPORT DETAILS

<b>1.00</b>	<b>EXPLANING THE NORTH WALES GROWTH DEAL</b>
1.01	In December 2020, the Economic Ambition Board and the Welsh and UK Governments agreed the Final Deal Agreement for the North Wales Growth Deal.
1.02	Regular reporting on progress against the North Wales Growth Deal is a

	requirement of the Final Deal Agreement.
1.03	This report includes two appendices: <ul style="list-style-type: none"> <li>▪ North Wales Growth Deal – Quarter 2 Performance Report</li> <li>▪</li> </ul>
1.04	<u>North Wales Growth Deal – Quarter 2 Performance Report</u>
1.4.1	The Quarter 2 performance report provides an overview of progress on the Growth Deal programmes and projects.
1.4.2	This quarter saw the approval of another outline business case with the Ambition North Wales led Connecting the Last Few % project in the Digital Programme securing approval to move to the next phase.
1.4.3	The Quarter 2 update is showing projects reporting against the revised portfolio delivery profile approved by the Board in September 2022. Three 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"> <li>• Low Carbon Energy Centre of Excellence – project under review due to change request for capital and revenue projections. The Portfolio Management Office is working with the project sponsor to explore options to accelerate delivery.</li> <li>• Glynllifon Rural Economy Hub – planning permission to be secured and potential funding gap due to escalating capital build costs.</li> <li>• Llysfasi Net Zero Farm – project under review due to challenges addressing Gateway 2 review feedback.</li> </ul>
1.4.4	The Bodelwyddan, Key Strategic Site project which was reporting red in the quarter 1 report has been withdrawn from the Growth Deal. The funding provisionally allocated to this project will be retained within the Growth Deal and Ambition North Wales will now consider how best to use this funding to deliver maximum benefits for the region.
1.5.1	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.
1.5.2	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.
1.5.3	While the risk profile has remained stable over the past quarter, there are some significant risks to the delivery of the Growth Deal and the realisation of the benefits. Affordability remains the biggest risk facing the portfolio with inflation, supply chain issues and construction cost increases the main factors driving this increase. The risk around delay has increased as a result to delays to the project development timetable.
1.5.4	Two risks have been closed (Economic Recovery and EU-UK Trade and Co-Operation Agreement) and replaced with a new risk on ‘Economic Context’ to reflect the current economic climate we are operating in.

<b>2.00</b>	<b>RESOURCE IMPLICATIONS</b>
2.01	There are no financial implications arising directly from approving the decision sought in this report.
2.02	The revised delivery and expenditure profile approved by the Board in September is included in the quarterly report.

<b>3.00</b>	<b>IMPACT ASSESSMENT AND RISK MANAGEMENT</b>
3.01	

<b>4.00</b>	<b>CONSULTATIONS REQUIRED/CARRIED OUT</b>
4.01	

<b>5.00</b>	<b>APPENDICES</b>
5.01	App 1 North Wales Growth Deal – Quarter 2 Performance Report

<b>6.00</b>	<b>LIST OF ACCESSIBLE BACKGROUND DOCUMENTS</b>
6.01	<u>N/A</u>

<b>7.00</b>	<b>CONTACT OFFICER DETAILS</b>
7.01	<b>Contact Officer:</b> Andrew Farrow, Chief Officer, Planning, Environment and Economy <b>Telephone:</b> 01352 703201 <b>E-mail:</b> <a href="mailto:Andrew.farrow@flintshre.gov.uk">Andrew.farrow@flintshre.gov.uk</a>

<b>8.00</b>	<b>GLOSSARY OF TERMS</b> These are provided corporately on the Infonet (link) and maintained by the Executive Office
8.01	