

Environment and Economy Overview and Scrutiny Committee

Date of Meeting	Tuesday, 6 July 2021
Report Subject	North Wales Growth Deal – Quarter 4 and Annual Reports
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 4 (Jan-March) Growth Deal report and the Portfolio Management Office Annual Report for 2020-21.

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 4 Performance Report and the Portfolio Management Office Annual Report for 2020-21.
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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 two appendices: <ul style="list-style-type: none"> <input type="checkbox"/> North Wales Growth Deal Quarter 4 Performance Report; <input type="checkbox"/> Portfolio Management Office Annual Report 2020-21.

1.03	<p><u>North Wales Growth Deal Quarter 4 Performance Report (Appendix 1)</u></p> <p>The Quarter 4 performance report provides an overview of progress on the Growth Deal programmes and projects. With the Deal signed, the focus this quarter has been on moving to the delivery phase. Work started in January 2021 with a baseline review of all projects to re-confirm timetables for business case development and delivery. Once this exercise was completed, the focus was on moving project business cases forward.</p>
1.04	<p>During Quarter 4, a significant number of workshops have taken place, in line with the Better Business Case guidance, to support the development of the project business cases. These workshops involved a number of stakeholders and allowed us and our project sponsors to test, challenge and re-confirm support for the projects.</p>
1.05	<p>Gateway Reviews are a key part of our assurance and approvals process, providing an independent checkpoint prior to key decision points. Quarter 4 saw our first two projects undertaking their Gateway Reviews. The Morlais project, led by Menter Môn and the Enterprise Engineering and Optics Centre project, led by Wrexham Glyndwr University completed their reviews and are now working to address the recommendations made before submitting revised business cases for consideration.</p>
1.06	<p>Having signed the Grant Award Letter and submitted the required documentation we have received the first instalment of £16million from Governments in March 2021. This funding will enable project delivery to commence during the next financial year, when we expect to consider and make a decision on our first tranche of project business cases.</p>
1.07	<p>The majority of programmes and projects are currently reporting as Amber as a result of revised business case development timetables resulting in delay compared to the timetable outlined in the Portfolio Business Case. Two projects are currently reporting red due to risks that could impact on the scope of the projects.</p>
1.08	<p><u>Portfolio Management Office Annual Report 2020-21 (Appendix 2)</u></p> <p>The annual report looks back on the progress made over the last financial year. It includes both the Growth Deal and other activities supported by the Portfolio Management Office.</p>
1.09	<p>2020-21 was a challenging year, with Covid-19 changing our lives and the way we work. Despite these challenges, the final deal agreement on the North Wales Growth Deal was signed during a virtual ceremony on the 17th December, 2021.</p>
1.10	<p>The Final Deal is the contract between the UK Government, Welsh Government and the North Wales Economic Ambition Board for the delivery of the Growth Deal. It was secured on the basis of a Portfolio Business Case and five Programme Business Cases outlining plans for the total investment of £240m (£120m by UK Government and £120m by Welsh Government).</p>
1.11	<p>In addition to achieving the Final Deal, a number of other significant milestones were achieved including:</p>

	<ul style="list-style-type: none"> <input type="checkbox"/> Securing £2.9million in ESF funding to expand the Portfolio Management Office; <input type="checkbox"/> Recruitment to the new staffing structure with only 2 posts vacant as of April 2021; <input type="checkbox"/> Completion of Portfolio Assessment Review and first project Gateway Reviews; <input type="checkbox"/> Completion of Better Business Case training for team members; <input type="checkbox"/> Working closely with the six local authorities, UK and Welsh Governments and private sector representatives to co-ordinate the regional response to economic recovery.
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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
5.1	<p>Appendix 1 North Wales Growth Deal – Quarter 4 Performance Report</p> <p>Appendix 2 Portfolio Management Office Annual Report 2020-21</p>

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

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