

Table of Contents

d o } (... } v ... v	í
& } ` }	í
í X ~ μ À ^ μ u u	ò
î X W μ }	í î
ï X E } Z t o } v } u] ... u ... } v ... }	í î
ð X IP } μ v } Z E } Z . t . o ' } ` } Z o	í ð
æ X d Z () Z . . . v . P	í æ
ò X d Z ' } ` Z o W } . P . . . u u	í î
ó X d Z W } . i	í æ
ô X } v } u] / . u	í î
ı X ' } ` Z o & μ v ... } v . P . . . W ... } . o	í í
í ì X E } Z t o } v } u] u] } v } W v } v } μ . . . } Ì	í ì
í í X } u u] o ^ P . . .	í æ
í î X W } μ u v } . . . Z	í æ
í ï X ' } À v v v . P . . . u . . . v	í ó
í ð X ' } ` Z o W } i . . . o .] . À . . . d .] u . . . o	ð í

Foreword

dZ'œ}ÁšZ Z o v À o} Z }µPZ o} }oo } }v
v oo} }]v oµ]vP}ÀZ vth<v W t}Ϟ Z]VÀP o}v
}] À]vÀ u v v Z vP Z `]oo v o }v}u]
o}vPuX

KÀ Z v ~ .L v ' U Z o u }` µ } `} l
`]vÀ]v }µ (µ µ X

/[µv] µ } } rµv] 'o}} P}À vu v]vÀ u v U u l
]]}v o} oo' v u}v]vP XZhoÀuoµ o ZU
}P uu } (]vÀ u v U Z ' }` Z o `]oo v o µ
µ]v o v]v oµ]À }v}u' (} µ oo]v E} Z t

t `]oo•u œ§ Z }µ]vÀ µ]α]vP }v }µ }} vP}Zµ À] 'U
(}]vv}À }v v }u À]v Z u lr ` À)
o] Z Z v]vv}À }v Zµ U `Z] Z Z o]
] }À]vP v ` P }` Z (} }µ]Z]PZX Àtoµ']ωovµ(À
(µ Z } v } (` oo v } vZ v }µ
]u } v]v µ `X

t `]oo lo uZ u o}vP (]oµ Z Z v] ()
]vÀ uvvl]vP E} Z tvÀ u)o]v µvo} l]vP Z r } v
À oµ l]oo i} U (} ' }µvP } o v [Ϟp (µ µ PZv
Z} P } (µ] o ' (} v µ v } P } Oà•v (A 'O Ö —

North Wales has a unique and powerful coalition of private and public sector leaders who, through the North Wales Economic Ambition Board and the Business Delivery Group have been working as united partners to make sure that the Growth Deal leverages a substantial return on investment.

D u } v Z μ] v o] À ' ' } μ À } ω] v o ' v
] v v v À }] r `] α] ` Z o o l } `] Z] v Z]
` Z] Z] } U 2 à '] ð — } U N } ð à Z] v μ v A N ~ — Z v P P]

manufacturing; information and communication; and professional, scientific and technical activities.

- 1.6 Supporting high value sectors and addressing long term barriers to growth is at the heart of the North Wales Growth Deal.

]P]š o

Figure 1.2.The Growth Deal Programmes

Source:North Wales Economic Ambition Board

1.15

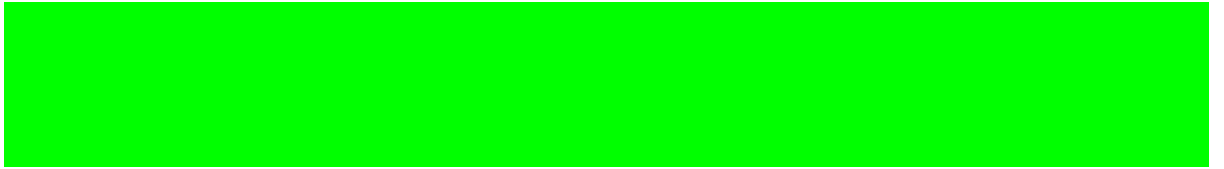
Figure 1.3 Benefits Framework

Source: Hatch

Growth Deal Funding Profile

1.17 The capital funding profile for each programme is summarised in the table below.

Programme Area	Government Contribution (£m)	Public Contribution (£m)	Private Contribution (£m)	Total Programme Costs (£m)
Innovation in High Value Manufacturing	13.0	26.5	0.0	39.5
Digital Connectivity	37.0	3.1		



local authority areas of North Wales comprising the councils of Gwynedd, Anglesey, Conwy, Denbighshire, Wrexham and Flintshire. The Board also includes Bangor University, Glyndwr University, Coleg Cambria and the Welsh Government.

- 3.2 In early 2019, the North Wales Economic Ambition Board was formally established as a joint committee following the adoption of Governance Agreement 1 (hereafter referred to as GA1) by the partnership. GA1 set out the framework through which the Board would operate in order to secure the Growth Deal.

Figure 3.1 Map of North Wales and NWEAB Partners

-
- 3.3 The Growth Deal is a partnership between the public and private sectors. The private sector has been strongly represented by the North Wales Mersey Dee Business Council, who, as a founding member of the North Wales Economic Ambition Board, have worked in close collaboration with partners and regional public and private sector stakeholders to shape and influence the Growth Deal proposition. Representing various member organisations including the Chamber of Commerce, Confederation of British Industry (CBI) and the Federation of Small Businesses (FSB), their active involvement in shaping the deal has been invaluable. As of August 3rd 2020, due to challenges caused by COVID-19, the Business Council withdrew membership. The Business Council remain a key stakeholder and will be an integral, strategic and less operational partner moving forward.
- 3.4 The private sector remains strongly represented in the Growth Deal through the Business Delivery Group who act as an independent advisory body to the Economic Ambition Board.

Background to the North Wales Growth Deal

- 4.1 Growth Deals first emerged from the 2010-2015 coalition government in Westminster as part of its long-term plan to boost local economies.

}]]} v [scope and capital funding only, the Economic Ambition Board developed and agreed a Draft Implementation Plan setting out a streamlined package of 14 transformational projects which was submitted to both governments in March 2019.

- 4.10 The Draft Implementation Plan became the basis for the Heads of Terms agreement signed by both governments in November 2019, and securing in principle £240m of capital funding for the North Wales Growth Deal. The Heads of Terms committed all parties to complete a Final Deal Agreement (FDA) within 152 months which, once achieved, would see funding released from governments to the region.

Figure 5.1 Real GVA Growth since 2009 in selected locations in the UK

Source: Regional GVA, ONS, 2018

- 5.3 Nonetheless, there remains a persistent and widening productivity gap on the UK. GVA average per person is around 28% below the UK average, at £20,400 per annum. If London and the South East are removed, this gap is reduced but remains at 16%.

Figure 5.2 GVA per Head (£) 1998-2018

Source: Regional GVA, ONS, 2018

- 5.4 Within North Wales there are wide variations in GVA per capita, with particularly weak productivity in the Isle of Anglesey (53% of the UK average) but stronger performance in Flintshire and Wrexham (both of which are 81% of the UK average). This is also reflected in average earnings, which lag behind the UK average. Indeed, some local authorities in the West have the lowest earnings in Wales and the UK.

⁶ <https://stats.wales.gov.wales/Catalogue/Business-Economy-and-Labour-Market/Regional-Accounts/Gross-Value-Added-GDP/gvaperhead-bad>

Figure 5.3GVA per Head (£), 2018

5.8 A portion of the productivity gap is accounted for by the sectoral structure of the North Wales economy with some areas particularly reliant on relatively low paid sectors including tourism and retail. At the same time, there are areas of strength, with 64,000 people employed in high value sectors, defined as manufacturing; information and communication; and professional, scientific and technical activities.

5.9 In particular, the Economic Ambition Board recognise the significant potential offered by high value and foundation sectors including

f À v u v μ (š μ v P U i i i } o ` } l] v À v u
 E } Z t o U `] Z μ o v P Z] v }
 Z u μ o U v P] α] v P] U U () } v] v I U v
 7 d X]] v o μ v Z } u o } μ Z] μ
 Z v] v v } À } v o o [v μ v] À] Z] v X Z d Z P]
 ~ À v D v P (Z μ] Z u v μ U < î î) Z r Z
 (] o] U v o } v] v } μ P Z } v v Z
 ' } À v u v u] v] P u Z _ (P Z P] } v X

f > } Á œ } v v v œ P Ç W ó æ î ð U o ` } l] v] o]
 v Á] } v u v o } u v]] v t E p Z Z t o } u] w] ' î î ð X
 μ } v] v } v u]] v î î æ î X E } Z t o]
 v P P v } v U `] Z Z μ] Á d ψ ' } () v ô î p u } Ø v
 o } u] v P (} u o } o v ` o } μ X d Z
 t o [v ` o v P] v o } Z ` } v μ o
 v d ` (d Z X [P] P v } P Z U v μ o } μ v
 v P } μ o o } v μ v] μ } } μ v] } o }
 } v v P Z v } o } P] U `] Z } μ } Z P Y S

PGE}} W r(P}]]]oo (} Z E} Z t o }
u ûiUii } o v]ÿv's]Xµ vP <ióiu

COVID-19 on the North Wales economy and the Growth Deal are set out in section 4.24.23.

Sites and premises

- 5.13 The Growth Deal programme will address the shortages of sites and premises in the region and invest to enable the growth of Holyhead Port
- 5.14 Recent research has identified a lack of modern industrial and employment space across the region. Whilst there are business parks located along the A55 with land available for development, planning restrictions and plot sizes together with the lack of development funding and property values that are lower than build costs, has meant these have seen limited new development since 2008. A recent review by J Lang LaSalle (JLL, a leading property consultancy) for Welsh Government found that there was a relatively weak and fragmented network of readily developable strategic sites, capable of supporting both local business growth and inward investment. The SQW report for Welsh Government completed in March 2020 confirms the conclusions of the JLL report.

Holyhead Port

- 5.15 Holyhead Port is of strategic and economic significance both for North Wales and the UK. The Port is the second busiest Roll on/Roll off ferry port in the UK: in 2018 the Port handled 75% of passengers, 71% of passenger vehicles and 81% of freight vehicles passing through Welsh ports to Ireland. The port has the second highest number of short sea ferry crossings by total number of passengers in the UK. The Port is owned and operated by Stena Line Ports Limited who are also the statutory Port Authority.
- 5.16 The Holyhead/Dublin route is the principal ferry link to the Republic of Ireland from the UK and serves primarily the North Wales and Central and North East England markets and is currently operated by Stena Line and Irish Ferries. The port's usage by cruise ships has increased substantially over the past decade from 18 visits in 2013 to 51 in 2018⁴, in the same period passenger visits have increased from 10,000 to 50,000⁵.
- 5.17 The Holyhead Gateway scheme is a series of targeted investments to address life expired assets essential to the operation of the port to increase capacity for both vehicle and ship movements for both passenger and freight traffic

Digital Connectivity

- 5.18 E

Demand for high-speed broadband and mobile connectivity in North Wales has kept pace with supply. However, the infrastructure in the region has historically lagged behind the rest of the UK in terms of coverage and capacity.

- 5.20 With the emergence of commercially available fibre optic technology towards the end of the 2010s, demand for high-speed broadband and mobile connectivity in North Wales has kept pace with supply. However, the infrastructure in the region has historically lagged behind the rest of the UK in terms of coverage and capacity. Increase exponentially. Especially at the difference in affordable bandwidth can now be typically 100s of Megabits per second compared to other regions (e.g. 4.9% premises in Denbighshire with availability of ultrafast at >100Mbps compared to 49% in North West England). All four counties in North West Wales rank in bottom 25% of UK areas for Superfast (>30Mbps) broadband coverage.

The economic impact of Covid-19

- 5.21 Covid-19 has had an immense economic impact on North Wales as in other parts of the UK and globally. The Economic Ambition Board works closely with the six local authorities, UK and Welsh Governments and private sector representatives to coordinate the regional response to economic recovery. The longer term effects of Covid-19 on the regional economy at this stage is still unknown.
- 5.22 Work is underway to define a situational analysis to describe the state of the economy in North Wales during what has been a volatile and challenging period for businesses and employees across many sectors. This period of uncertainty caused by the pandemic is ongoing and with the transition period for leaving the EU ending on the 31 December the outlook for winter is bleak. In terms of strengthening the economy in the long term, the Growth Deal will be a welcomed source of hope and investment for the citizens of North Wales.
- 5.23 Interventions already undertaken and planned to create a reliable and evidence based approach to the situational analysis include a regional survey of businesses which attracted over 1,800 responses. A commissioned report on tourism to identify the strengths, weaknesses and opportunities to preserve and revive and develop the tourism economy sustainably. The appointment of an independent economic partner to co-develop the situational analysis and framework for recovery planning for North Wales. Looking initially at the near term economic recovery post Covid but also recognising the need to measure and evaluate the impact of the Growth Deal investment on the North Wales economy in the long term.

The Growth Deal Programmes

- 6.1 The aim of the Growth Deal is to build a more vibrant, sustainable and resilient economy in North Wales, building on our strengths to boost productivity while tackling long-term challenges and economic barriers to delivering inclusive growth. Our approach is to promote growth in a scalable, inclusive and sustainable way in line with the Wellbeing of Future Generations (Wales) Act 2015. The Growth Deal is based on the delivery of 14 transformational projects across 5 programmes. The programmes

The programmes remain key to delivering the wider vision for North Wales and the Economic Ambition Board is working with the Regional Skills Partnership and through its Transport Sub-Board to identify and secure alternative funding sources to deliver these programmes.

Figure 6.1 The Growth Deal Programmes

Source: North Wales Economic Ambition Board

- 6.8 All programmes and projects within the Growth Deal will contribute to the achievement of the Growth Vision and the delivery of benefits for North Wales. The benefits from the Growth Deal will support sustainable and inclusive growth across the region in accordance with the Growth Vision as well as the priorities of the Well Being of Future Generations (Wales) Act 2015.

^š Œ š P]Vł } }w• } o] E } Z t powerful and innovative
high value manufacturing cluster, building on existing specialisms and leading

The Projects

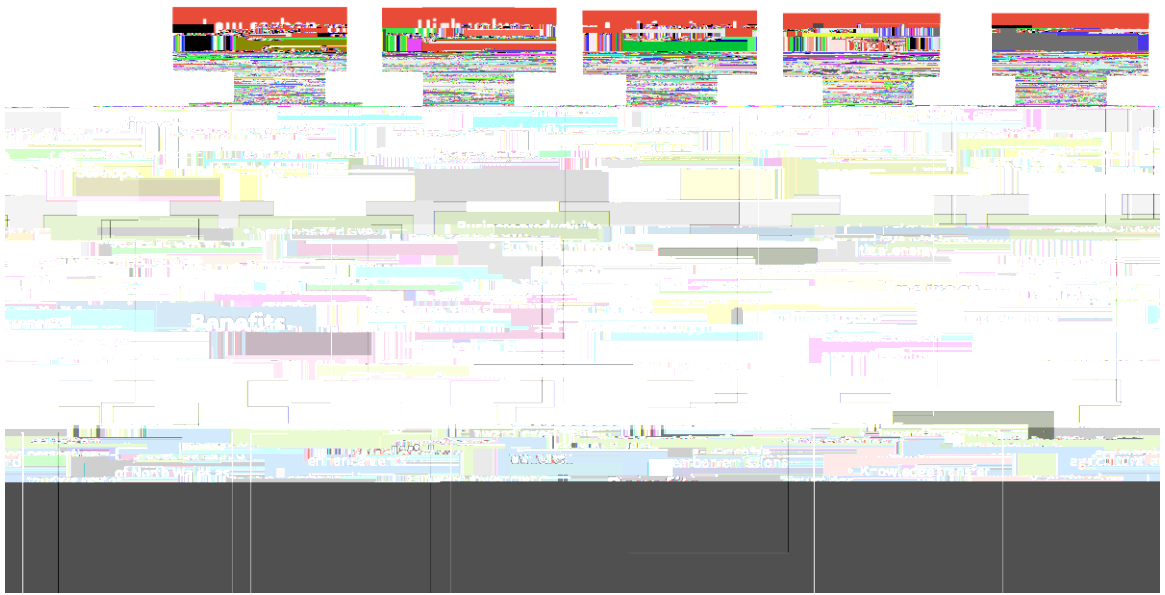
- 7.1 The Growth Deal is based on 14 transformational projects to be delivered across 5 programmes. These projects have been identified by the Economic Ambition Board on the basis that they:
- f* deliver against the North Wales Growth Vision and are aligned with relevant Wales and UK strategies;
 - f* are spatially targeted across the whole region;
 - f* deliver benefits that will have a positive impact on as many communities as possible across the region;
 - f* are enablers for economic growth;
 - f* support growth and attract private sector investment;
 - f* promote innovation.

Programme	Project	Project Sponsor	Project Summary
	Glynllifon Rural Economy Hub	Llandrillo Menai	private collaboration to coordinate action on skills and product development to transform and accelerate the growth of the tourism and hospitality sector in the region. The vision is to create a distinctive, world

Programme	Project	Project Sponsor	Project Summary
			<p>of and complementing more expensive leased line circuits. Some 4,100 business premises and 450 residential premises able to access gigabit capable full fibre broadband once complete.</p> <p>Connected Campus This project aims to accelerate the development of Connected Campuses at 19 key regional economic sites. It will target key sites which present cases for 5G and low power Wi-Fi networks in the context of heavy industry, light industry, research sites, commercial sites and across a much larger rural catchment.</p>

Programme	Project	Project Sponsor	Project Summary
	Digital Signal Processing Centre Project(DSP)	Bangor University	

Figure 1.2 Benefits Framework



Source: Hatch

Net additional benefits

- 8.4 After taking account of likely levels of additionality within the projects and programmes, the Growth Deal programmes are expected to generate a total of £1.97 to £2.41 billion in net additional GVA, and 3,440 to 4,200 net additional FTE jobs per annum at steady state.
- 8.5 A breakdown across all of the projects is provided in Appendix B.

Table 5 Net Additional Economic Benefits (GVA is cumulative to 2036 and expressed in 2020/21 prices, undiscounted; jobs are annual at steady state)

	GVA (£m)	Jobs Created (FTEs)
Low carbon energy	430- 530	800 t980
Innovation in high value manufacturing	90 t110	150 t180
Agri-food and tourism	230 t280	310 t380
Land and property	1,060 t1,290	1,870 t2,280
Digital	150 t190	310 t380
Total, North Wales Growth Deal	1,970 t2,410	3,440 t4,210

Source: Hatch calculations based on project level data. Rounded to the nearest £10m/10 FTEs. Ranges apply a ± 10% margin of error.

WŒ}i š		WŒ}i ^%o}v•}C	'Œ}ÁšZ /vÁ•šu ~¬u•	KšZ WŒ}i ^ š}Œ /vÁ•šu ~¬•	WŒ}Á ^ š}Œ /vÁ•šu š ~¬•	d}š o %o]š /vÁ•šu ~¬•
	Á v }vv Á ~ }vv u μ	}v}u] u] }v }	î í X ì	r	r	î í X ì
	> (`	}v}u] u] }v }	ð X ì	r	r	ð X ì
>}Á Œ }v v Œ P Ç WŒ}PŒ uu						
D} o]	D v	□	ì X ì	î ó X ì	r	ï ò X ì
>}` }v v P oo v	vP} hv]Á]		î í X ì	ó æ X ó	í X ì	õ ó X ó
d ~ (` v W}	t o Z '}Á vu		î í X ì	î í X ì		

WCE}i š	WCE}i ^%o}v•}C	'CE}ÁšZ /vÀ•šu ~¬u•	KšZ Wĕμ c ^ š}CE /vÀ•šu ~¬•	WCE]Á ^ š}O /vÀ•šu š ~¬•	d}š o %o]š /vÀ•šu ~¬•
---------	-------------------	---------------------------	--------------------------------------	-----------------------------------	--------------------------------

dZ > o' (E]μ o}v }o P

Á]oo Á}ŒI Á]šZ šZ W^ [• v]Œ š oÇ •μ %o %o }Œ š š Z
evolving community resilience plans for the region to recover and build back
fairer and better

³/₄/₄

Engage with new partnership such as museums, theatres and arts to support developing our cultural and Welsh language considerations in contract opportunities.

- ¾ Work with procurement partners and third sector organisations to maximise community wealth building opportunities.
- ¾ Support and engage with the third sector in a valued based approach that

It is a key document providing a clear structure and foundation for taking the implementation of the Growth Deal forward.

Portfolio, Programme and Project Management Arrangements (PPM)

13.4 The Board has adopted a delivery model based on a best practice approach to

} (}o}}U }P uu v }i u v P u v }
^ v ' }À^ ììîW W }i o]À '[X W} (}o}}U

Programme Director- The Programme Director is accountable to the Economic Ambition Board for the delivery of the Growth Deal portfolio.

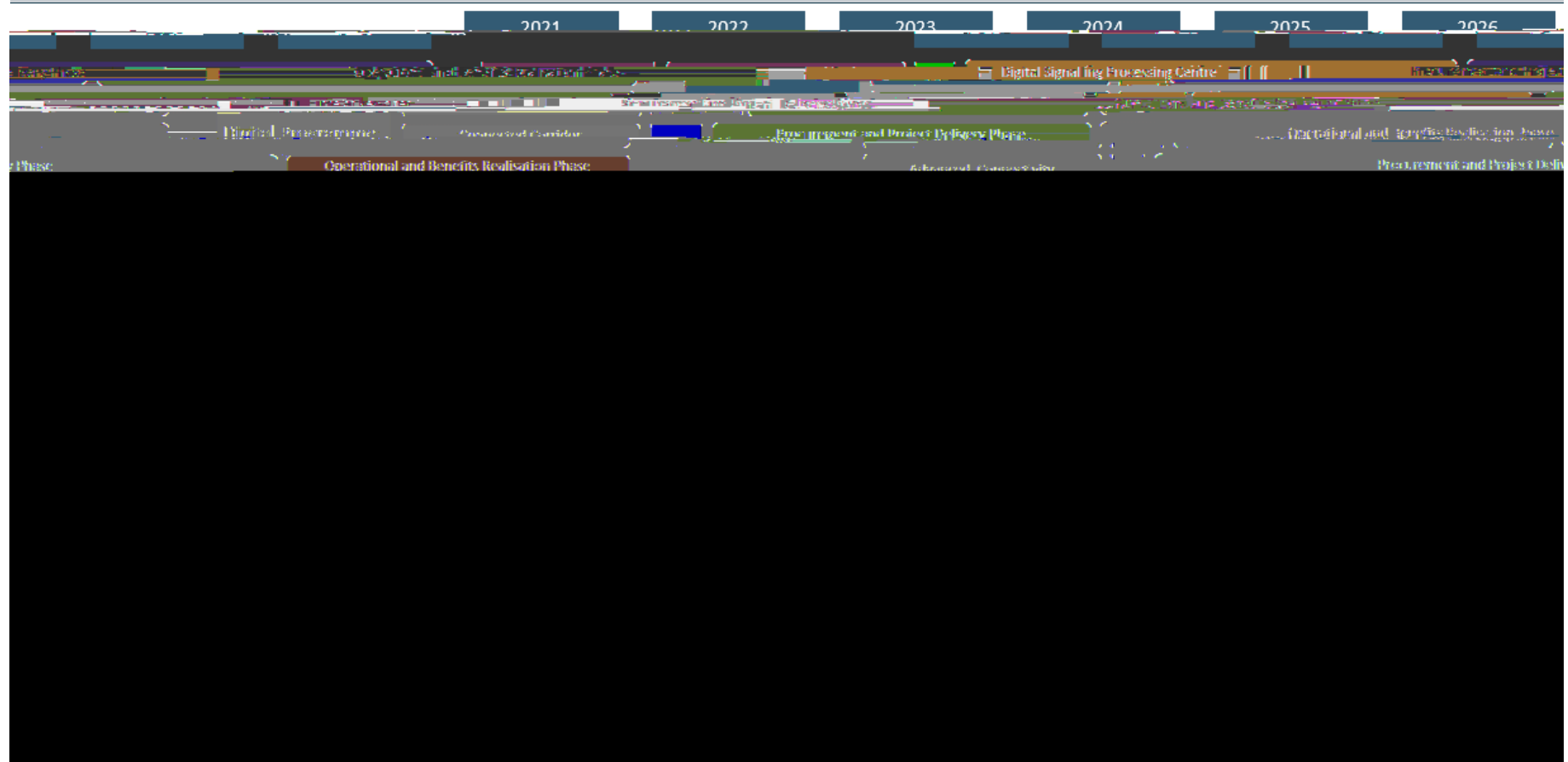
Project business cases will first be considered by the relevant Programme Board. Business cases will only be presented to the Economic Ambition Board following endorsement by the Portfolio Board and the Programme Board and the completion of required gateway reviews. The PMO retains the right to commission external reviews

Formal Annual Report to Economic Ambition Board, its partners, UK Government and Welsh Government;

- 13.27 Independent economic impact evaluation to be undertaken every 5 years against suite of indicators agreed with UK Government and Welsh Government.
- 13.28 Wider benefits to be achieved through procurement, particularly social and community value will be monitored and evaluated to ensure maximum benefit is derived to the region from such activity.
- 13.29 The Economic Ambition Board will work with the Welsh Government to ensure that

Growth Deal Project Delivery Timescales

Figure A.1 Growth Deal Delivery Timescale



Source: NWEAB

Explanatory Note on Private Delivery in the Land and Property Programme

Due to the scale of the proposed development, the following projects will have delivery timescales extending beyond 2026: Warren Gateway, Warren Hall, Bodelwyddan, Former North Wales Hospital. The timetable above refers to the Growth Deal funded elements of these projects. The full indicative delivery timeline for these projects is shown in Table 5.4 of the Financial Case and the Property Programme Business Case.

