



## REPORT TO THE GROWING MID WALES BOARD

19<sup>th</sup> April 2024

TITLE:	Mid Wales Growth Deal Quarter Report
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### 1 Purpose of the Report

1.1 The purpose of this report is to present the following:

- a brief overview of the progress over the last quarter and next steps relating to the Mid Wales Growth Deal
- to present the updated Strategic Portfolio Business Case (v3) for consideration

### 2 Decision(s) Sought

2.1 To approve the Strategic Portfolio Business Case (v3) and subsequent submission to UK and Welsh Government as part of the Annual Funding Approval Process - see **Item 6**.

### 3 Delivery

3.1 Since the last reporting period the work of the team has been focused on reviewing progress and forward planning around next stages and milestones. As the Portfolio is developing the team have identified areas where further work or guidance is required for example, Project Sponsor challenges related to business case requirements and navigating the process.

3.2 Further work has been undertaken on governance processes and ensuring procedures are in place where required, for example a Subsidy Control process has been developed, following advice and input from Welsh Government's Subsidy Control Unit.

3.3 The Portfolio Management Office (PoMO) has also developed a change management protocol for the Portfolio to deal with instances such as projects not proceeding/failing, and a mechanism to review and update a pipeline - **see Agenda Item 6**.

#### Digital Programme

3.4 The previous quarter's work has predominantly focused on the further development of the Outline Business Case (OBC) for the 4G+ Project, as well

as undertaking procurement for the Mapping Analysis Project supported with funding from the Shared Prosperity Fund.

- 3.5 Additional project opportunities have recently been considered by the Digital Programme Board to provide a 'pipeline' of projects with two identified as prioritised additional capital projects within the programme.
- 3.6 It has recently been proposed by the Digital Programme Board that a Business Connectivity Survey be carried out with businesses across the Region. It is planned that this can be used to assess current need and provide baseline data for future occurrences of the survey to evaluate the effectiveness of interventions.

#### **Sites & Premises Programme**

- 3.7 There have been some delays with progressing the two front-runner projects with the main challenges related to be the ability of the current partners to secure adequate resources. Until formal commitment is secured from each Partner to advance the projects it may remain difficult to advance the Sites & Premises Programme, at least in the short term. Discussions are ongoing with both Project Partners and Programme Board.
- 3.8 However good progress is being made on the proposals for a Local Intervention Fund and a sub-group set up to take this forward.

#### **Projects**

- 3.9 Good progress is being made with the 9 standalone projects. All have submitted Strategic Outline Cases (SOCs) and three have submitted Outline Business Cases (OBCs).
- 3.10 Following a workshop and further discussions on the SOC for the **Advanced Manufacturing Campus** project the appraisal has been finalised – **see Agenda Item 7.**
- 3.11 The **Elan Valley Lakes project OBC** has been appraised and a Gate 2 Assurance Review undertaken, with the findings presented to Portfolio Delivery Board on 15th March 2024 – **see Agenda Item 8.**
- 3.12 In addition OBCs have been received for Green Futures Innovation Park and National Spectrum Centre. Both OBCs have been appraised however additional information/clarify is sought on a number of areas therefore the assessments will be presented at a future meeting once this have been received, assessed and recommendation agreed by Portfolio Delivery Board.
- 3.13 The appointment of a Projects & Performance Manager has enabled greater engagement and relationship building with Project Sponsors with on-site meetings taking place and more detailed conversations with those that are further advanced, including discussions around business case requirements and assurance reviews. This will lead to regular structured meetings with all projects which will enable more detailed monitoring of progress and reporting

and escalation of issues as appropriate.

- 3.14 Development costs are still being highlighted as an issue for projects at a recent assurance review– the review team stated that in their experience no project would be willing to proceed at risk without funding being released prior to Full Business Case decision. Discussions are ongoing. The fact remains, that revenue funding (development costs) is still a significant issue for Projects – with no funding available from the Growth Deal.
- 3.15 **Business Case appraisals** – at the request of the Portfolio SROs, an additional layer of assurance has been added to further strengthen the appraisal process. As members are aware, appraisals are undertaken by members of the PoMO/GMW teams and Hatch Ltd and although moderation meetings are held to review the overall appraisal it has been agreed with Hatch that they will provide a ‘sense check’ review to ensure responses are cross referenced and consistent.
- 3.16 See **Appendix 1 Portfolio Overview** for further detail.

#### **4 Strategic Portfolio Business Case**

- 4.1 Since December work has been ongoing to update the Strategic Portfolio Business Case (SPBC), which is required annually, using the latest information available from the Programmes and Projects. This has been led by the PoMO with support from Hatch Ltd. This is the third iteration – see **Appendix 4** (separate document).
- 4.2 As members will be aware, the SPBC describes the context for the Growth Deal, how it is being developed and how it will be delivered and follows the required format of Government in terms of the Better Business Case guidance and 5 Case Model.
- 4.3 A workshop was held with members of the Portfolio Delivery Board on 28<sup>th</sup> March to run through the changes made to the SPBC in this iteration – please see **Appendix 2** for the presentation.

##### **Decision sought**

- 4.4 To approve the Strategic Portfolio Business Case (v3) and subsequent submission to UK and Welsh Government as part of the Annual Funding Approval Process.

#### **5 Governance**

- 5.1 Following Diane Reynolds’ successful appointment as Director of Economic Development and Growth, the previously reported SRO roles remain in place. SRO training is being arranged.
- 5.2 A meeting was held with the Economic Advisory Group members in December, and it was agreed that new members of the group would be sought, also that a Chair would be appointed. Consequently, Steve Lesbirel has been appointed Chair and interviews are taking place to appoint

additional members following and advertising campaign.

## **6 Assurance**

6.1 **Portfolio Assurance Review (PAR)** - the next PAR will take place in May 2024.

6.2 **Project Assurance** - a Gate 2 Assurance Review was undertaken for the Elan Valley Lakes project 21-23 February and delivered an Amber-Green confidence rating. Initial assessment meetings with WG's Assurance Hub have taken place for Green Futures Innovation Park and National Spectrum Centre with provisional dates for Gate 2 reviews in June 2024.

## **7 Resource**

7.1 No additional resourcing requirements identified at this time. This will remain under review.

## **8 Risk**

8.1 The Risk & Issue Register has been revised to reflect the move from establishment to delivery of the Growth Deal including removal of risks and issues that have been dealt with or are no longer relevant. The current Risk Register can be found in **Appendix 3** – the main current issues are:

- Financial - Portfolio match funding
- Financial – Inflationary pressures
- Financial - Funding project development costs
- Procurement – Supply chain issues
- Delivery - Quality of business case submissions

## **9 Monitoring and Evaluation**

9.1 A monitoring and evaluation framework for the Growth Deal is being developed as the Growth Deal progresses.

## **10 Benefits Realisation**

10.1 A substantial amount of work has been carried out to update the Benefits Realisation Framework including establishing principles, approach, benefit indicators and definitions, and identifying and cross-referencing impact against regional and national policies.

10.2 As Projects progress to OBC further consideration will be given to details around proposed benefits and this will inform development of the Plan. Current work has been incorporated into the SPBC v3.

## **11 Communications Update**

### **24-01-24**

Mention of Digital Programme in Powys County Council Shared Prosperity Fund press release:

32 projects get SPF money to help Powys businesses expand

**08-02-24**

EAG: Business Leaders Needed to Support the Delivery of the Mid Wales Growth Deal

<https://www.growingmid.wales/article/15608/Business-Leaders-Needed-to-Support-the-Delivery-of-the-Mid-Wales-Growth-Deal>

Featured in [Business News Wales](#)

## 12 Next Steps

12.1 Please find below an overview of the next steps:

<b>April</b>	GMW Board – receive recommendations on Business Cases for consideration
<b>April</b>	GMW Board – updated Strategic Portfolio Business Case for approval
<b>April</b>	Submission of Strategic Portfolio Business Case to Governments
<b>May</b>	Portfolio Assurance Review
<b>June/September (tbc)</b>	Welsh Cities & Growth Deal Implementation Board (annual funding approval process)
<b>June</b>	Portfolio Delivery Board – receive assessments on OBCs (National Spectrum Centre and Green Futures Innovation Park)
<b>June</b>	Project Assurance reviews: National Spectrum Centre and Green Futures Innovation Park

## 13 Legal Implications

13.1 None.

## 14 Human Resources Implications

14.1 None.

## 15 Financial Implications

15.1 None.

## 16 Appendices

- Appendix 1: Portfolio Overview
- Appendix 2: Strategic Portfolio Business Case v3 - Presentation of Main Changes
- Appendix 3: Portfolio Risk Register
- Appendix 4: Strategic Portfolio Business Case v3