

# Cyd-Bwyllgor Craffu Tyfu Canolbarth Cymru / Growing Mid Wales Joint Scrutiny Committee

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Meeting Venue  
**Zoom**

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Meeting Date  
**Wednesday, 23 February 2022**

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Meeting Time  
**2.00 pm**

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For further information please contact  
**Lisa Richards, Scrutiny Officer**

16 February 2022

[lisa.richards@powys.gov.uk](mailto:lisa.richards@powys.gov.uk)

## AGENDA

<b>1.</b>	<b>APOLOGIES</b>
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To receive apologies for absence.

<b>2.</b>	<b>DECLARATIONS OF INTEREST</b>
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To receive any declarations of interest.

<b>3.</b>	<b>MINUTES</b>
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To receive the Minutes of the last meeting held on 1 December 2022.  
(Pages 3 - 6)

<b>4.</b>	<b>INTER AUTHORITY AGREEMENT AND FINAL DEAL AGREEMENT</b>
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To receive a progress report on the Inter Authority Agreement V3 and Final Deal Agreement.  
(Pages 7 - 152)

<b>5.</b>	<b>MID WALES ENERGY STRATEGY</b>
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To consider an overview and update report on the Mid Wales Energy Strategy.  
(Pages 153 - 224)

<b>6.</b>	<b>WORK PROGRAMME</b>
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To consider the forward work programme and amend as necessary.  
(Pages 225 - 226)



**MINUTES OF A MEETING OF THE CYD-BWYLLGOR CRAFFU TYFU  
CANOLBARTH CYMRU / GROWING MID WALES JOINT SCRUTINY COMMITTEE  
HELD AT ZOOM ON WEDNESDAY, 1 DECEMBER 2021**

**Ceredigion County Council:**

County Councillors C Davies, K Evans and W Thomas

**Officers:**

R Hughes-Pickering, Corporate Director, C Jones-Evans, Strategic Manager, L Edwards, Democratic Services, C Williams and L Evans, Scrutiny and Standards Officer

**Powys County Council:**

County Councillors J Berriman, M J Dorrance, D O Evans, K M Roberts-Jones and R G Thomas (Chair)

**Officers:**

N Brinn, Executive Director, Economy and Environment, P Griffiths, Consultant, C Turner, Chief Executive, N Williams, Joint Project Officer and L Richards, Scrutiny Officer

**Regional (GMW) Officers:**

C Martin, Operations Manager, A Caesar-Homden, Regional Skills Partnership Manager,

<b>1.</b>	<b>APOLOGIES</b>
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An apology for absence was received from County Councillor E Evans,

<b>2.</b>	<b>DECLARATIONS OF INTEREST</b>
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There were no declarations of interest.

<b>3.</b>	<b>MINUTES</b>
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The Minutes of the last meeting held on 22 October 2021 were agreed as a correct record.

<b>4.</b>	<b>MID WALES GROWTH DEAL</b>
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i) **Final Deal Agreement**

Members were provided with an update on progress towards the Final Deal Agreement. The Portfolio Business Case had been considered by the Board in October followed by an Accountable Officer Review. Ten

recommendations had been made but none were understood to be of such significance as to delay the Final Deal Agreement.

The Final Deal Agreement will be similar to the Heads of Terms Agreement and represents a political commitment that the case for a Growth Deal has been made. The date for sign off of the Agreement is still to be finalised but it is hoped that this will be before Christmas. The Agreement will not be made public until such time as it has been formally signed.

The Growth Deal will be for £110M over a 10 year period. This period will commence when the first annual grant offer letter is received for the Deal, which is anticipated to be during the summer of 2022. The funding will be subject to an annual review and approval process. The Portfolio Management Office will support the Economic Development services in both Authorities in bringing forward project development and horizon scanning of further opportunities. There will be no defined minimum intervention rate – each project will be different, and the case needs to be made for public investment as part of the business planning process.

The Committee asked if there was a Risk Register for the Growth Deal and were informed that each portfolio had a risk register which could be considered by the Joint Overview and Scrutiny Committee.

ii) **Corporate Joint Committee**

The Committee received a presentation on the Corporate Joint Committee (CJC) by the Joint Project Officer.

The Committee noted the option to add additional members and asked how many. The regulations do not specify the number and this would be decided by both Leaders. Appointees could be someone external to both organisations.

Members also questioned how TRACC would respond to losing their autonomy and being taken under the CJC. TRACC had agreed the recommendation. It was noted that the TRACC area was not exactly coterminous with the area covered by the CJC.

<b>5. REGIONAL SKILLS PARTNERSHIP</b>
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The Committee had received a report by the RSP Manager and were given a presentation to summarise the report.

Members noted that ongoing research would feed into the needs of various sectors which would include schools. It was clear that this could drive delivery at a Further Education level, but it was not so clear how this might affect secondary education. The RSP is purely an advisory body and its activities will filter out to different



sectors. Discussions are ongoing regarding sharing careers information. The RSP will also lead on the Young Person's Guarantee once the specification document has been signed off by Welsh Government. With regards to closer working with schools, it is hoped to encourage businesses to go into schools to help deliver specialist areas of the curriculum to support teaching staff.

Market intelligence reports will be available on the website once agreed by the Welsh Government.

In addition to attracting inward investment, Members highlighted the need to 'grow our own'. Inward investment was necessary to grow the economy. Research into graduate destinations and retention will be undertaken to help identify where they are moving to and what other areas are doing to attract and keep them there. What are we not doing in Mid Wales to keep learners here.

A request was made for a flow chart of decision-making processes from the Board down and including the RSP. (Included at the end of these minutes.)

Further research and data analysis is planned to build an evidence base of what is currently being delivered and where, to support learners and meet employers needs and to identify current and future skills gaps and employer demands. The RSP is working with both education and economic regeneration colleagues. Intelligence will be obtained from Data Cymru, the Skills Gateway and Business Wales. The RSP meets regularly with Business Wales. It was considered that there was a need to strengthen references to the Welsh language. As part of the RSP membership review, the Welsh Language School will be invited to nominate a representative to sit on the RSP Board.

<b>6. WORK PROGRAMME</b>
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It was suggested that the Committee should initially receive strategic updates from each of the eight Workstream Leads to provide an overview. Members requested that papers be provided in advance to allow them to focus on each topic. It was further suggested that Governance should be included on the agenda to provide an update on how Agreements were progressing.

**Outcomes:**

- **The next meeting will be on Wednesday 23 February 2022 at 2pm**
- **The agenda will comprise;**
  - **an update on the Inter Authority Agreement (version 3) which is to be considered by the Board on 15 December 2021**
  - **Final Deal Agreement**
  - **Portfolio Business Case**
- **Energy Strategy**
- **Digital Strategy**

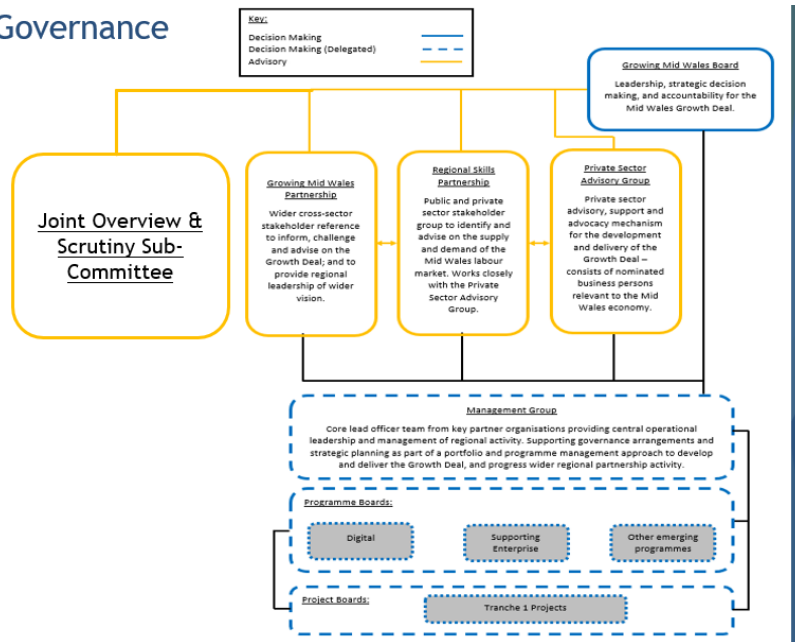
- The Regional Skills Partnership will be considered again in the summer of 2022

**7. TERMS OF REFERENCE AND GOVERNANCE UPDATE**

The Chair, Vice Chair had discussed with Councillor Berriman his concerns regarding the Terms of Reference of the Committee. It was agreed these would be monitored and considered again in October 2022.

**County Councillor R G Thomas**

Llywodraethiant / Governance





## REPORT TO JOINT OVERVIEW AND SCRUTINY SUB-COMMITTEE

23 February 2022

TITLE:	Mid Wales Growth Deal – IAA3 and FDA
AUTHOR:	Cathy Martin, Operations Manager - GMW Portfolio Management Officer

### 1 Purpose of the Report

1.1 The purpose of this report is to present two documents to the Committee relevant to the Mid Wales Growth Deal (MWGD) governance and funding commitment:

- Inter-Authority Agreement v3
- Final Deal Agreement

### 2 Inter-Authority Agreement

2.1 In line with the work of the Growing Mid Wales Partnership and to take forward the development and delivery of the Mid Wales Growth Deal (MWGD), a formal arrangement is in place between Ceredigion and Powys County Councils in the form of an Inter-Authority Agreement (IAA).

2.2 The initial Inter-Authority Agreement was put in place in December 2019 and set out the principles of the governance and management arrangements to enable partners to achieve Heads of Terms for the MWGD in December 2020.

2.3 In July 2021, a further iteration of the IAA was developed (IAA2) to ensure continued governance for the period of development up to Final Deal Agreement, and also to include the new Terms of Reference for the Regional Skills Partnership.

2.4 To ensure there is continued good and robust governance for the delivery phase of the MWGD, it has been necessary to further revise and evolve our existing arrangements between both Powys and Ceredigion Councils.

2.5 Therefore Version 3 of Inter-Authority Agreement (IAA) was presented to the GMW Board in December, subsequently approved by both Local Authority cabinets and is now officially signed.

2.6 IAA3 commenced once the Final Deal Agreement (FDA) was signed between the two Councils – and will remain in force and effect for the period of the Growth Deal unless the Parties agree to terminate the agreement or the agreement is brought to an end by the default of a party.

### 3 Governance Principles and Framework

Growing Mid Wales Board

- 3.1 IAA1 established the Growing Mid Wales Board (GMWB) as an executive joint committee and that arrangement continued into IAA2, and now into IAA3. As with previous IAA iterations, the voting committee membership consists of 10 elected member representatives by the Councils (5 each). The key change in IAA3 versus previous iterations, is that the Chair of the Private Sector Advisory Group (formerly Economic Strategy Group) no longer has voting rights on the GMWB. All advisory panels of the GMWB are re-established in a consultative capacity, to provide advice to the GMWB.
- 3.2 On an annual basis the GMWB will be required to update the Portfolio Business Case for the preceding five years, but any material change to the prevailing Portfolio Business Case will have to be approved by Cabinets of both Authorities (clause 7.2).
- 3.3 Before the start of each Accounting year, the GMWB is required to approve an Annual Business Plan setting out the annual spend for approved projects (clause 7.3).

Economic Advisory Group

- 3.4 Following the review of the previous Economic Strategy Group that was constituted as part of IAA1 and IAA2 – the private sector group has been re-designed with new terms of reference to provide the GMWB with consistent strategic advice pertaining to the delivery of the MWGD.

Joint Overview and Scrutiny Committee

- 3.5 The Terms of Reference remain largely unchanged from IAA2 when it was established.

Regional Skills Partnership

- 3.6 The Terms of Reference remain largely unchanged from IAA2 when it was established.

Growing Mid Wales Management Group

- 3.7 This was established under IAA1 to co-ordinate professional officer advice and management to the GMWB. The terms of reference have been evolved to be in line with expectations and requirements to support the delivery of the Deal – which ensures the oversight of resource deployment, performance management of the Portfolio and team, and acts as a clearing house for GMWB reports. Its membership comprises senior officers from both Councils, with observers from both Governments.

Portfolio Management Office (PoMO)

- 3.8 The PoMO has been established via separate grant funding agreement and SLA between the two Councils and Aberystwyth University– however the role and function of the PoMO in the context of the MWGD have now been defined within IAA3. They provide professional support and advice to the GMWB on the delivery of the MWGD Portfolio.

Council's Obligations – Administrative Functions

- 3.9 IAA1 and IAA2 set out the respective lead authorities for the “administrative functions” (HR, Finance, Legal etc).
- 3.10 IAA3 has set out that the Councils acknowledge and agree to divide the administrative functions in support of the Mid Wales Growth Deal in accordance with the table below:

Administrative function	Responsibility
Human Resources	Ceredigion
Clerk to the GMWB	Both Councils shall appoint an individual to act as Clerk who will be responsible for supporting the administrative requirements of the GMWB on an alternate basis in accordance with Clause <b>Error! Reference source not found.</b> (GMWB)
Legal Services	Powys
Monitoring Officer	Powys
Treasurer and Section 151 Officer	Ceredigion as Accountable Body
Communications	Ceredigion, supported by the PoMO
Procurement	Powys
Translation	The Council holding the GMWB Meeting
IT	Ceredigion
Internal Audit	Powys
Democratic Services	Powys
Secretariat services to the EAG	Powys, supported by the PoMO

#### Accountable Body

- 3.11 IAA3 also defines and establishes the role of the Accountable Body for the delivery of the MWGD. Ceredigion has been established as the lead authority for finance for the MWGD in IAA1 and IAA2, and this continues into IAA3 with Ceredigion acting as the Accountable Body responsible for discharging the Councils’ obligations in relation to the MWGD pursuant to IAA3. It means accepting and receiving any HMT Contribution from the WG for and on behalf of the Councils and shall hold and manage such HMT Contribution in accordance with the terms of the Agreement. The Accountable Body shall receive any additional funding from any other source for and on behalf of the Councils and shall hold and manage such funds in accordance with the terms of the Agreement.

#### 4 Codes of Conduct and Conflicts of Interest

- 4.1 The principles established in previous agreements (IAA1 and IAA2) remain unchanged for IAA3 – and sets out the provisions for Members Code of Conduct in relation to the declaration and management of personal interests.
- 4.2 The review into the Economic Strategy Group concluded that the provisions and mechanisms to manage the potential interests of private sector members were deemed sufficient – however, the new terms of reference have been strengthened in IAA3 to ensure a clearer focus and role within wider MWGD governance.

#### 5 Delegation

- 5.1 The Scheme of delegation is set out in Schedule 1 of the IAA3 as follows:

DECISION	MANAGEMENT GROUP MATTER	GROWING MID WALES BOARD MATTER	MATTER RESERVED TO THE COUNCILS
<b>KEY THEMES</b>			
1. Approval of IAA3			Yes
2. Approval and adoption of any Business Plans			Yes
3. Approval and adoption of any updated Business Plans save to the extent any such update amounts to a material change to the prevailing Business Plan (in which case the decision to approve and adopt such updated Business Plan shall be a Matter Reserved to the Councils)		Yes	
<b>FUNDING AND EXPENDITURE</b>			
4. Approval of any increase to the Councils' Contribution			Yes
5. Approval of any disproportionate Internal Costs pursuant to Clause 11 ( <i>Commitment of the Councils and Contributions</i> )		Yes	
6. Approval of expenditure within the approved Annual Budget of the Accountable Body held on behalf of the Councils set out in Clause 11.2 ( <i>Annual Budget</i> )	Yes		

DECISION	MANAGEMENT GROUP MATTER	GROWING MID WALES BOARD MATTER	MATTER RESERVED TO THE COUNCILS
7. Approval of the Annual Budget pursuant to Clause 11.2 ( <i>Annual Budget</i> )			Yes
8. Approval of additional expenditure over and above the approved Annual Budget of the Accountable Body held on behalf of the Councils set out in Clause 11.2 ( <i>Annual Budget</i> )			Yes
9. To approve from time to time the distribution of the Annual Budget as between the different programmes and projects agreed as part of any MWGD or the Regional Growth Strategy		Yes	
10. Entering into (or agreeing to enter into) any borrowing arrangement on behalf of the Joint Committee and/or giving any security in respect of any such borrowing		Yes	
11. Accepting terms and conditions in relation to any third party funding for the MWGD		Yes	
<b>GENERAL</b>			
12. Replacement of the Accountable Body			Yes
13. Establishment of a sub-committee pursuant to this Agreement and determining their terms of reference and scope of delegation.		Yes	
14. Making any variations to or waiving any rights to or terminating any contracts signed by Council / the Accountable Body (other than this Agreement) which are material to the MGWD.		Yes	
15. Amendments to the terms of this Agreement			Yes
16. The engagement of (and terms of engagement of) any individual person where the value of the appointment	Yes		

DECISION	MANAGEMENT GROUP MATTER	GROWING MID WALES BOARD MATTER	MATTER RESERVED TO THE COUNCILS
does not exceed £50,000 per Accounting Period			
17. The engagement of (and terms of engagement of) any individual person where the value of the appointment does exceeding £50,000 per Accounting Period		Yes	
18. Commencing any claim, proceedings or other litigation brought by or settling or defending any claim, proceedings or other litigation brought against the Joint Committee or individual Party in relation to the MWGD, except in relation to debt collection in the ordinary course of business.		Yes	
19. Making any announcements or releases of whatever nature in relation to the Joint Committee and the MWGD.		Yes	
20. Creation of a local authority trading company under Local Government Act 2003			Yes
21. Any other matters not covered in this ( <i>Delegations Policy</i> )			Yes

- 5.2 The GMWB may delegate the whole or any part of its powers to any person, sub-committee or group (Clause 9.29).
- 5.3 A copy of IAA3 can be found at Appendix 1.
- 5.4 The information for the above section of this report was taken from the GMW Board papers of 1th December 2021 presented by Clive Pinney, Head of Legal and Democratic Services (Powys Council) – Lead Monitoring Officer for the MWGD. The papers can be found here: [GMW Board Papers 15-12-21](#) Paper 5.1.



## 6 Final Deal Agreement (FDA)

- 6.1 The FDA document sets out the principles upon which the final deal is agreed between the region and both Governments. It is based on the Strategic Portfolio Business Case that forms the foundation and establishes the operational framework for the Deal and which will evolve to reflect the development of its constituent programmes and projects, and changes in the policy and economic context.
- 6.2 In signing this agreement the UK Government and Welsh Government are jointly committing an investment of £110 million into the Growth Deal over a period of between 10 and 15 years.
- 6.3 Building on the Vision for Growing Mid Wales published in Summer 2020, and the Heads of Terms subsequently signed in December 2020; this document sets out the parameters and framework for the delivery of the Mid Wales Growth Deal that reaffirms the commitment of all parties to achieve the full implementation and potential of this funding.
- 6.4 The Growth Deal is a key catalyst to transform the regional economy as part of a broader funding mix. The injection of capital funding into the region over a long-term timescale provides the opportunity to mobilise investments in significant economic infrastructure in tandem with the private sector.
- 6.5 The Growth Deal has been brought forward as a Portfolio, and has the potential to deliver against the eight Strategic Growth Priorities within the Vision:
- Applied Research & Innovation
  - Agriculture, Food & Drink
  - Strengthened Tourism Offer
  - Energy
  - Digital
  - Supporting Enterprise
  - Transport
  - Skills & Employment
- 6.6 By focusing delivery on these Strategic Growth Priorities collectively as part of a Portfolio, the Growth Deal will achieve a greater impact in terms of the Board's ambition and use of resources than focusing on a set of immutable, individual projects in isolation.
- 6.7 All programmes and projects that are delivered through the Growth Deal will directly contribute towards the aims and objectives of the Portfolio. The Portfolio as planned at present focuses on a set of 2 programmes and 9 projects that relate to 5 of the Strategic Growth Priorities. The headline figures and assumptions are currently indicative – but set out the region's proposals for bringing the Portfolio forward.

- 6.8 The Portfolio approach ensures that the right mix of programmes and projects deliver tangible and long-lasting benefits across the region that ensures a continuing focus by regional governance on delivering the aims and objectives of the Strategy. This means that the Portfolio is live – and the programmes and projects are subject to change as further planning and development is undertaken – as per the Portfolio approach.
- 6.9 As set out in the Strategic Portfolio Business Case, an indicative assessment of the shortlisted programmes and projects estimates that the Growth Deal will deliver a total investment of £280-400 million in the Mid Wales economy (£110 million jointly from UK and Welsh governments), creating 1,100-1,400 net additional jobs and generating £570-700 million in net additional GVA .
- 6.10 This Final Deal Agreement builds on the foundations set through the Heads of Terms and sets out the challenges and opportunities across the key sectors in the Mid Wales economy that the Growth Deal has the potential to address include those resulting from the impact of Covid-19.
- 6.11 The FDA also sets out the Governance Structures and reporting mechanisms to deliver the Growth Deal, alongside the assurance and approvals process - reflecting the detail with the wider Portfolio Business Case.
- 6.12 On Thursday 13th January 2022 the Final Deal Agreement for the Mid Wales Growth Deal was officially signed. This is a significant milestone and marks the commitment of all partners to deliver the Mid Wales Growth Deal. A copy of the Final Deal Agreement can be found at Appendix 2.
- 6.13 The event, held virtually, was attended by Vaughan Gething MS (Minister for Economy, Welsh Government), David TC Davies MP (Parliamentary Under Secretary of State for Wales, UK Government), Cllr Ellen ap Gwyn (Leader, Ceredigion County Council) and Cllr Rosemarie Harris (Leader, Powys County Council). With Rebecca Evans MS (Minister for Finance and Local Government, Welsh Government), Neil O'Brien MP (Parliamentary Under Secretary of State; Minister for Levelling Up, The Union and Constitution, UK Government) as signatories only.
- 6.14 A press notice was released which received widespread attention in over 10 publications and was also posted on the Growing Mid Wales twitter page and LinkedIn which was shared by interested parties.
- [Mid-Wales-Growth-Deal-reaches-an-important-development-milestone](#)
- [GMW Social Media Clip](#)
- [Business News Wales special-audio-feature](#)
- 6.15 This signals the final phase of strategic development of the MWGD, and will see work concluding to ensure grant offer letters are received – which will signify the commencement of delivery of the MWGD.

## **7 Appendices**

- 7.1 Appendix 1 – IAA3
- 7.2 Appendix 2 – FDA

DATED

2021

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- (1) CEREDIGION COUNTY COUNCIL
- (2) POWYS COUNTY COUNCIL

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**INTER AUTHORITY AGREEMENT 3**  
in relation to the delivery of the Mid Wales Growth Deal

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**BETWEEN**

- (1) **CEREDIGION COUNTY COUNCIL** of Neuadd Cyngor Ceredigion, Penmorfa, Aberaeron, Ceredigion SA46 0PA ("**Ceredigion**"); and
- (2) **POWYS COUNTY COUNCIL** of County Hall, Llandrindod Wells, Powys LD1 5LG ("**Powys**"),

(together referred to as "**the Councils**" and individually as a "**Council**")

**BACKGROUND**

- (A) The Councils entered into an inter authority agreement on 11 December 2019 (the "**IAA**") to formalise their respective roles and responsibilities to develop an outline business case for the Mid Wales Growth Deal ("**MWGD**") and for approval of heads of terms with the Welsh Government ("**WG**") and the United Kingdom Government ("**UKG**") in respect of the MWGD ("**HoTs**").
- (B) The Councils subsequently entered into a second inter authority agreement on 4 August 2021 ("**IAA2**") to govern their respective roles in respect of the next phase of the MWGD to develop a portfolio business case for the MWGD and to agree and enter into the final deal agreement with WG and UKG in respect of the scope of the MWGD and the implementation and delivery of the same as per the HoTs ("**Final Deal Agreement**").
- (C) Pursuant to the IAA, the Councils established a joint committee responsible for overseeing and co-ordinating the discharge of the Councils' obligations in relation to the MWGD (the "**Growing Mid Wales Board**" and herein defined as the "**GMWB**"). The GMWB is responsible for the implementation and overall delivery of the MWGD and (amongst other matters) the delivery of any projects undertaken pursuant to the MWGD from time to time.
- (D) The Councils wish to enter into this inter authority agreement to govern their respective roles and responsibilities in respect of the implementation and delivery of the MWGD agreed with WG and UKG under the Final Deal Agreement.
- (E) The Councils have agreed to appoint Ceredigion to act as the Accountable Body for and on behalf of the Councils and to discharge the Councils' obligations in relation to the MWGD pursuant to and in accordance with this Agreement, pending, if determined by the Councils, transition to a new corporate joint committee (pursuant to Clause 10.4 (Corporate Joint Committee)).
- (F) The Councils wish to enter into this Agreement and deliver the MWGD pursuant to the powers conferred on them by Sections 101, 102, 111 and 113 of the Local Government Act 1972, Section 1 of the Local Authority (Goods & Services) Act 1970, Section 25 of the Local Government (Wales) Act 1994, Section 2, 19 and 20 of the Local Government Act 2000, Section 9 of the Local Government Wales Measure 2009 and all other enabling powers now vested in the Councils.

**1. DEFINITIONS AND INTERPRETATION**

- 1.1 In this Agreement and the Recitals, unless, the context otherwise requires the following terms shall have the meaning given to them below:-

<b>"Accountable Body"</b>	means the Council appointed under Clause 4 (Accountable Body) who shall be responsible for entering into contracts and receiving, accepting and spending funds for and on behalf of the Councils in relation to the MWGD in accordance with the funding condition relating thereto and whose duties are set out under Clause 4 (Duties of the Accountable Body)
<b>"Accounting Date"</b>	means 31 March in each year or such other date as the Councils determine from time to time
<b>"Accounting Period"</b>	means any period of 12 (twelve) calendar months from the day after the Accounting Date up to and including the next Accounting Date, provided that: <ul style="list-style-type: none"> <li>(a) the first Accounting Period shall be the period commencing on the Commencement Date up to and including the next Accounting Date; and</li> <li>(b) the final Accounting Period shall be the period commencing on 1 April immediately preceding the last day of this Agreement and ending on the last day of this Agreement</li> </ul>
<b>"Act"</b>	means the Local Government and Elections (Wales) Act 2021
<b>"Annual Budget"</b>	means the approved annual budget of the Accountable Body held for and on behalf of the Councils and as set out in Clause 11.2 (Annual Budget) in relation to the payment of any GMWB Costs in accordance with this Agreement
<b>"Annual Business Plan"</b>	means each business plan referred to in Clause 7.3 (Annual Business Plans) in relation to the annual spend for approved project(s) to be implemented in that Accounting Period in relation to the MWGD (and the manner and form of such implementation), as the same may be prepared, varied or updated from time to time in accordance with the provisions of this Agreement
<b>"Business Day"</b>	means any day other than a Saturday or Sunday or a public or bank holiday in England and/or Wales
<b>"Mid Wales Region"</b>	comprises the administrative areas of Ceredigion and Powys
<b>"Chair"</b>	means the chair of the GMWB appointed in accordance with Clause 9 (Growing Mid Wales Board)
<b>"Clerk"</b>	has the meaning given to it in Clause 9.8
<b>"Commencement Date"</b>	means the date of this Agreement

<b>"Conditions Longstop Date"</b>	means as defined in Clause 2.3 (Conditions Subsequent)
<b>"Confidential Information"</b>	all know-how and other information whether commercial, financial, technical or otherwise relating to the business, affairs or methods of all or any Council, which is contained in or discernible in any form whatsoever (including without limitation software, data, drawings, films, documents and computer-readable media) whether or not marked or designated as confidential or proprietary or which is disclosed orally or by demonstration and which is described at the time of disclosure as confidential or is clearly so from its content or the context of disclosure
<b>"Corporate Joint Committee"</b>	means a body corporate known as the Mid Wales Corporate Joint Committee and established pursuant to section 74 of the Act and section 3 of the Regulations
<b>"Councils"</b>	means Ceredigion and/or Powys (as the context requires)
<b>"Data"</b>	means all data (including Personal Data) which may be supplied or inputted into a Council's IT systems by such Council under or in connection with this Agreement (including managing the appointment and replacement of representatives, the financial arrangements and/or resolution of any disputes in accordance with this Agreement)
<b>"Data Protection Laws"</b>	means any law, statute, declaration, decree, directive, legislative enactment, order, ordinance, regulation, rule or other binding pronouncement, including findings, orders, decisions and judgements of a competent court or supervisory authority or regulator with jurisdiction as updated and amended from time to time which relates to the protection of individuals with regards to the processing of Personal Data to which a party is subject in the United Kingdom, including the PECR, DPA 2018 and UK GDPR
<b>"Data Subject Request"</b>	means an actual or purported subject access request or notice or complaint from (or on behalf of) a <b>data subject</b> exercising his rights under the Data Protection Laws
<b>"DPA 2018"</b>	means the Data Protection Act 2018 as amended in accordance with the Data Protection, Privacy and Electronic Communications (Amendments etc) (EU Exit) Regulations 2019 (as amended by SI 2020 no. 1586) and incorporated into UK law under the UK European Union (Withdrawal) Act 2018



"DP Losses"	means losses, liabilities, damages, compensation, awards, payments made under settlement arrangements, claims, proceedings, costs and other expenses including fines, interest and penalties, whether arising in contract, tort (including negligence), breach of statutory duty or otherwise, legal and other professional fees and expenses
"Economic Advisory Group" or "EAG"	means the Economic Advisory Group as more particularly described in Clause 10.1 (Advisory Panels) and whose terms of reference are set out at Part 2 of <b>Error! Reference source not found.</b> (Economic Advisory Group Terms of Reference)
"Final Deal Agreement"	means the agreement to be entered into by the Councils, UKG and WG on [ December 2021] in respect of the scope, implementation and delivery of the MWGD
"Gateway Review"	means the five (5) yearly examination of programmes and projects by HMT to assess the progress and likelihood of the Councils' successful delivery of the MWGD
"GDPR"	means Regulation (EU) 2016/679 of the European Parliament and of the Council of 27 April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data, and repealing Directive 95/46/EC (General Data Protection Regulation)
"GMWB Costs"	means as defined in paragraph 1.2 of Schedule 2 (Heads of Expenditure) and shall, for the avoidance of doubt, not include any revenue costs or capital investment relating to the implementation of any project pursuant to an Annual Business Plan and excluding any Internal Costs (save for the Internal Costs of the Accountable Body which shall be accounted for as GMWB Costs)
"Governance and Assurance Framework"	means the Councils' systems, processes and protocols to assess the governance, risk management, ongoing monitoring and control processes of the Councils for the discharge of their obligations in relation to the MWGD and the delivery of projects pursuant to the MWGD as attached at <b>Error! Reference source not found.</b> 3 (Governance and Assurance Framework) of this Agreement
"Growing Mid Wales Board" or "GMWB"	means the joint committee set up by the Councils pursuant to Clause 9 (Growing Mid Wales Board) of this Agreement
"GMWB Meeting"	means a meeting of the GMWB duly convened in accordance with Clause 9 (Growing Mid Wales Board)

<b>"HMT"</b>	means Her Majesty's Treasury, a ministerial department of the UK Government
<b>"HMT Contribution"</b>	means the funding provided by HMT as set out in Clause 11.3.2 (HMT Contribution)
<b>"HMT Funding Conditions"</b>	means as defined in Clause 11.3.2 (HMT Contribution)
<b>"IAA"</b>	means the inter-authority agreement entered into by the Councils on 11 December 2019 to govern the relationship between the Councils in respect of (amongst other matters) the delivery of an outline business case in relation to the MWGD and approval of heads of terms between the Councils, WG and UKG in relation to the MWGD
<b>"IAA2"</b>	means the inter-authority agreement entered into by the Councils on 4 August 2021 to govern the relationship between the Councils in respect of (amongst other matters) the development of a portfolio business case and approval and entry into the Final Deal Agreement
<b>"Information Commissioner"</b>	means the UK Information Commissioner (including any successor or replacement body from time to time)
<b>"Information Commissioner Correspondence"</b>	means any correspondence or communication (whether written or verbal) from the Information Commissioner in relation to the processing of the Data
<b>"Intellectual Property"</b>	any and all patents, trade marks, trade names, copyright, moral rights, rights in design, rights in databases, know-how and all or other intellectual property rights whether or not registered or capable of registration and whether subsisting in the United Kingdom or any other part of the world together with all or any goodwill relating to them and the right to apply for registration of them
<b>"Internal Costs"</b>	means as defined in paragraph 1.1 of Schedule 2 (Heads of Expenditure) (and shall, for the avoidance of doubt, not include any revenue costs or capital investment relating to the implementation of any project pursuant to an Annual Business Plan) and excluding GMWB Costs
<b>"IP Material"</b>	the Intellectual Property in the Material
<b>"JOSSC"</b>	means the joint overview and scrutiny sub-committee as more particularly described in Clause 9.30.1 and whose terms of reference are set out at Part 4 of <b>Error! Reference source not found.</b> (Joint Overview and Scrutiny Sub-Committee Terms of Reference)

<b>"Local Authority"</b>	a principal council (as defined in Section 270 of the Local Government Act 1972) or any body of government in Wales established as a successor of a principal councils
<b>"Management Group"</b>	means the management group as more particularly described in Clause 10 and whose terms of reference are set out at Part 2 of <b>Error! Reference source not found.</b> (Management Group Terms of Reference)
<b>"Material"</b>	all data, text, graphics, images and other materials or documents created, used or supplied by a Council in connection with this Agreement unless before the first use or supply, the Council notifies the other Councils that the data, text supplied is not to be covered by this definition
<b>"Mid Wales Growth Deal" or "MWGD"</b>	means the Mid Wales Growth Deal to be delivered by the Councils pursuant to the Final Deal Agreement and in accordance with the terms of this Agreement
<b>"Portfolio Business Case"</b>	means the strategy which defines MWGD objectives including the high level programme to be agreed as a "Matter Reserved To The Councils" in order to discharge the Councils' obligations in relation to the MWGD
<b>"Portfolio Management Office" or PoMO</b>	means the team lead by the operations manager to assist the GMW Management Group and Board to implement the MWGD. The role and remit of the PoMO is set out in the Management Case of the Portfolio Business Case. The PoMO was established in Summer 2021 via external funding (ESF P5) and a specific service level agreement between all parties.
<b>"PECR"</b>	means the Privacy and Electronic Communications Regulations 2003 (as amended by SI 2011 no. 6) (as incorporated into UK law under the UK European Union (Withdrawal) Act 2018) as amended in accordance with the Data Protection, Privacy and Electronic Communications (Amendments etc) (EU Exit) Regulations 2019 (as amended by SI 2020 no. 1586) and incorporated into UK law under the UK European Union (Withdrawal) Act 2018
<b>"Personal Data Breach Particulars"</b>	means the information that must be included in a personal data breach notification, as set out in Article 33(3) of the UK GDPR
<b>"Regional Skills Partnership"</b>	means the stakeholder group known as the Regional Skills Partnership as more particularly described in Clause 10 and whose terms of reference are set out at Part 3 of <b>Error! Reference source not found.</b> 1 (Regional Skills Partnership Terms of Reference)
<b>"Regulations"</b>	means the Mid Wales Corporate Joint Committee Regulations 2021

<b>"Security Requirements"</b>	means the requirement regarding the security of the Personal Data, as set out in the Data Protection Laws (including, in particular, the measure set out in Article 32(1) of the UK GDPR (taking due account of the matters described in Article 32(2) of the UK GDPR)) as applicable
<b>"Senior Officer"</b>	means:- <ul style="list-style-type: none"> <li>a) in respect of Ceredigion, the Corporate Lead Officer for Economy and Regeneration;</li> <li>b) in respect of Powys, the Corporate Director for the Economy and the Environment,</li> </ul> or such other individual notified in writing by the relevant Council to the other Council from time to time
<b>"Third Party Request"</b>	means a written request from any third party for disclosure of personal data where compliance with such request is required or purported to be required by law or regulation
<b>"Translation Costs"</b>	means costs incurred by the Accountable Body in complying with any applicable legislation relating to its obligations under this Agreement
<b>"Treasurer"</b>	means the officer of the Accountable Body who has the responsibility for maintaining the financial accounts of the GMWB in respect of this Agreement and shall act as the section 151 officer in respect of the GMWB
<b>"UKG"</b>	means the UK Government
<b>"UK GDPR"</b>	means the EU General Data Protection Regulation 2016/679 (the <b>GDPR</b> ) (as incorporated into UK law under the UK European Union (Withdrawal) Act 2018) as amended in accordance with the Data Protection, Privacy and Electronic Communications (Amendments etc) (EU Exit) Regulations 2019 (as amended by SI 2020 no. 1586) and incorporated into UK law under the UK European Union (Withdrawal) Act 2018
<b>"WG"</b>	means the Welsh Government

## 1.2 Interpretation

In this Agreement, except where the context otherwise requires:-

- 1.2.1 the singular includes the plural and vice versa;
- 1.2.2 a reference to any clause, sub-clause, paragraph, Schedule, recital or annex is, except where expressly stated to the contrary, a reference to such clause, sub-clause, paragraph, schedule, recital or annex of and to this Agreement;
- 1.2.3 any reference to this Agreement or to any other document shall include any permitted variation, amendment or supplement to such document;

- 1.2.4 any reference to legislation shall be construed as a reference to any legislation as amended, replaced, consolidated or re-enacted;
- 1.2.5 a reference to a public organisation (to include, for the avoidance of doubt, any Council) shall be deemed to include a reference to any successor to such public organisation or any organisation or entity which has taken over either or both functions and responsibilities of such public organisation;
- 1.2.6 a reference to a person includes firms, partnerships and corporations and their successors and permitted assignees or transferees;
- 1.2.7 the schedule, clause, sub-clause and (where provided) paragraph headings and captions in the body of this Agreement do not form part of this Agreement and shall not be taken into account in its construction or interpretation;
- 1.2.8 words preceding "include", "includes", "including" and "included" shall be construed without limitation by the words which follow those words; and
- 1.2.9 any reference to the title of an officer or any of the Councils shall include any person holding such office from time to time by the same or any title substituted thereafter or such other officer of the relevant Council as that Council may from time to time appoint to carry out the duties of the officer referred to.

### 1.3 **Schedules**

The Schedules to this Agreement form part of this Agreement.

## 2. **COMMENCEMENT, DURATION AND TERMINATION**

### 2.1 **Duration of the Agreement**

This Agreement shall continue in full force and effect from the Commencement Date until the earlier of the following dates:-

- 2.1.1 the condition subsequent set out in Clause 2.3 (Condition Subsequent) are not satisfied or otherwise waived in writing by the Councils as a "GMWB Matter" prior to the Conditions Longstop Date;
- 2.1.2 both Councils agree in writing to its termination; or
- 2.1.3 the date prescribed pursuant to Clause 2.2 (Termination).

### 2.2 **Termination**

Without prejudice to any other rights or remedies, this Agreement may be terminated in relation to a Council ("**Defaulter**") by the other Council ("**Non-Defaulting Council**") giving written notice to the Defaulter effective on receipt where the Defaulter materially breaches any of the provisions of this Agreement and in the case of a breach capable of remedy fails to remedy the same within forty-five (45) Business Days (or such other period as agreed by the Non-Defaulting Council) of being notified of each breach in writing by the Non-Defaulting Council and being required to remedy the same.

### 2.3 **Conditions Subsequent**

The Councils shall approve the terms of any WG funding conditions relating to the HMT Contribution and the terms of the Final Deal Agreement, each as a "GMWB Matter" within six (6) months of the Commencement Date or by such other date as agreed by the Councils (with any such extension to be approved as a "GMWB Matter")

with the prior agreement of the Accountable Body (in consultation with the other Council) ("**Conditions Longstop Date**").

### 3. **PRINCIPLES AND KEY OBJECTIVES**

3.1 The Councils intend this Agreement to be legally binding.

3.2 The Councils agree to work together to discharge the Councils' obligations in relation to the MWGD pursuant to and in accordance with this Agreement.

3.3 Without prejudice to the terms of this Agreement, the Councils agree that they shall conduct their relationship in accordance with the objectives and principles set out below and shall agree the number and scope of projects to be developed in order to provide an **overall regional benefit to the Mid Wales Region**.

#### 3.4 **Objectives**

Without prejudice to the terms of this Agreement, the Councils agree that they will conduct their relationship in accordance with the following objectives to:-

3.4.1 **Attract and develop industries that drive productivity, earnings and employment growth in the Mid Wales Region**, capitalising on the strengths of its research, industrial and skilled assets;

3.4.2 **Attract and unlock private sector investment within the Mid Wales Region** by ensuring the right environment for growth;

3.4.3 **Position Mid Wales Region as a rural powerhouse** that develops existing industrial strengths to generate new industrial and employment opportunity;

3.4.4 **Reduce outward migration and retain a skilled workforce** through industry-led employment and skills support combined with clear employment pathways; and

3.4.5 **Utilise MWGD investments to influence and catalyse further investments** and policy changes to ensure equitable, inclusive growth across the Mid Wales Region, positioning the MWGD as a core component within the wider regional economic recovery efforts,

and such other objectives determined by the Councils from time to time.

#### 3.5 **Principles**

Without prejudice to the terms of this Agreement, the Councils agree that they will conduct their relationship in accordance with the following principles:-

##### 3.5.1 **Openness and Trust**

In relation to this Agreement the Councils will be open and trusting in their dealings with each other, make information and analysis available to each other, discuss and develop ideas openly and contribute fully to all aspects of making the joint working successful. Whilst respecting the mutual need for commercial confidentiality, the Councils will willingly embrace a commitment to transparency in their dealings and in particular a need to comply with statutory access to information requirements including the Environmental Information Regulations 2004 and the Freedom of Information Act 2000 and

supporting codes of practice. The Councils will be aware of the need for and respect matters of commercial confidentiality and potential sensitivity;

**3.5.2 Commitment and Drive**

The Councils will be fully committed to working jointly, will seek to fully motivate employees and will address the challenges of delivering the MWGD with enthusiasm and a determination to succeed;

**3.5.3 Skills and Creativity**

The Councils recognise that each brings complimentary skills and knowledge which they will apply creatively to achieving the Councils' objectives, continuity, resolution of difficulties and the development of the joint working relationship and the personnel working within it. It is recognised that this will involve the appreciation and adoption of common values;

**3.5.4 Effective Relationships**

The roles and responsibilities of each Council will be clear with relationships developed at the appropriate levels within each organisation with direct and easy access to each other's representatives;

**3.5.5 Developing and Adaptive**

The Councils recognise that they are engaged in what could be a long term business relationship which needs to develop and adapt and will use reasonable endeavours to develop and maintain an effective joint process to ensure that the relationship develops appropriately and in line with these principles and objectives;

**3.5.6 Reputation and Standing**

The Councils agree that, in relation to this Agreement and the MWGD generally, they shall pay the utmost regard to the standing and reputation of one another, and act with regard to each Council's own employer and member codes of conduct and shall not do or fail to do anything which may bring the standing or reputation of the other Council into disrepute or attract adverse publicity to the other Council;

**3.5.7 Reasonableness of Decision Making**

The Councils agree that all decisions made in relation to this Agreement and the MWGD generally shall be made by them acting reasonably and in good faith;

**3.5.8 Necessary Consents**

Each Council hereby represents to the other Council that it has obtained all necessary consents sufficient to ensure the delegation of functions and responsibilities provided for by this Agreement; and

**3.5.9 Members and Officers Commitments**

Each Council shall use its reasonable endeavours to procure that their respective members and officers who are involved in the MWGD shall at all times act in the best interests of the MWGD, and act with regard to each Council's own employer and member codes of conduct, devote sufficient

resources to deliver the MWGD and respond in a timely manner to all relevant requests from the other Council.

#### **4. CEREDIGION AS THE ACCOUNTABLE BODY**

- 4.1 The Councils (acting severally) have agreed, with effect from the Commencement Date, Ceredigion will act as the Accountable Body responsible for discharging the Councils' obligations in relation to the MWGD pursuant to and in accordance with this Agreement for and on behalf of the Councils and Ceredigion agrees to act in that capacity subject to and in accordance with the terms and conditions of this Agreement.
- 4.2 The Accountable Body shall act as the Accountable Body and shall accept and receive any HMT Contribution from the WG for and on behalf of the Councils and shall hold and manage such HMT Contribution in accordance with the terms of this Agreement.
- 4.3 The Accountable Body shall receive any additional funding from any other source for and on behalf of the Councils and shall hold and manage such funds in accordance with the terms of this Agreement.

#### **DUTIES OF THE ACCOUNTABLE BODY**

- 4.4 For the duration of this Agreement, the Accountable Body shall:
- 4.4.1 act diligently and in good faith in all its dealings with the other Council and it shall use its reasonable endeavours to discharge the Councils' obligations in relation to the MWGD pursuant to and in accordance with this Agreement and all applicable legislation including but not limited to:-
- (a) the Well-being of Future Generations (Wales) Act 2015;
  - (b) Welsh Language (Wales) Measure 2011; and
  - (c) the Welsh Language Standards;
- 4.4.2 act as the primary interface (on behalf of itself and the other Council) with the WG, the UKG and any other body necessary to discharge the Councils' obligations in relation to the MWGD;
- 4.4.3 act as the Accountable Body and to enter into and perform all contracts approved by the GMWB or the Councils (if a "Matter Reserved to the Councils") on behalf of the MWGD; and
- 4.4.4 act as the Accountable Body to hold any funds received directly from the WG, the UKG (if any), the Councils (if any) and/or any other sources (if any) in relation to the MWGD and only to use and release such funds as agreed in accordance with the terms of such funding and this Agreement.

#### **5. DUTIES OF POWYS**

- 5.1 For the duration of this Agreement, Powys shall act diligently and in good faith in all of its dealings with the Accountable Body and shall use its reasonable endeavours to assist the Accountable Body to discharge the Councils' obligations in relation to the MWGD pursuant to and in accordance with this Agreement and all applicable legislation.
- 5.2 It is acknowledged and agreed that the obligations and liabilities of each of Powys and Ceredigion shall bind any successor authority in the event of any local government re-organisation.



## 6. THE COUNCILS' OBLIGATIONS

- 6.1 The Councils acknowledge and agree that for the purposes of discharging the administrative functions required in connection with the MWGD, the Councils shall divide the administrative functions in accordance with the table below:-

<b>Administrative function</b>	<b>Responsibility</b>
Human Resources	Ceredigion
Clerk to the GMWB	Both Councils shall appoint an individual to act as Clerk who will be responsible for supporting the administrative requirements of the GMWB on an alternate basis in accordance with Clause 9 (GMWB)
Legal Services	Powys
Monitoring Officer	Powys
Treasurer and Section 151 Officer	Ceredigion as Accountable Body
Communications	Ceredigion, supported by the PoMO
Procurement	Powys
Translation	The Council holding the GMWB Meeting
IT	Ceredigion
Internal Audit	Powys
Democratic Services	Powys
Secretariat services to the EAG	Powys, supported by the PoMO

## 7. BUSINESS PLANS AND PROGRESS MONITORING

### 7.1 Portfolio Business Case

- 7.1.1 The Councils have approved the Portfolio Business Case for the MWGD (which is attached at Schedule 4 (Portfolio Business Case) to this Agreement);

### 7.2 Updated Portfolio Business Case

- 7.2.1 The Management Group shall, no earlier than three (3) months and no later than one (1) month before 31 March in each calendar year, prepare (or procure the preparation of), finalise, agree (acting in the best interests of the MWGD) and recommend for adoption to the GMWB a draft updated Portfolio Business Case for the proceeding five years which shall comply with the provisions of Clause 7.2.2 below.
- 7.2.2 The Portfolio Business Case shall, amongst other matters, address the following:

- (a) the methodology for agreeing the nature, scope and prioritisation of projects to be developed for the overall benefit of the Mid Wales Region (in accordance with the terms of the Portfolio Business Case);
  - (b) such other matters as the Councils may determine from time to time .
- 7.2.3 The decision to approve and adopt any updated Portfolio Business Case shall be a "GMWB Matter" save to the extent that any such update amounts to a material change to the prevailing Portfolio Business Case and, in which case, the decision to approve and adopt such updated Portfolio Business Case shall be a "Matter Reserved To The Councils".
- 7.2.4 The GMWB or the Councils (as applicable) shall use its reasonable endeavours to seek to agree such draft Portfolio Business Case (making any amendments they may agree unanimously) and to adopt it as the formal Portfolio Business Case within 60 (sixty) Business Days of the date it is first circulated to the GMWB or such other date as agreed by the Councils.
- 7.2.5 The updated Portfolio Business Case agreed pursuant to Clause 7.2.4 (with such amendments thereto as may be agreed by the GMWB or as a "Matter Reserved To The Councils" (as applicable)) shall replace the then current Portfolio Business Case as the formal Portfolio Business Case upon the later of:
- (a) the expiry of the then current Portfolio Business Case; and
  - (b) the date of the GMWB's approval to it in accordance with Clause 7.2.4 (GMWB) or, as applicable, the date the updated Portfolio Business Case is approved by the Councils as a "Matter Reserved To The Councils".
- 7.2.6 Subject to Clause 7.5, until such time as it is replaced in accordance with Clause 7.2.4, the Portfolio Business Case that has most recently been adopted as the formal Portfolio Business Case shall continue to be the formal binding Portfolio Business Case.
- 7.2.7 Where the draft Portfolio Business Case circulated under Clause 7.2.1 has not been approved by the GMWB or the Councils (as applicable) by the date six (6) calendar months following the date it is first circulated to the GMWB, the matter shall be deemed to be a GMWB Unresolved Matter and Clause 9.201 (GMWB) shall apply or where such approval is to be granted as a "Matter Reserved To The Councils", the Portfolio Business Case shall be deemed not to have been approved following such six (6) calendar month period.

### 7.3 **Annual Business Plans For Approved Projects**

- 7.3.1 The GMWB anticipates discharging the obligations of the Councils in relation to the MWGD through a number of projects and in respect of each Accounting Period the Management Group shall procure the preparation of, and (no later than 45 (forty-five) Business Days prior to the commencement of the relevant Accounting Period) procure the circulation to the GMWB of a draft Annual Business Plan in relation to the annual spend for approved project(s) to be implemented in the forthcoming Accounting Period in relation to the MWGD.

7.3.2 Within 15 (fifteen) Business Days of the date of circulation of a draft Annual Business Plan in relation to an Accounting Period a GMWB Meeting shall be convened in accordance with Clause 9 (GMWB) for the consideration of and (if the GMWB so agrees) approval of the draft Annual Business Plan.

7.3.3 Where the draft Annual Business Plan circulated under Clause 7.3.1 has not been approved by the GMWB by the date four (4) calendar months following the date it is first circulated to the GMWB, the matter shall be deemed to be a GMWB Unresolved Matter and Clause 9.20 (GMWB) shall apply.

#### 7.4 **Progress Monitoring**

7.4.1 Progress against each Portfolio Business Case and Annual Business Plan shall be regularly reviewed at the GMWB Meetings.

7.4.2 If, at any GMWB Meeting, any of the elected members or deputy (as applicable) in their reasonable opinion, believe that there has been a material failure of the Councils to comply with a relevant Portfolio Business Case and/or Annual Business Plan, the GMWB shall discuss appropriate action to immediately rectify the relevant failure and/or mitigate the effects of such failure as far as possible.

7.4.3 Subject to Clause 7.2.3, any variations to the Portfolio Business Case or an Annual Business Plan shall be effective only if approved by the GMWB in accordance with Clause 9 (GMWB).

#### 7.5 **Incorporation of Annual Business Plans into the Portfolio Business Case**

Upon a draft Annual Business Plan being approved in accordance with this Clause 7, or an approved Annual Business Plan being validly varied or updated in accordance with this Clause 7, the Portfolio Business Case shall be deemed to have been amended on and with effect from the date of the same insofar as such amendments to the Portfolio Business Case are necessary in order to ensure that the Portfolio Business Case is fully consistent, and does not conflict, with the Annual Business Plan. The contents of the Annual Business Plan shall be deemed to have been consolidated into the Portfolio Business Case automatically from time to time in accordance with this Clause 7.5.

### 8. **DECISION MAKING**

8.1 In terms of the need for decisions and other actions to be taken and carried out during the term of this Agreement, the Councils have identified the following two categories together with the means by which they will be taken:-

8.1.1 "**GMWB Matter**" – being a matter which it is expected the elected members (or appropriate deputy) of each Council appointed pursuant to Clause 9.4 (GMWB) will be able to make a decision upon and have the power to bind the Council it represents in doing so;

8.1.2 "**Matter Reserved To The Councils**" – being a matter which will have to be referred to each Council for decision and, for the avoidance of doubt, that matter requiring a decision would not be dealt with by the elected members appointed to the GMWB until the unanimous decision shall have been agreed by all of the Councils,

and in each case, such matters are identified in Schedule 1 (Delegations Policy).

### 9. **GROWING MID WALES BOARD**

- 9.1 The Councils established a joint committee of the Councils known as the Growing Mid Wales Board ("**GMWB**") pursuant to the IAA for the purpose of overseeing and co-ordinating the discharge of the Councils' obligations in relation to the MWGD and to carry out the IAA2.
- 9.2 The GMWB may carry out such other functions as the Councils determine from time to time.
- 9.3 The GMWB shall not have power to approve any "Matter Reserved To The Councils" pursuant of Clause 8.1.2 ("**Matter Reserved To The Councils**").
- 9.4 Each Council shall appoint five (5) elected member representatives to the GMWB.
- 9.5 The GMWB shall comprise ten (10) elected member representatives appointed by the Councils.
- 9.6 The Chairperson of the GMWB shall be the leader of each Council which shall act as joint Chairperson and shall preside over alternate meetings. The Chairperson of the first GMWB Meeting shall be the leader of the Accountable Body. The Chairperson shall not have a casting vote.
- 9.7 Each Council shall be entitled from time to time to appoint a deputy for any representative appointed by it but such deputy (in each case) shall only be entitled to attend and vote at meetings of the GMWB in the absence of his or her corresponding principal.
- 9.8 Each Council shall appoint an individual to act as joint clerk and to assist the GMWB in respect of the organisation of GMWB Meetings and provide such other administration support to the GMWB on an alternate basis (the "**Clerk**").
- 9.9 The Clerk shall alternate between the Councils in line with the Chairperson. The Clerk responsible in respect of the first GMWB Meeting shall be the individual appointed by the Accountable Body. The Clerk shall not participate or vote at GMWB Meetings but may attend (where required by the GMWB).
- 9.10 The GMWB may invite such number of appropriate third parties to observe GMWB Meetings as it sees fit from time to time. Such third parties may include individuals or representatives of such organisations and private sector companies as the GMWB shall determine from time to time.
- 9.11 Any third parties invited to a GMWB Meeting shall be entitled to take part in such meeting but shall not be able to vote in respect of any decisions to be taken. Any third party in attendance at a GMWB Meeting may be required by the Chairperson not to attend some or any part of a GMWB Meeting.
- 9.12 Both Councils may, at their discretion, replace their representatives (and their respective deputies) appointed to the GMWB, provided that:-
- 9.12.1 any such replacement shall have no lesser status or authority than is required in order to make decisions on behalf of the Council that has appointed it in respect of any GMWB Matter referred to in Schedule 1 (Delegations Policy); and
- 9.12.2 such Council provides the other Council with written notice of such replacement duly signed by such Council's Chief Executive officer (or such other authorised officer to the Chief Executive officer of such Council as the case may be).
- 9.13 The GMWB shall meet on at least a quarterly basis, or at such frequency as the GMWB shall determine from time to time in order to fulfil its role in respect of the

MWGD, at appropriate times and on reasonable notice to carry out the GMWB Matters referred to in Schedule 1 (Delegations Policy).

- 9.14 GMWB Meetings shall be convened by written notice issued by the Clerk or Chairperson responsible for the relevant GMWB Meeting to each member of the GMWB and any third parties which have been invited by the GMWB to such GMWB Meeting and notified to the Clerk at least five (5) Business Days prior to the GMWB Meeting.
- 9.15 Any notice to a GMWB Meeting shall:-
- 9.15.1 specify the date, time and place of the GMWB Meeting;
  - 9.15.2 specify a meeting agenda identifying the matters to be discussed and;
  - 9.15.3 be accompanied by copies of any relevant materials to be discussed at the GMWB Meeting.
- 9.16 A member of the GMWB may add to the meeting agenda by written request to the Clerk and/or by request to the Chairperson at the start of the GMWB Meeting.
- 9.17 A GMWB Meeting may be held in person and/or via a telephone conference call, video conference call or a combination of the same, at which all members of the GMWB are able to speak to and hear each of the other participants provided that at all times at that telephone or video conference (or combination as appropriate) a quorum of the GMWB is able to so participate.
- 9.18 The quorum necessary for a GMWB Meeting shall be at least two elected members or appropriate deputy appointed pursuant to Clause 9.7 of each Council.
- 9.19 The Clerks shall notify a Council if any of its elected members fail to attend three (3) consecutive GMWB Meetings and that Council shall then consider whether or not such elected member shall continue to represent the Council on the GMWB.
- 9.20 At meetings of the GMWB each elected member or appropriate deputy appointed pursuant to Clause 9.7 (GMWB) above in attendance shall have one vote each. Decisions at meetings of the GMWB will be taken by a majority vote of a quorate meeting.
- 9.21 If, at a meeting of the GMWB, a matter is not determined pursuant to Clause 9.20 above, that matter ("**GMWB Unresolved Matter**") shall be deferred for consideration at the next GMWB meeting which shall be convened within ten (10) Business Days of that meeting. If at the reconvened GMWB Meeting the GMWB Unresolved Matter is not determined, the GMWB Unresolved Matter shall become a "Matter Reserved To The Councils" and shall be deferred for consideration at a meeting of the Leaders and Chief Executives of both Councils/ Cabinet Meeting. The Councils shall use their reasonable endeavours to convene a meeting of its Leaders and Chief Executives/ Cabinet Meeting as soon as reasonably practicable and in any event within three (3) weeks of the GMWB Meeting. Where a GMWB Unresolved Matter is not approved at the Leaders and Chief Executives meeting/ Cabinet Meeting, the GMWB Unresolved Matter shall not be agreed, shall not be implemented by the GMWB and may not be re-introduced at a GMWB Meeting for at least six (6) months unless otherwise determined by the GMWB acting unanimously.
- 9.22 Each Council shall provide all information reasonably required upon request by the GMWB to the Clerk and shall comply with any decisions of the GMWB to request such information.
- 9.23 Where a Council wishes to provide any information and/or serve a notice or demand on the GMWB, this should be served in accordance with Clause 21 (Notices). The

officers set out in **Clause 21** shall keep a record of all information, notices and demands received and shall update each Council promptly.

- 9.24 The Clerk shall circulate copies of the draft minutes of the proceedings of every GMWB Meeting to all members of the GMWB, the Chief Executive officers of each Council and the Management Group.
- 9.25 Each Council shall:-
- 9.25.1 consult with the other Council to ensure the diligent progress of the day to day matters relating to the discharge of the Councils' obligations in relation to the MWGD; and
- 9.25.2 employ or otherwise deploy sufficient people to enable the GMWB to operate in an effective manner within the Annual Budget.
- 9.26 The Councils agree and acknowledge that the GMWB shall adopt the Accountable Body's prevailing contract standing orders, financial procedure rules, codes of conduct and such other applicable policies and procedures for and behalf of the Councils in the discharge of its obligations under this Agreement.
- 9.27 Subject to the statutory role of Powys's monitoring officer in accordance with Section 5(A)(1) of the Local Government and Housing Act 1989 and the Local Authorities (Executive and Alternative Arrangements) (Modification of Enactments and Other Provisions) (Wales) Order 2002 SI 2002 2002/808 in relation to the Councils, Powys shall provide the services of its monitoring officer to the GMWB.
- 9.28 The Accountable Body shall act as the treasurer for the purposes of the MWGD and all financial aspects of the GMWB and MWGD which will be controlled and managed through the financial systems of the Accountable Body and will ensure that the accounting practices comply with relevant legislation and other controls.
- 9.29 **GMWB May Delegate**
- 9.29.1 The GMWB may delegate any of the powers which are conferred on them under this Agreement:
- (a) to such person, sub-committee or group;
- (b) to such an extent;
- (c) in relation to such matters; and
- (d) on such terms and conditions,
- as they think fit from time to time.
- 9.29.2 The GMWB may revoke any delegation in whole or part, or alter its terms and conditions at any time.
- 9.30 **Sub-Committees**
- 9.30.1 The Councils established a joint overview and scrutiny sub-committee (the "JOSSC") pursuant to the IAA2 for the purpose of performing an ongoing monitoring and scrutiny function for the MWGD on behalf of the Councils and to review and scrutinise decisions made or other actions taken by the GMWB in connection with the MWGD.
- 9.30.2 It is acknowledged and agreed by the Councils that the JOSSC shall undertake a number of roles in accordance with the terms of reference set

out in Part 4 of **Error! Reference source not found.** (Joint Overview and Scrutiny Sub-Committee Terms of Reference) of this Agreement.

- 9.30.3 The JOSSC shall not have any delegated decision-making powers.
- 9.30.4 Sub-committees or groups to which the GMWB delegates any of its powers must follow procedures which are based as far as they are applicable on those provisions of this Agreement which govern the taking of decisions by the GMWB.
- 9.30.5 The GMWB shall establish the membership, rules of procedure or terms of reference for all or any such sub-committees or groups to, amongst other matters, clarify their respective role and scope of delegation which shall be approved by the GMWB.
- 9.30.6 The GMWB may create additional sub-committees or sub-groups as it sees fit from time to time.

## 10. **ADVISORY PANELS**

10.1 The following advisory panels shall consult with and advise the GMWB in respect of the MWGD:-

10.1.1 **Economic Advisory Group** – to provide input, advice and recommendations to the GMWB on behalf of the private sector and to aid collaboration and communication between the private sector, the Councils and other public funding bodies by providing a business sector view on the MWGD particularly its programmes and projects and as more particularly described in Part 2 of Schedule 1 (Economic Advisory Group Terms of Reference) ;

10.1.2 **Regional Skills Partnership** – to act as a stakeholder group engaging and consulting with specific sectors and regions to identify and respond to the needs of employers and learners across the Mid Wales Region and enable an inclusive regional response to WG policy and initiatives and report back to the GMWB in respect of the requirements of the Mid Wales Region (including (without limitation) the needs of employers, current and future skills requirements and educational needs) and as more particularly described in Part 3 of Schedule 1 (Regional Skills Partnership Terms of Reference).

10.2 The Management Group, EAG and RSP shall undertake a number of roles in accordance with their respective terms of reference set out at Part 1 (Management Group Terms of Reference), Part 2 (Economic Advisory Group Terms of Reference) and Part 3 (Regional Skills Partnership Terms of Reference) of **Error! Reference source not found.** (Terms of Reference).

### 10.3 **Constitution and Authority of the Management Group**

10.3.1 The Councils shall form the Management Group for the purpose of implementing the MWGD and the day-to-day management of the Councils' obligations in relation to the MWGD and to carry out the roles set out in Part 1 of **Error! Reference source not found.**

10.3.2 The Management Group shall not have any decision-making powers pursuant to this Agreement (unless otherwise expressly granted by the GMWB).

- 10.3.3 Each Council shall appoint senior officer representatives to the Management Group and such other representatives as the GMWB may determine from time to time. The chairperson shall be one of such representatives as the Management Group may determine from time to time.
- 10.3.4 Each Council shall be entitled from time to time to appoint a deputy for each of its senior officers and such deputies (in each case) shall be entitled to attend meetings of the Management Group in place of his/her principal.
- 10.3.5 The Councils shall, at their discretion, replace their representatives (and their respective deputies) appointed to the Management Group provided that such replacement shall be on the same basis as the original appointed and provided further that no senior officer of the Management Group shall be removed or replaced by any Council without that Council giving prior written notice as soon as reasonably practicable and in any event within ten (10) Business Days of its intention to remove or replace that representative.
- 10.3.6 The Management Group shall meet on a quarterly basis, in advance of GMWB meetings, and any extraordinary meetings will be convened when required in accordance with the timetable for the MWGD and, in any event, at appropriate times and on reasonable notice (to be issued through the chairperson of the Management Group).
- 10.3.7 The PoMO shall be responsible for the day-to-day management of the MWGD and shall report directly to the Management Group.

#### 10.4 **Corporate Joint Committee**

10.4.1 The Councils acknowledge that:-

- (a) pursuant to section 74 of the Act and section 4 of the Regulations the Corporate Joint Committee has been established; and
- (b) pursuant to section 1 of the Regulations, the functions of the Corporate Joint Committee come into effect on 30 June 2022, and

the Councils shall assess and determined the optimal operational and delivery model for the MWGD and, if considered appropriate, the process for transition to the Corporate Joint Committee. Any decision in relation to the Corporate Joint Committee shall be a "Matter Reserved to the Councils" for decision.

### 11. **COMMITMENT OF THE COUNCILS AND CONTRIBUTIONS**

#### 11.1 **General**

The Councils agree and undertake to commit to the MWGD in accordance with the terms of this Agreement and not to commission and/or undertake any procurement and/or project that seeks or would procure the delivery of all or any part of the MWGD outside of the terms of this Agreement.

#### 11.2 **Annual Budget**

11.2.1 The Annual Budget for each Accounting Period shall be determined and approved by the Councils no later than twenty (20) Business Days prior to the start of that Accounting Period.



- 11.2.2 The Councils acknowledge that any and all Internal Costs, GMWB Costs and EAG costs set out in Schedule 2 shall only be recoverable if expressly included within the Annual Budget and approved by the Councils with appropriate evidence being provided on an open book basis.
- 11.2.3 Where the actual aggregate costs are likely to exceed the Annual Budget, such additional costs shall be met by the Councils in equal proportion unless otherwise agreed.
- 11.2.4 The Councils hereby agree that if one of the Councils carries out any work or incurs any cost or expenses to carry out any work or to incur any cost or expense that is not within the Annual Budget or scope of work set out in the Portfolio Business Case, that matter shall be referred by the Management Group to the GMWB for a decision as to whether such work, cost or expense is part of the MWGD or whether such work, cost or expense should be the entire responsibility of the Council so carrying it out or requesting it (as the case may be).
- 11.2.5 Payment of Internal costs will be made within thirty (30) Business Days of receipt by the Accountable Body of an appropriate invoice and supporting documents where required.

### 11.3 Contributions

#### 11.3.1 Total contribution

It is acknowledged and agreed by the Councils that the discharge of the Councils' obligations in relation to the MWGD pursuant to this Agreement shall be funded from the allocation made by HMT ("**HMT Contribution**") and any contributions that the Councils may make from time to time.

#### 11.3.2 HMT Contribution

- (a) It is acknowledged and agreed by the Councils that HMT's contribution shall be provided to the WG to transfer to the Accountable Body for and on behalf of the GMWB.
- (b) It is acknowledged and understood by the Councils that the HMT Contribution is subject to the following funding conditions:-
- (i) approval and adoption of the Governance and Assurance Framework (which the Councils have approved and attached at 03 (Governance and Assurance Framework) to this Agreement);
  - (ii) approval of and entry into this Agreement;
  - (iii) satisfying the five (5) yearly Gateway Reviews by HMT and it is acknowledged and agreed that the form of the Gateway Reviews including, but not limited to, any sanctions if key targets are not met shall be agreed with HMT and approved by the Councils pursuant to this Agreement as a "GMWB Matter";
  - (iv) any WG funding conditions to be proposed by the WG and approved pursuant to this Agreement by the Councils as a "GMWB Matter" pursuant to Clause 2.3 (Conditions Subsequent) and
  - (v) approval of the Portfolio Business Case

together the "**HMT Funding Conditions**".

- (c) Each Council acknowledges and agrees that:
  - (i) it accepts the HMT Funding Conditions and that it shall be bound by those conditions and shall not through any act or omission place the other Council in breach of any of those conditions; and
  - (ii) if any WG funding conditions remain to be agreed and if and when any such conditions are agreed pursuant to Clause 2.3 (Conditions Subsequent), each Council shall be bound by those conditions and shall not through any act or omission place the other Council in breach of any of those conditions.

### 11.3.3 **Audit**

- a) Each Council shall permit all records referred to in this Agreement to be examined and copied from time to time by the Accountable Body, or any representatives of the Accountable Body or any other representatives who reasonably require access to the same in order to undertake any audit of the funds received and spent pursuant to this Agreement.
- b) The Accountable Body shall arrange and procure any required external audit of the funds received and spent pursuant to this Agreement.
- c) Powys shall be responsible for the procurement of any internal Audit arrangement that may be required from time to time.

### 11.3.4 **Retention of Records**

The accounts referred to in this Clause 11 (Commitment of the Councils and Contributions) shall be retained for a period of at least ten (10) years after delivery of the MWGD pursuant to this Agreement.

### 11.3.5 **Transparency**

After the conclusion of each financial year the Treasurer will within a reasonable time in each year send to Powys a copy of the final accounts of the GMWB in connection with MWGD.

## 12. **MITIGATION**

Each Council shall at all time take all reasonable steps to minimise and mitigate any loss for which the relevant Council is entitled to bring a claim against the other Council pursuant to this Agreement.

## 13. **LIABILITY OF THE COUNCILS**

- 13.1 The Accountable Body shall indemnify and keep indemnified the other Council against any losses, claims, expenses, actions, demands, costs and liability suffered by that Council to the extent arising from any wilful default or breach by the Accountable Body of its obligations under this Agreement (and wilful in this context shall, for the avoidance of doubt, not include matters which are outside the reasonable control of the Accountable Body or matters arising from any negligent act or omission in relation to such obligations).

- 13.2 No claim shall be made against the Accountable Body to recover any loss or damage which may be incurred by reason of or arising out of the carrying out by the Accountable Body of its obligations under this Agreement unless and to the extent such loss or damage arises from a wilful default or breach by the Accountable Body under Clause 13.1 (Liability of Councils).
- 13.3 Powys shall indemnify and keep indemnified the Accountable Body against all losses, claims, expenses, actions, demands, costs and liabilities which the Accountable Body may incur by reason of or arising out of the carrying out by the Accountable Body of its obligations under this Agreement or arising from any wilful default or breach by Powys of its obligations under this Agreement (and wilful in this context shall, for the avoidance of doubt, not include matters which are outside the reasonable control of Powys or matters arising from any negligent act or omission in relation to such obligations) unless and to the extent that the same result from any breach by the Accountable Body of any such obligations.
- 13.4 The Councils agree and acknowledge that the amount to be paid to the Accountable Body by Powys under Clause 13.3 (Liability of Councils) shall be borne by Powys to the extent of its responsibility, however in the event that the responsibility is a shared one between the Councils (so that it is not reasonably practicable to ascertain the exact responsibility between the Councils) then the amount to be paid shall be divided between the Councils on an equal basis.
- 13.5 In the event of a claim under this Clause 13 (Liability of Councils) in which it is not reasonably practicable to determine the extent of responsibility as between the Councils, then the amount shall be divided amongst the Councils on an equal basis.
- 13.6 A Council who receives a claim for losses, expenses, actions, demands, costs and liabilities shall notify and provide details of such claim as soon as is reasonably practicable to the other Council.
- 13.7 No Council shall be indemnified in accordance with this Clause 13 (Liability of Councils) unless it has given notice in accordance with Clause 13.6 (Liability of Councils) to the other Council against whom it will be enforcing its right to an indemnity under this Agreement.
- 13.8 Each Council ("**Indemnifier**") shall not be responsible or be obliged to indemnify the other Council ("**Beneficiary**") to the extent that any insurances maintained by the Beneficiary at the relevant time provide an indemnity against the loss giving rise to such claim and to the extent that the Beneficiary recovers under such policy of insurance (save that the Indemnifier shall be responsible for the deductible under any such policy of insurance and any amount over the maximum amount insured under such policy of insurance).

#### 14. **CONSEQUENCES OF TERMINATION**

- 14.1 If the Agreement is terminated in accordance with Clause 2.1 (Duration of the Agreement) or Clause 2.2 (Termination), save for the obligations set out in Clause 11 (Commitment of the Councils and Contributions), Clause 13 (Liability of the Councils), this Clause 14 (Consequences of Termination), Clause 15 (Intellectual Property) and Clause 16 (Confidentiality and Announcements), the Councils shall be released from their respective obligations described in this Agreement.
- 14.2 Where this Agreement is terminated in respect of that Council in accordance with Clause 2.2 (Termination):
- 14.2.1 any capital asset acquired and/or secured and/or owned and provided by such Defaulter for the purposes of the MWGD will remain in the ownership of the Defaulter and the Defaulter will reimburse the other Council its respective

contribution (if any) together with any reasonable costs incurred as a result of default;

- 14.2.2 the other Council may elect to continue or discontinue with any procurement and/or project forming part of the MWGD;
- 14.2.3 the Defaulting Council may elect to independently pursue the procurement of any project within its administrative area which was identified as part of the MWGD provided that it does so at its own cost without any access to any of the HMT Contribution or Councils' Contribution pursuant to this Agreement; and
- 14.2.4 the Defaulting Council shall indemnify the other Council against any costs and expenses directly incurred by that Council as a result of such termination.
- 14.2.5 the Defaulting Council shall be liable for any clawback of MWGD funds that may be requested by the by HMT or WG as a result of such termination.

## 15. **INTELLECTUAL PROPERTY**

- 15.1 Each Council will retain all Intellectual Property in its Material.
- 15.2 Each Council will grant to the other Council a non exclusive, perpetual, non-transferable and royalty free licence to use, modify, amend and develop its IP Material for the discharge of the Councils' obligations in relation to the MWGD and any other purpose resulting from the MWGD whether or not the party granting the licence remains a party to this Agreement.
- 15.3 Without prejudice to Clause 15.1 (Intellectual Property), if more than one Council owns or has a legal or beneficial right or interest in any aspect of the IP Material for any reason (including without limitation that no one Council can demonstrate that it independently supplied or created the relevant IP Material without the help of one or more of the other Councils), each of the Councils who contributed to the relevant IP Material will grant to all other Councils to this Agreement a non-exclusive, perpetual, non-transferable and royalty free licence to use and exploit such IP Material as if all the other Councils were the sole owner under the Copyright Design and Patents Act 1988 or any other relevant statute or rule of law.
- 15.4 For the avoidance of doubt, any entity or person who is at the date of this Agreement a party to this Agreement and who has licensed any Intellectual Property under this Agreement will have a non-exclusive, perpetual right to continue to use the licensed Intellectual Property.
- 15.5 Each Council warrants that it has or will have the necessary rights to grant the licences set out in Clause 15.2 (Intellectual Property) and 15.3 (Intellectual Property) in respect of the IP Material to be licensed.
- 15.6 Each Council agrees to execute such further documents and take such actions or do such things as may be reasonably requested by any other Councils (and at the expense of the Council(s) making the request) to give full effect to the terms of this Agreement.

16. **CONFIDENTIALITY AND ANNOUNCEMENTS**

16.1 Each Council ("**Covenanter**") shall, both during the currency of this Agreement and at all times following its termination or expiry, keep private and confidential and shall not use or disclose (whether for its own benefit or that of any third party) any Confidential Information about the business of and/or belonging to any other Council or third party which has come to its attention as a result of or in connection with this Agreement.

16.2 The obligation set out in Clause 16.1 (Confidentiality and Announcements) shall not relate to information which:-

16.2.1 comes into the public domain or is subsequently disclosed to the public (other than through default on the part of the Covenanter or any other person to whom the Covenanter is permitted to disclose such information under this Agreement); or

16.2.2 is required to be disclosed by law; or

16.2.3 was already in the possession of the Covenanter (without restrictions as to its use) on the date of receipt; or

16.2.4 is required or recommended by the rules of any governmental or regulatory authority including any guidance from time to time as to openness and disclosure of information by public bodies; or

16.2.5 is necessary to be disclosed to provide relevant information to any insurer or insurance broker in connection with obtaining any insurance required by this Agreement.

16.3 Where disclosure is permitted under Clause 16.2.3 (Confidentiality and Announcements) or 16.2.4 (Confidentiality and Announcements), the recipient of the information shall be subject to a similar obligation of confidentiality as that contained in this Clause 16 (Confidentiality and Announcements) and the disclosing Council shall make this known to the recipient of the information.

16.4 No Council shall make any public statement or issue any press release or publish any other public document relating, connected with or arising out of this Agreement or any other agreement relating to the MWGD without the prior written consent of the other Councils.

17. **CONTRACTS (THIRD PARTY RIGHTS)**

The Councils as parties to this Agreement do not intend that any of its terms will be enforceable by virtue of the Contracts (Rights of Third Parties) Act 1999 by any person not a party to it.

18. **DISPUTE RESOLUTION**

18.1 Any dispute arising in relation to any aspect of this Agreement shall be resolved in accordance with this Clause 18 (Dispute Resolution). The Councils undertake and agree to pursue a positive approach towards dispute resolution which seeks (in the context of this partnership) to identify a solution which avoids legal proceedings and maintains a strong working relationship between the Councils.

18.2 In the event of any dispute or difference between the Councils relating to this Agreement (whether this may be a matter of contractual interpretation or otherwise) then save in relation to disputes or disagreements relating to a Matter Reserved To The Councils, the matter shall be dealt with as follows by referral in the first instance to the GMWB who shall meet within ten (10) Business Days of notification of the occurrence of such dispute and attempt to resolve the disputed matter in good faith.

- 18.3 In relation to a dispute or disagreement relating to a Matter Reserved To The Councils, or if the GMWB fails to resolve a dispute or disagreement within five (5) Business Days of meeting pursuant to Clause 18.2 (Dispute Resolution), or fails to meet in accordance with the timescales set out in Clause 18.2 (Dispute Resolution), then the Councils in dispute or the GMWB (as the case may be) may refer the matter for resolution to:-
- 18.3.1 the Chief Executive or Council Leader(s) (as appropriate) of the Councils; or
  - 18.3.2 mediation by such party as the Councils may agree; or
  - 18.3.3 the exclusive jurisdiction of the Courts of England and Wales otherwise.
- 18.4 Any dispute and/or disagreement to be determined by the Chief Executive(s) or Council Leaders (as appropriate), mediation or the Courts of England and Wales or such other body as agreed by the Councils (as the case may be) under this Agreement shall be promptly referred for determination to them.
- 18.5 The Councils shall on request promptly supply to the Chief Executive(s) or Council Leaders or mediator or the Courts of England and Wales (as the case may be) all such assistance, documents and information as may be required for the purpose of determination and the Councils shall use its reasonable endeavours to procure the prompt determination of such reference.
- 18.6 If a mediator is appointed to determine in dispute pursuant to Clause 18.3 (Dispute Resolution), then the mediator shall be deemed to act as an expert and not as an arbitrator and his determination shall (in the absence of manifest error) be conclusive and binding upon the Councils.
- 18.7 The costs of the resolution of any dispute and/or disagreement between the Councils under this Agreement shall be borne by the Councils on an equal basis to the dispute in question save as may be otherwise directed by the Chief Executive(s) or Council Leaders (as appropriate), the mediator or the Courts of England and Wales (as the case may be).
19. **DATA PROTECTION**
- 19.1 For the purposes of this Clause 19, "**controller**", "**processor**", "**data subject**", "**personal data**", "**personal data breach**" and "**processing**" shall have the meanings set out in the UK GDPR and "**process**" and "**processed**" when used in relation to the processing of personal data, will be construed accordingly. Any reference to personal data includes a reference to sensitive personal data, as applicable, whereby "**sensitive personal data**" means personal data that incorporates such categories of data as are listed in Article 9(1) of the UK GDPR.
- 19.2 The Councils acknowledge that the factual arrangements between them dictate the role of each Council in respect of Data Protection Laws. Notwithstanding the foregoing, the Councils anticipate that, for the purposes of this Agreement, each party shall be an independent controller of personal data.
- 19.3 Each Council agrees that in performing its obligations under this Agreement it shall comply with its obligations under Data Protection Laws.
- 19.4 Each Council shall:-
- 19.4.1 use all reasonable efforts to assist the other Council to comply with such obligations as are respectively imposed on them by the Data Protection Laws;

- 19.4.2 not, by its acts or omissions, cause the other Council to breach its respective obligations under the Data Protection Laws;
  - 19.4.3 implement and maintain appropriate technical and organisational measures sufficient to comply at least with the obligations imposed by the Security Requirements;
  - 19.4.4 notify the other relevant party(ies) promptly (and in any event within forty eight (48) hours) following its receipt of any Data Subject Request, Information Commissioner Correspondence or any other Third Party Request (a) insofar as it relates to the processing of the Data, and (b) to the extent permitted by law. In addition to providing the notice referred to in this Clause, such Council shall:
    - (a) only disclose Data in response to any Data Subject Request, Information Commissioner Correspondence or any other Third Party Request where it has obtained the other Council's prior written consent (unless required otherwise by law), and
    - (b) provide the other Council with all reasonable co-operation and assistance required by it in relation to any such Data Subject Request, Information Commissioner Correspondence or any other Third Party Request;
  - 19.4.5 notify the other Council promptly (and in any event within twenty-four (24) hours) upon becoming aware of any personal data breach and, together with such notice, shall provide a written description of the Personal Data Breach Particulars;
  - 19.4.6 ensure that any subcontractors enter into appropriate written data protection terms; and
  - 19.4.7 implement and maintain appropriate technical, organisational contractual and similar safeguards or measures required under the Data Protection Laws to ensure the rights and freedoms of data subjects and the adequate treatment of personal data, where processing is necessary in a territory outside of any originating territory.
- 19.5 Given the nature of this Agreement, the Councils do not envisage that either Council will process any personal data for or on behalf of the other Council as a data processor, under or in connection with this Agreement. Where and to the extent that in undertaking the obligations set out in this Agreement, a Council anticipates that the other Council will process any personal data for and on behalf of it, it shall notify the other Council and the Councils shall agree and enter into a supplemental agreement containing appropriate provisions in accordance with Article 28 of the UK GDPR, or as otherwise required by Data Protection Laws. In the event a supplemental agreement is not able to be agreed, the Councils acknowledge and agree that no further Processing of the personal data under this Agreement will be carried out until such supplemental agreement has been agreed and executed.
- 19.6 In the case of any material non-compliance by a Council, its employees and/or subcontractors with any of the obligations set out under this Clause 19, the Data Protection Laws and/or a Council's instructions in connection with the Processing of any personal data for and on behalf of it, the other Council may suspend data submission under this Agreement and/or require such Council to cease or suspend any processing of Data. This Clause 19 shall continue in full force and effect for a Council so long as such Council Processes any Data of the other Council to this Agreement.

19.7 Each Council shall indemnify and keep indemnified the other Council from and against all DP Losses suffered, incurred by or awarded against the other Council arising out of or in connection with claims and proceedings arising from any breach of such Council's obligations under this Clause 19 or such Council's failure to comply with the Data Protection Laws.

## 20. **FREEDOM OF INFORMATION AND ENVIRONMENT INFORMATION**

20.1 Each Council acknowledges that the other Councils are subject to the requirements of the Freedom of Information Act 2000 ("**FOIA**") and the Environmental Information Regulations 2004 ("**EIR**") and the Councils shall comply with the Accountable Body's policy on FOIA in respect of these information disclosure obligations to the extent they relate to the MWGD.

20.2 Where a Council receives a request for information under either the FOIA or the EIR in relation to information which it is holding on behalf of any of the other Councils in relation to the MWGD, it shall:

20.2.1 transfer the request for information to the Accountable Body as soon as practicable after receipt and in any event within two (2) Business Days of receiving a request for information;

20.2.2 provide the Accountable Body with a copy of all information in its possession or power in the form the Accountable Body reasonably requires within ten (10) Business Days (or such longer period as the Accountable Body may specify) of the Accountable Body requesting that information; and

20.2.3 provide all necessary assistance as reasonably requested by the Accountable Body to enable the Accountable Body to respond to a request for information within the time for compliance set out in the FOIA or the EIR.

20.3 The Councils agree and acknowledge that the Accountable Body shall be responsible for co-ordinating any response on behalf of the relevant Councils to the extent they relate to the MWGD and all costs incurred shall be accounted for as GMWB Costs.

20.4 The Accountable Body shall be responsible for determining in their absolute discretion whether any information requested under the FOIA or the EIR:

20.4.1 is exempt from disclosure under the FOIA or the EIR;

20.4.2 is to be disclosed in response to a request for information.

20.5 Each Council acknowledges that the Accountable Body may be obliged under the FOIA or the EIR to disclose information:

20.5.1 without consulting with the other Councils where it has not been practicable to achieve such consultation; or

20.5.2 following consultation with the other Councils and having taken their views into account.

## 21. **NOTICES**

21.1 Any notice or demand in connection with this Agreement to any Council shall be in writing and may be delivered by hand, prepaid first class post, special delivery post or email, addressed to the recipient at the address as the case may be set out below (or such other recipient address as may be notified in writing from time to time by a Council to the other Council):



Ceredigion Principal office address: Nueadd Cyngor Ceredigion Pernmorfa,  
Aberaeon, Ceridigion, SA46 0PA

For the attention of: Corporate Manager: Legal Services

E-mail address: [legal.helpdesk@ceredigion.gov.uk](mailto:legal.helpdesk@ceredigion.gov.uk)

Powys Principal office address: County Hall, Spa Road East, Llandrindod  
Wells, Powys, LD1 5LG

For the attention of: The Head of Legal and Democratic  
Services

E-mail address: [clive.pinney@powys.gov.uk](mailto:clive.pinney@powys.gov.uk)

21.2 The notice or demand shall be deemed to have been duly served:-

21.2.1 if delivered by hand, when left at the proper address for service;

21.2.2 if given or made by prepaid first class post or special delivery post, forty-eight (48) hours after being posted (excluding days other than Business Days);

21.2.3 if given or made by email, at the time of transmission,

provided that, where in the case of delivery by hand or email such delivery or transmission occurs either after 4.00pm on a Business Day or on a day other than a Business Day service shall be deemed to occur at 9.00am on the next following Business Day.

21.3 For the avoidance of doubt, where proceedings to which the Civil Procedure Rules apply have been issued, the provisions of the Civil Procedure Rules must be complied with in respect of the service of documents in connection with those proceedings.

## 22. **GOVERNING LAW**

This Agreement and any non-contractual obligations arising out of or in connection with it shall be governed by and construed in all respects in accordance with the laws of England and Wales. Subject to Clause 188 (Dispute Resolution), the English and Welsh Courts shall have exclusive jurisdiction to settle any disputes which may arise out of or in connection with this Agreement.

## 23. **ASSIGNMENTS**

23.1 The rights and obligations of the Councils under this Agreement shall not be assigned, novated or otherwise transferred (whether by virtue of any legislation or any scheme pursuant to any legislation or otherwise) to any person other than to any public body (being a single entity) acquiring the whole of the Agreement and having the legal capacity, power and authority to become a party to and to perform the obligations of the relevant Council under this Agreement being:

23.1.1 a Minister of the Crown pursuant to an Order under the Ministers of the Crown Act 1975; or

23.1.2 any Local Authority which has sufficient financial standing or financial resources to perform the obligations of the relevant Council under this Agreement.

24. **WAIVER**

24.1 No failure or delay by any Council to exercise any right, power or remedy will operate as a waiver of it nor will any partial exercise preclude any further exercise of the same or some other right, power or remedy unless a waiver is given in writing by that Council.

24.2 Each Council shall pay their own costs incurred in connection with the preparation, execution, completion and implementation of this Agreement.

25. **ENTIRE AGREEMENT**

This Agreement contains all the terms which the parties have agreed in relation to the subject of this Agreement and supersedes any prior written or oral agreements, representations or understandings between the Councils relating to such subject matter. No Council has been induced to enter into this Agreement or any of these documents by statement or promise which they do not contain, save that this Clause shall not exclude any liability which one Council would otherwise have to the other in respect of any statements made fraudulently by that Council.

26. **COUNTERPARTS**

This Agreement may be executed in any number of counterparts each of which so executed shall be an original but together shall constitute one and the same instrument.

27. **RELATIONSHIP OF COUNCILS**

Each Council is an independent body and nothing contained in this Agreement shall be construed to imply that there is any relationship between the Councils of partnership or (except as expressly provided in this Agreement) of principal/agent or of employer/employee. No Council shall have the right to act on behalf of another nor to bind the other by contract or otherwise except to the extent expressly permitted by the terms of this Agreement. In particular for the avoidance of doubt, none of the provisions relating to the principles of working in partnership shall be taken to establish any partnership as defined by The Partnership Act 1890.

28. **STATUTORY RESPONSIBILITIES**

Notwithstanding anything apparently to the contrary in this Agreement, in carrying out their statutory duties, the discretion of any Council shall not be fettered or otherwise affected by the terms of this Agreement.

**AS WITNESSED** the duly authorised representatives of the Councils have signed this Agreement as a deed on the date written at the beginning of this Agreement.

Schedule 1

DELEGATIONS POLICY

DECISION	MANAGEMENT GROUP MATTER	GROWING MID WALES BOARD MATTER	MATTER RESERVED TO THE COUNCILS
<b>KEY THEMES</b>			
1. Approval of IAA3			Yes
2. Approval and adoption of any Business Plans			Yes
3. Approval and adoption of any updated Business Plans save to the extent any such update amounts to a material change to the prevailing Business Plan (in which case the decision to approve and adopt such updated Business Plan shall be a Matter Reserved to the Councils)		Yes	
<b>FUNDING AND EXPENDITURE</b>			
4. Approval of any increase to the Councils' Contribution			Yes
5. Approval of any disproportionate Internal Costs pursuant to Clause 11 ( <i>Commitment of the Councils and Contributions</i> )		Yes	
6. Approval of expenditure within the approved Annual Budget of the Accountable Body held on behalf of the Councils set out in Clause 11.2 ( <i>Annual Budget</i> )	Yes		
7. Approval of the Annual Budget pursuant to Clause 11.2 ( <i>Annual Budget</i> )			Yes
8. Approval of additional expenditure over and above the approved Annual Budget of the Accountable Body held on behalf of the Councils set out in Clause 11.2 ( <i>Annual Budget</i> )			Yes
9. To approve from time to time the distribution of the Annual Budget as between the different programmes and projects agreed as part of any MWGD or the Regional Growth Strategy		Yes	
10. Entering into (or agreeing to enter into) any borrowing arrangement on		Yes	

<b>DECISION</b>	<b>MANAGEMENT GROUP MATTER</b>	<b>GROWING MID WALES BOARD MATTER</b>	<b>MATTER RESERVED TO THE COUNCILS</b>
behalf of the Joint Committee and/or giving any security in respect of any such borrowing			
11. Accepting terms and conditions in relation to any third party funding for the MWGD		Yes	
<b>GENERAL</b>			
12. Replacement of the Accountable Body			Yes
13. Establishment of a sub-committee pursuant to this Agreement and determining their terms of reference and scope of delegation.		Yes	
14. Making any variations to or waiving any rights to or terminating any contracts signed by Council / the Accountable Body (other than this Agreement) which are material to the MGWD.		Yes	
15. Amendments to the terms of this Agreement			<b>Yes</b>
16. The engagement of (and terms of engagement of) any individual person where the value of the appointment does not exceed £50,000 per Accounting Period	Yes		
17. The engagement of (and terms of engagement of) any individual person where the value of the appointment does exceeding £50,000 per Accounting Period		Yes	
18. Commencing any claim, proceedings or other litigation brought by or settling or defending any claim, proceedings or other litigation brought against the Joint Committee or individual Party in relation to the MWGD, except in relation to debt collection in the ordinary course of business.		Yes	
19. Making any announcements or releases of whatever nature in relation to the Joint Committee and the MWGD.		Yes	
20. Creation of a local authority trading company under Local Government			Yes

DECISION	MANAGEMENT GROUP MATTER	GROWING MID WALES BOARD MATTER	MATTER RESERVED TO THE COUNCILS
Act 2003			
21. Any other matters not covered in this ( <i>Delegations Policy</i> )			Yes



## PART 1

### MANAGEMENT GROUP TERMS OF REFERENCE

#### 1. Status

- 1.1 The Group is a professional executive which supports and advises, and enacts the decisions of, the GMWB.
- 1.2 The Group does not have any formal decision-making powers (unless expressly granted by the GMWB or this Agreement) and will advise those officers of the GMWB, who have delegated powers, in the exercise of their powers.

#### 2. Purpose of the group

- 2.1 To (a) co-ordinate professional advice to the GMWB; (b) to enact the decisions of the GMWB; (c) to oversee the deployment and management of the resources of the GMWB and (d) to be responsible for the performance management of the work-streams, programmes and projects of the GMWB.
- 2.2 The Group has the following specific roles and responsibilities:-

##### **Strategic**

- 2.2.1 to provide strategic advice on the development and delivery of the Vision for the GMWB;
- 2.2.2 to provide professional advice to the GMWB within the remit of the 8 thematic priorities identified in its vision;
- 2.2.3 to provide advice and co-ordination on matters of regional importance/relevance aligned with the remit of the work (economy & regeneration).
- 2.2.4 to co-ordinate lead officer engagement with UKG and WG on any strategic matter within the remit of GMWB.

##### **Portfolio, Programme and Project Management**

- 2.2.5 Act as the portfolio board to oversee the development, co-ordination and delivery of the Programmes and Projects within the MWGD and to oversee the development, co-ordination and delivery of other projects commissioned by the GMWB to deliver their Vision.

##### **Resource Management**

- 2.2.6 to support the Portfolio Management Office with the management of resources, as identified/agreed by the GMWB.

##### **Performance Management**

- 2.2.7 to oversee the management and reporting of performance for the programmes and projects of the GMWB; and
- 2.2.8 to oversee performance management and risk management reporting systems (that have been prepared in regular reporting by the Portfolio Management Office).

##### **Administration and Communications**

- 2.2.9 to support the governance structure and ensure its efficient operation;
- 2.2.10 to oversee a communications strategy (that has been co-ordinated by the Portfolio Management Office); and
- 2.2.11 to act as a "clearing house" for reports to the GMWB.

### 3. **Membership**

- 3.1 Portfolio Senior Responsible Owner – as appointed by the Councils
- 3.2 Operations Manager of the Portfolio Management Office (& relevant team members)
- 3.3 Lead Finance and Legal Officers (or their representatives) from the lead authority (as defined in Clause 6 of this Agreement).
- 3.4 Nominated senior officers from the Local Authorities (Councils)
- 3.5 Observers: UKG and WG Officials (as funders)

### 4. **Meeting Schedules**

- 4.1 Meetings will be held quarterly in advance of GMWB meetings.
- 4.2 However, extraordinary meetings will be convened where deemed necessary.

### 5. **Secretariat**

- 5.1 Secretariat for the Group will be provided by the Portfolio Management Office.

### **Portfolio Management Office (PoMO)**

- 1. To provide a professional support team for the successful delivery of the agreed work programme of the GMWB as outlined within this Agreement (principally, the delivery of the MWGD Portfolio and implementation of the Regional Skills Partnership). The Operations Manager will lead on all aspects relating to the MGWD, and the Regional Skills Manager responsible for the RSP. These roles are line managed by nominated senior officers within the Councils and will be supported on a day to day basis by the Portfolio SROs and/or their nominated deputies.
- 2. To provide professional advice and direction to the GMWB, the Management Group and regional governance on key strategies in support of the Vision for Growing Mid Wales – with a particular focus on the aspects included in the MWGD and work of the Regional Skills Partnership;
- 3. To co-ordinate the development and delivery of MWGD Portfolio Business Case, on behalf of GMWB.
- 4. To maintain and manage performance management and risk management reporting systems to ensure good Portfolio management, with regular reporting to the Management Group and GMWB.



5. To develop and maintain a co-ordinated regional communications framework that align all aspects of work pertaining to this Agreement.
6. To work closely with regional governance structures and stakeholders to maximise the potential from GMWB's work, with a particular focus on ensuring business engagement.
7. To work with nominated civil servants from the UK and Welsh Governments on the operational delivery of the MWGD and RSP.
8. To work with the nominated lead authorities to co-ordinate the delivery of support services identified in Clause 6 of this Agreement (e.g. Procurement, Finance, Legal) – as agreed by the GMWB.
9. To be responsible for the day to day management of delegated resources:
  - a) To maintain an annual budget for the GMWB (in conjunction with the Accountable Body)
  - b) To oversee deployment of the Budget (with the permission of the GMWB)
  - c) To ensure value for money in the use of the budget; and
  - d) to co-ordinate the work of the Lead Authorities (Finance, Legal, Procurement) to appoint and enter into contracts with the approval of the GMWB and within the approved budget, in accordance with the policies of the lead authority as noted in Clause 6.

## PART 2

### ECONOMIC ADVISORY GROUP TERMS OF REFERENCE

#### 1. Introduction

1.1 The Economic Advisory Group (EAG) has a vital role in supporting the MWGD and economic growth across the Mid Wales Region. The role of the EAG is to provide advice to the MGWD on the MWGD Portfolio and its constituent Programmes and Projects that emerge as it develops. Its role is to provide strategic advice and input on ensuring that private sector needs and investment leverage potential are considered when making decisions about funding allocations. The role of the EAG is advisory and an essential part of progressing the GMWD.

1.2 The main objectives of the EAG will be to :

- Provide a business voice on the MWGD to the GMWB
- Champion the MWGD at a strategic level reflecting the need for investment in the Mid Wales economy.
- Provide business experience and expertise to assist the GMWB to make funding decisions about emerging programmes and projects.
- To positively promote the MWGD within the Mid Wales Business Community.

#### 2. Responsibilities of the EAG

2.1 The key role of the EAG is to provide a business sector view on the MWGD and in particularly the programmes and projects that emerge during its lifetime.

2.2 The EAG will use the Portfolio Business Case, that has been developed over the last two years, as a basis for assessing the investment needs of the emerging programmes and projects.

#### 3. Membership of the EAG

3.1 The EAG members will be from the private sector and will include representatives from the Mid Wales Region.

3.2 The Leaders for Powys and Ceredigion will appoint EAG members based on criteria which will include experience and knowledge of the region's needs, leadership qualities and business experience.

3.3 The Chief Executive officer of each Council or their nominated representative shall be entitled to attend meetings of the EAG as advisers.

3.4 The Leaders of each Council shall be entitled to attend meetings of the EAG as observers.

3.5 All EAG members will usually serve a 2-year term at the end of which they may end their term or seek reaffirmation by standing for re-nomination.

3.6 The EAG will consist of no more than six members. The membership will be drawn from business leaders both within and outside Mid Wales, however, all members will have a knowledge and interest in the growth of the Mid Wales economy. The Council

Leaders will have the discretion to appoint additional representatives in exceptional circumstances if it is deemed that this will enhance the work of the EAG.

#### **4. EAG Leadership**

- 4.1 As EAG members will have considerable collective leadership experience and knowledge, the panel will not require a Chair or Vice Chair.
- 4.2 The EAG will be made up of no more than 6 members and will report on a regular basis directly to the Leaders and/or SRO's/Chief Executives of the local authorities representing the region.
- 4.3 A representative from the EAG will be invited to attend Board meetings on a rotating basis subject to EAG member availability.

#### **5. EAG Meetings**

- 5.1 The EAG will meet a minimum of 4 times per year or more frequently depending on the development of the Growth Deals programmes and projects. Meetings may be facilitated from time to time to assist with information sharing, debate and collective conclusions with facilitation being provided by the GMW team.
- 5.2 It is expected that the EAG will provide a collective view on the information presented for comment but if there is a divergence of view it is important that this is communicated in the feedback provided to the GMWB.
- 5.3 If any EAG member develops a personal, business or financial interest in any of the programs and/or projects that form part of the MWGD they will immediately step down as an EAG representative and will take no further part in the role of the EAG. It will be for EAG Members to declare any interest at the earliest opportunity.
- 5.4 EAG members will be expected to conduct themselves in accordance with the 'seven principles of public life' (known as the Nolan Principles). These principles are set out at the end of this Terms of Reference.
- 5.5 Subgroups may be used to consider matters in depth or particular pieces of work. These subgroups may contain membership from both the EAG and other groups.
- 5.6 Minutes will be distributed by e-mail as soon after the meeting as possible for comment and will include a record of decisions, actions and discussions.
- 5.7 Secretariat will be provided by Powys County Council. The Welsh and English Languages will have equal status, and the EAG will work to the Welsh Language standards set out in this IAA.
- 5.8 Meetings of the EAG will be quorate if a minimum of four members are in attendance.
- 5.9 Travelling expenses/subsistence will be paid at the Accountable Body rate for attendance at EAG meetings but no other payment or reimbursement will be made.

#### **6. Communication**

- 6.1 The views of the EAG will be communicated to others, including Welsh Government and UKG, and will also be included in reports to the GMWB and will subsequently be made public. No attribution will be given to any specific member of the EAG.

- 6.2 The GMWB may, from time to time, issue communications with businesses in the region on the development of the MWGD which may include the views expressed by the EAG. In such circumstances a draft press release will be circulated to EAG Members to ensure any reference made to the EAG's comments are accurate before being released.

### **EAG Code of Conduct**

Members of the EAG are required to declare any personal or financial interests in any of the business of the EAG meeting at the commencement of meetings.

The EAG members will be expected to conduct themselves in accordance with the "seven principles of public life" set out by the Committee Standards in Public Life (the Nolan Committee) these are:

#### **Selflessness**

Holders of public office should take decisions solely in terms of the public interest. They should not do so in order to gain financial or other material benefits for themselves, their families or their friends.

#### **Integrity**

Holders of public office should not place themselves under any financial or other obligation to outside individuals or organisations that might influence them in the performance of their official duties.

#### **Objectivity**

In carrying out public business, including making public appointments, awarding contracts or recommending individuals for awards and benefits, holders of public office should make choices on merit.

#### **Accountability**

Holders of public office are accountable to the public for their decisions and actions and must submit themselves to whatever scrutiny is appropriate to their office.

#### **Openness**

Holders of public office should be as open as possible about all the decisions and actions that they take. They should give reasons for their decisions and restrict information only when the wider public interest clearly demands.

#### **Honesty**

Holders of public office have a duty to declare any private interests relating to their public duties and to take steps to resolve any conflicts arising in a way that protects the public interest.

#### **Leadership**

Holders of public office should promote and support these principles by leadership and example.

## PART 3

### REGIONAL SKILLS PARTNERSHIP TERMS OF REFERENCE

#### 1. Name

- 1.1 The name and current working title of the RSP shall be the Regional Skills Partnership (the “RSP”) for Mid Wales, Partneriaeth Sgiliau Rhanbarthol, Canolbarth Cymru.

#### 2. Vision

To align the public and private sectors in order to address the supply and demand issues for an effective agile workforce, with the appropriate skill level to attract inward investment to the Mid Wales Region and improve communication networks between sectors to understand and identify learning and career pathways into appropriate long term employment for the citizens of the Mid Wales.

#### 3. Mission

- 3.1 The RSP will act as a stakeholder group engaging and consulting with specific sectors, industries and regions:

3.1.1 to identify and respond to the needs of employers and learners across the Mid Wales Region;

3.1.2 to engage with employers, sectors and stakeholders to identify current and future skills needs across the Mid Wales Region and plan accordingly;

3.1.3 to align activity to future demand and stimulate innovation through learning and employment;

3.1.4 to enable an inclusive regional response to WG policy and initiatives; and

3.1.5 to align activity with the skills requirements of the GMWB.

#### 4. Our Objectives

- 4.1 Establish methodologies to identify future employment opportunities across all sectors.

- 4.2 Establish a curriculum strategy group to align learning pathways and progression routes for all learners from KS4/5 into work-based learning training programmes / Further Education / Higher Education or a regional apprenticeship scheme or occupational schemes.

- 4.3 Introduce Higher Education degree and masters courses aligned to the future skills agenda for employment opportunities in the Mid Wales Region.

- 4.4 Establish a regional apprenticeship scheme (including shared apprenticeships) that bridges and aligns public and private sectors and which recognizes the transferability of skills.

- 4.5 Produce innovative career guidance for all learners in the Mid Wales Region to link learning and career pathways.

- 4.6 Develop the concept of ‘Centres of Excellence’ in the Mid Wales Region.

- 4.7 Work with a range of partners to ensure opportunities for career-long support for upskilling the current workforce, including those in short term employment.
- 4.8 All of the actions would be underpinned by a strong bilingual focus contributing, via the unique bilingual education system and workforce across the Mid Wales Region, to the vision of a million Welsh speakers by 2050.

5. **Membership**

5.1 The membership will consist of those in the table below:

<b>Membership of the RSP</b>	
2 x Higher Education Representatives	One representative from each of the Universities (Aberystwyth and UWTSU)
2 x Further Education Representatives	One representative from each of the colleges (NPTC and Coleg Sir Gâr)
2 x Education & Skills Representatives	One officer from each Council
2 x Strategic Workforce Planning leads	One officer from each Council
2 x Regeneration Representatives	One officer from each Council
2 x Health Representatives	One representative from each of the Health Boards (Powys Teaching Health Board and Hywel Dda Health Board)
Training providers	National Training Federation for Wales + WBL providers from each LA
<p><b>Industry / Employers</b></p> <p>The Strategic Growth Priorities for Growing Mid Wales are</p> <p>Agriculture, Food &amp; Drink</p> <p>Transport</p> <p>Supporting Enterprise</p> <p>Skills &amp; Employment</p> <p>Energy</p> <p>Strengthened Tourism Offer</p> <p>Applied Research &amp; Innovation</p> <p>Digital</p> <p>These areas should all be covered by the representation that is proposed for the RSP.</p>	<p>A representative each from the sectors derived from those identified in AECOM Report:</p> <ol style="list-style-type: none"> <li>1. Tourism – to include hospitality and catering</li> <li>2. Manufacturing</li> <li>3. Agriculture and the land-based economy</li> <li>4. Public Services – which might include local and national government, emergency services &amp; defence</li> <li>5. Foundation sectors*</li> <li>6. Digital Services (this group is in addition to the AECOM-defined groups)</li> </ol> <p>*This “sector” is particularly significant in its relative scale in the Mid Wales Region and includes infrastructure, utilities, food processing, retailing and distribution, and health, education and welfare. This would merit further breakdown, with particular merit in prioritizing considering representation from health and social care (education is represented in other segments)</p>

Economic Advisory Group Mid Wales	Representative to be nominated
Growing Mid Wales Board	One Representative to nominated by each Council
Careers Wales	
Job Centre Plus	
RSP Manager	
Other	Other industry, employer groups, higher education institutions or third sector partners to be invited as required. These could include local voluntary associations and education or training partners from outside the two authorities who might wish to work within the two authorities, or who can offer routes into education or training for the people of the Mid Wales region.

- 5.2 Observer members and co-opted experts may be invited as needs arise.
- 5.3 Membership to the RSP shall be for a one (1) year term. Members shall be eligible for re-nomination.
- 5.4 The RSP shall appoint a Chair and Vice-Chair at its first meeting bi-annually. If it is necessary for the RSP to appoint an Interim Chair, the appointment will be reviewed every 3 months.
- 5.5 Failure to attend three consecutive RSP meetings will result in a new nomination being sought to represent the sector / stakeholder group.
- 5.6 The secretariat function will be fulfilled by the officers employed to undertake the work of the Regional Skills Partnership.
- 5.7 Members may appoint substitutes to represent their sector when necessary, all names of nominated substitutes to be sent to the Secretariat in advance of the meetings.

## 6. Core Principles and Responsibilities

- 6.1 Members of the RSP shall be expected to work on the basis of mutual support, shared values and a culture of joint working and collaboration.
- 6.2 Members of the RSP shall commit to the Nolan Principles:-
- 6.2.1 **Integrity** – members should avoid placing themselves under any obligation to people or organisations that might try inappropriately to influence them in their work;
- 6.2.2 **Objectivity** – Members should act and take decisions impartially, fairly and on merit and for the widest benefit of others;
- 6.2.3 **Accountability** – Every Member will act on behalf of the stakeholders or groups they represent, and it is expected that every member will ensure that reasonable arrangements are in place to report back on their work;
- 6.2.4 **Openness** – Members should act and take decisions in an open and transparent manner;

- 6.2.5 **Confidentiality** – Every Member should respect confidentiality, and where relevant ensure that confidential material is protected and that it is not use without permission from the RSP (as a collective) or for private purposes;
- 6.2.6 **Accountability** – Every Member is accountable to the public for their decisions and must submit themselves to scrutiny if necessary;
- 6.2.7 **Honesty** – Every Member should be truthful;
- 6.2.8 **Declarations** – Every Member should declare any interest that could influence discussions or decisions taken by the RSP, and they will be recorded by the secretariat; and
- 6.2.9 **Promoting equality and respect for others** – Every Member should undertake their responsibilities with due regard to the need to promote equal opportunity for all and demonstrate respect and consideration towards others.

## 7. **Members Obligations:**

- 7.1 Members of the RSP are expected to:
  - 7.1.1 co-operate strategically on behalf of stakeholders across the Mid Wales Region;
  - 7.1.2 attend regular meetings of the RSP;
  - 7.1.3 prepare thoroughly for all meetings by reading the minutes and accompanying papers as well as to contact and discuss any matter that is relevant to the work of the RSP with others they represent as required;
  - 7.1.4 contribute to meaningful discussions at RSP meetings and to listen, give due consideration to and respect the opinions and views of others;
  - 7.1.5 communicate information about any work or development relevant to their sector;
  - 7.1.6 convey and promote the decisions of the RSP within their sector and repost, on a regular basis, the work of the RSP;
  - 7.1.7 recognise and respect the worth and contribution of each member;
  - 7.1.8 represent the RSP effectively on other groups, forums and partnerships as required and to ensure that the views of the RSP are conveyed clearly and firmly on all occasions; and
  - 7.1.9 participate in meetings, events and other activities organised by the RSP from time to time.

## 8. **Operational Procedures of the RSP**

- 8.1 The Regional Skills Partnership host organisation will be Powys who will fulfil the administrative and financial functions of the RSP and shall be responsible for providing secretariat functions to the RSP.
- 8.2 Meetings of the RSP are to be scheduled on a bi-monthly basis and will be reviewed as necessary; however, it shall be a requirement for the RSP to meet at least once every quarter.



- 8.3 The Chair of the RSP shall be responsible for calling meetings of the RSP with the support of the secretariat.
- 8.4 The secretariat shall provide written notice of the time, date and location of the RSP meeting to all members at least 10 working days before the date proposed for the meeting.
- 8.5 If a member of the RSP wishes to include an item on the agenda of the RSP meeting, they should notify the secretariat at least 5 working days prior to the date of the meeting. The Chair of the RSP and secretariat shall agree the final content of the agenda for the RSP meeting.
- 8.6 If a member of the RSP wishes to present a written report to the RSP, they should ensure that the secretariat receives an electronic version of the report at least 7 working days before the date of the meeting. The Chair of the RSP has the discretion to add any items that are of an urgent or informative nature that would benefit discussion at the meeting.
- 8.7 The secretariat shall distribute the final agenda and reports for the RSP meeting electronically at least 5 working days before the date of the meeting.
- 8.8 For RSP meetings, 6 members (including the Chair or the Vice-Chair in the Chair's absence) shall comprise a quorum.
- 8.9 The RSP shall conduct its business in an open and transparent way and in a spirit of consensus and mutual respect. Therefore, the RSP shall endeavour to arrive at a decision on matters by consensus. If consensus cannot be reached, the Chair of the RSP shall ask for a vote and a simple majority shall carry the vote. If necessary, the Chair of the RSP shall ask for a second vote or shall use their casting vote.
- 8.10 It shall be expected that decisions of the RSP will be implemented. However, where executive authority is required, decisions shall be referred to the decision-making bodies of individual authorities / stakeholders for consideration and the outcomes of these considerations shall be reported back to the RSP.
- 8.11 The secretariat shall be responsible for keeping minutes of the RSP and distributing them to members of the RSP
- 8.12 Copies of these minutes shall be made available by the secretariat on request
- 8.13 The Welsh and English languages have equal status and the RSP will work to Ceredigion's Welsh Language Standards.

## 9. **Accountability and Resources**

- 9.1 Powys as the host of the RSP will monitor and be accountable for the financial management of the RSP to ensure that the funder's and financial guidelines of the Councils are followed.
- 9.2 Scrutiny of the RSP will be undertaken through the democratic process of the Councils and through regular updates to the Councils' representative groups (Chief Executives; Regeneration and Education Directors)
- 9.3 **Finance:** WG currently supports the Regional Skills Partnerships, each at a cost of circa £165k per year. Funding is distributed through the Welsh Local Government Association upon receipt of a quarterly claim. Funding is currently awarded annually.

## 10. **Amending the Constitution**

- 10.1 The RSP shall undertake an annual self-assessment to assess the effectiveness of the RSP, including its future consideration.
- 10.2 The RSP shall review the terms of reference on an annual basis and amend it as necessary.

11. **Commitment**

Each member shall sign a copy of the RSP's terms of reference on behalf of the organisation they represent, as a sign of their support and commitment to the vision, mission and objectives of the Regional Skills Partnership for Mid Wales, Partneriaeth Sgiliau Rhanbarthol Canolbarth Cymru.

## PART 4

### JOINT OVERVIEW AND SCRUTINY SUB-COMMITTEE TERMS OF REFERENCE

1. **Membership**
    - 1.1 The Joint Overview and Scrutiny Sub-Committee shall comprise of 10 members in total.
    - 1.2 The Councils shall each appoint 5 individuals to the Joint Overview and Scrutiny Sub-Committee (“**JOSSC**”), ensuring political balance.
    - 1.3 Executive members of the Councils shall not be members of the JOSSC.
    - 1.4 Two nominated substitutes will be allowed for the representatives set out above provided that the substitutes are not involved in and have not attended meetings of the GMWB or EAG.
    - 1.5 Each Council may send a substitute from their own Council if they are unable to attend, but this may not be a member of the Council’s executive and should be a member of each Council’s relevant scrutiny committees and same political group. A substitute will be able to vote in the absence of his/her principal.
  2. **Purpose**
    - 2.1 The purpose of the Joint Overview & Scrutiny Sub-Committee shall be:
      - 2.1.1 performing the overview and scrutiny function for the MWGD on behalf of the Councils, to:
        - (a) review and or scrutinise decisions made, or other action taken, in connection with the discharge of any of the GMWB’s functions;
        - (b) make reports or recommendations to the GMWB or its executive officers with respect to the discharge of any of those functions;
        - (c) make reports or recommendations to the GMWB or its executive officers on matters which affect the area or the inhabitants of that area;
        - (d) exercise such other functions as the GMWB may determine.
      - 2.1.2 To develop a Forward Work Programme annually, reflecting the functions under clause 2.1.1 above.
- For the period post Final Deal Agreement (Delivery):***
- 2.1.3 to seek reassurance and consider if the MWGD is delivering in accordance with this Agreement, the agreed Portfolio Business Case, and timetable, and/or is being managed effectively;
  - 2.1.4 to monitor the delivery of the MWGD regional projects against agreed portfolio/programme/project plans;
  - 2.1.5 to make any reports and recommendations to the Councils, whether to their executive boards or Full Council as appropriate, in respect of any function which has been delegated to the GMWB pursuant to this Agreement;

2.1.6 For the avoidance of doubt, scrutiny of an individual Councils' projects shall be a matter for the relevant Council's Scrutiny Committee.

3. **Chair**

3.1 The Chair and Vice-Chair of the JOSSC shall be elected by the JOSSC at its first meeting for a one (1) year term and then on annual basis.

3.2 The position of Chair and Vice-Chair will rotate between the Councils on an annual basis.

3.3 The JOSSC will elect a Chair and Vice-Chair from the membership of the committee. Substitute members will not be eligible for election as the Chair or Vice-Chair.

4. **Voting**

4.1 Each member of the JOSSC shall have one vote. Decisions of the JOSSC shall be made by simple majority vote.

4.2 In the event of an equal number of votes for and against a decision the Chair of the JOSSC shall have a casting vote.

5. **Conflicts of Interest**

Members of the JOSSC must declare any interest either before or during the meetings of the JOSSC (and withdraw from that meeting if necessary) in accordance with their respective Council's Code of Conduct or as required by law.

6. **Proceedings of Meetings**

6.1 The rules of procedure of the Monitoring Officer in respect of scrutiny shall apply to meetings of the JOSSC.

6.2 Members of the JOSSC shall be subject to the Codes of Conduct for Members of their respective Council.

6.3 Meetings may be rearranged, cancelled or additional meetings scheduled with the agreement of the Chair.

6.4 Each meeting will be recorded through the production of notes which will be made available to the public online after the meeting with the exception of any exempt or confidential information. Notes of meetings will usually be brief, containing a summary of discussions, action points and recommendations.

6.5 The JOSSC is not a decision-making body, and the Chair should aim to facilitate consensual agreement on matters under consideration. Where a consensus cannot be reached, the Chair shall present the split views of the committee to the GMWB.

7. **Quorum**

The quorum for meetings shall be no less than 4 Members, which must include at least 2 Members from each of the 2 Councils.

8. **Frequency**

The JOSSC shall meet at least quarterly, having regard of the GMWB Meetings. Additional meetings may be convened by the Chair on at least 10 Business Days' notice.

9. **Allowances**

No allowances shall be paid by the Councils in respect of the role and work undertaken by the JOSSC in connection with the MWGD.

10. **Sub-Groups**

The JOSSC by agreement may create Task and Finish Groups.

11. **Review**

The Terms of reference of the JOSSC shall be reviewed annually.

## Schedule 2

### HEADS OF EXPENDITURE

1. The following is a non-exhaustive list of the heads of expenditure that may be incurred by the Councils in connection with the MWGD:-
  - 1.1 "**Internal Costs**" means the costs associated with each Council providing internal Council resources in relation to the MWGD which includes but is not limited to:
    - 1.1.1 Staffing costs and associated overheads
    - 1.1.2 Project management / technical & admin support
    - 1.1.3 Communications
    - 1.1.4 costs incurred in respect of managing FOIA requests pursuant to Clause 20 (Freedom of Information and Environmental Information)
  - 1.2 "**GMWB Costs**" means the operational and management costs of the GMWB which includes but is not limited to
    - 1.2.1 Staffing costs and associated overheads
    - 1.2.2 Project management / technical & admin support
    - 1.2.3 Communications
    - 1.2.4 Translation Costs
  - 1.3 "**EAG Costs**" means the travel and subsistence costs of EAG members incurred in connection with the discharge of their duties in respect of the MWGD.
  - 1.4 For the avoidance of doubt, Internal Costs, GMWB Costs and EAG Costs do not include any revenue costs or capital investment relating to the implementation of any project pursuant to an Annual Business Plan.

**Schedule 3**

**GOVERNANCE AND ASSURANCE FRAMEWORK**



Microsoft Word  
Document

**Schedule 4**

**PORTFOLIO BUSINESS CASE**



GMW\_PBC\_Portfolio  
Business Case v1.docx



The Common Seal of **CYNGOR SIR** )  
**CEREDIGION COUNTY COUNCIL** was )  
hereunto affixed in the presence of:- )

.....  
Corporate Lead Officer  
Legal & Governance Services

The Common Seal of **POWYS COUNTY** )  
**COUNCIL** was hereunto affixed )  
in the presence of:- )

.....  
Head of Legal and Democratic Services  
A duly authorised officer

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**Tyfu**  
**Canolbarth Cymru**  
**Growing**  
**Mid Wales**

# MID WALES GROWTH DEAL

Final Deal Agreement

**Version: 1.0**

**Status: Final**

[www.growingmid.wales](http://www.growingmid.wales)

## Foreword

The **Mid Wales Growth Deal** has been developed through close collaboration and commitment, from partners across governments, local authorities and regional stakeholders, to set out an ambitious Portfolio of investment priorities that aim to bring about significant economic and employment change in Mid Wales.

Over its lifetime, the Mid Wales Growth Deal empowers the region to bring forward capital investments in a strategic and co-ordinated manner with long-term thinking.

It is a unique opportunity to make funding decisions closer to the local communities and businesses that exist in Mid Wales, to demonstrate the potential, and elevate regional ambition of what our economy could evolve into. It has a strong role to play alongside wider investment and funding from the public and private sectors to deliver economic infrastructure that will make a tangible difference to build a more vibrant, sustainable and inclusive economy.

This document sets out the principles upon which the final deal is agreed between the region and both Governments. It is based on the Strategic Portfolio Business Case that forms the foundation and establishes the operational framework for the Deal and which will evolve to reflect the development of its constituent programmes and projects, and changes in the policy and economic context.

In signing this agreement the UK Government and Welsh Government are jointly committing an investment of £110 million into the Growth Deal over a period of between 10 and 15 years.

Building on the [Vision for Growing Mid Wales](#) published in Summer 2020, and the [Heads of Terms](#) subsequently signed in December 2020; this document sets out the parameters and framework for the delivery of the Mid Wales Growth Deal that reaffirms the commitment of all parties to achieve the full implementation and potential of this funding.

The Growth Deal is a much needed, ambitious but realistic opportunity for Mid Wales to instigate positive, long-term and sustainable change that will drive recovery and benefit future generations.

Collectively, we look forward to seeing the benefits this important investment will bring for people and businesses across Mid Wales.



Vaughan Gething MS  
**Minister for Economy  
Welsh Government**



David TC Davies MP  
**Parliamentary Under Secretary of  
State for Wales  
UK Government**



Rebecca Evans MS  
**Minister for Finance and Local  
Government  
Welsh Government**



Neil O'Brien MP  
**Parliamentary Under Secretary of  
State (Minister for Levelling Up, The  
Union and Constitution)  
UK Government**



Cllr Ellen ap Gwynn  
**Leader  
Ceredigion County Council**



Cllr Rosemarie Harris  
**Leader  
Powys County Council**



Llywodraeth Cymru  
Welsh Government



Tyfu  
Canolbarth Cymru  
Growing  
Mid Wales



UK Government  
Llywodraeth y DU

*All parties to this Final Deal have provided their signatures electronically*

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## Executive Summary

The Mid Wales Growth Deal (the Growth Deal) is an agreement between the UK Government, Welsh Government, and the Growing Mid Wales Board to deliver transformational capital investment in the Mid Wales economy in line with the ambition set out in the Vision for Growing Mid Wales strategy document, published in May 2020.

The Growing Mid Wales Board is a partnership between the two Local Authority areas of Mid Wales, comprising Ceredigion County Council and Powys County Council who together provide leadership, accountability and strategic decision making for the Growth Deal.

The case for the need to improve the region's economy is well evidenced in its <sup>1</sup>[Vision for Growing Mid Wales](#) – which forms the Strategy in which the Growth Deal is based.

The region has relatively low Gross Value Added compared with other UK regions, a declining and ageing population, projected employment decline, market failure, low pay, and rural poverty. Most concerning is the region's projected economic decline during the period of 2018-2040 of 3.5% against a projected growth in the UK economy of 7.4%. This cycle of decline needs to be addressed urgently.

The Vision for Growing Mid Wales is that by 2035, Mid Wales will be an enterprising and distinctive region delivering economic growth driven by innovation, skills, connectivity, and more productive jobs supporting prosperous and bilingual communities.

The Growth Deal is a key catalyst to transform the regional economy as part of a broader funding mix. The injection of capital funding into the region over a long-term timescale provides the opportunity to mobilise investments in significant economic infrastructure in tandem with the private sector.

The Growth Deal has been brought forward as a Portfolio, and has the potential to deliver against the eight Strategic Growth Priorities within the Vision:

- Applied Research & Innovation
- Agriculture, Food & Drink
- Strengthened Tourism Offer
- Energy
- Digital
- Supporting Enterprise
- Transport
- Skills & Employment

By focusing delivery on these Strategic Growth Priorities collectively as part of a Portfolio, the Growth Deal will achieve a greater impact in terms of the Board's ambition and use of resources than focusing on a set of immutable, individual projects in isolation.

All programmes and projects that are delivered through the Growth Deal will directly contribute towards the aims and objectives of the Portfolio. The Portfolio as planned at present focuses on a set of 2 programmes and 9 projects that relate to 5 of the Strategic Growth Priorities. The headline figures and assumptions are currently indicative – but set out the region's proposals for bringing the Portfolio forward.

The Portfolio approach ensures that the right mix of programmes and projects deliver tangible and long-lasting benefits across the region that ensures a continuing focus by regional governance on delivering the aims and objectives of the Strategy. This means that the Portfolio

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<sup>1</sup> [www.growingmid.wales/thevision](http://www.growingmid.wales/thevision)  
[www.growingmid.wales](http://www.growingmid.wales)

is live – and the programmes and projects are subject to change as further planning and development is undertaken – as per the Portfolio approach.

As set out in the Strategic Portfolio Business Case, an indicative assessment of the shortlisted programmes and projects estimates that the Growth Deal will deliver a total investment of £280-400 million in the Mid Wales economy (£110 million jointly from UK and Welsh governments), creating 1,100-1,400 net additional jobs and generating £570-700 million in net additional GVA<sup>2</sup>.

The Growth Deal is implemented within the Governance and Assurance framework, established and agreed by both UK and Welsh Governments – which ensures the MWGD follows an agreed approvals and assurance process to manage the Portfolio.

Ceredigion and Powys County Councils have subsequently put in place robust delivery, assurance, and governance arrangements to support the delivery of the Growth Deal through the Growing Mid Wales Board, established sub-committees and dedicated capacity to manage the Deal. This is set out in an agreed Inter-Authority Agreement, which is signed by both Local Authorities.

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<sup>2</sup> Note: Values undiscounted  
[www.growingmid.wales](http://www.growingmid.wales)



## 1. Introduction

City and Growth Deals in Wales are agreements between the UK Government, Welsh Government, and local authorities in Wales to coordinate new investment and policy interventions to drive growth in key areas. The Deals are locally led with leaders coming together across a locally agreed economic geography to develop a set of proposals that will drive growth and productivity across their region. The UK and Welsh governments support these local partners to deliver interventions to achieve local growth.

### *Growing Mid Wales Board*

The Growing Mid Wales Board (Joint Committee) is a partnership between the two Local Authority areas of Mid Wales comprising the Councils of Ceredigion and Powys. The role of the Growing Mid Wales Board is to provide leadership, strategic decision making, and accountability for the Mid Wales Growth Deal. The Growing Mid Wales Board has created and resourced a Portfolio Management Office (PoMO) to oversee the delivery of the Growth Deal.

Ever since the creation of the Growing Mid Wales Partnership in 2015; public, private, and voluntary partners across the Mid Wales region have developed the necessary leadership and voice to influence and strengthen the focus on growing Mid Wales.

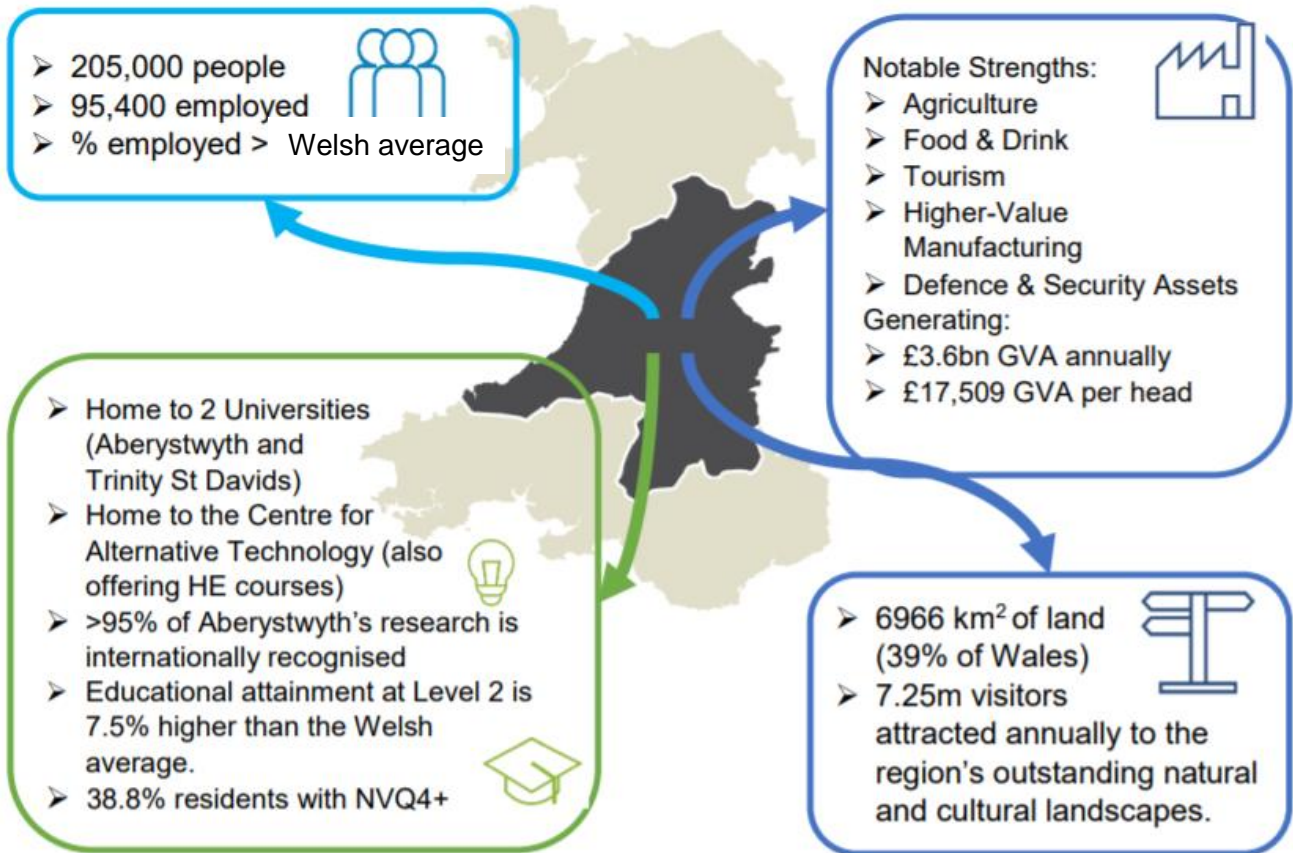
Since the invitation for the region to develop a Growth Deal in 2017, it became apparent there needed to be further formal, robust, and clear partnership structures that established good and clear governance and management arrangements to bring forward the development of, and the delivery of the Deal.

As is the case with other Welsh City & Growth Deals, this is set out in the form of governance agreements between the relevant Local Authorities, to establish new joint decision-making forums and engagement with wider stakeholders. The governance arrangements for the delivery phase of the Deal (post Final Deal Agreement) are currently being reviewed. Detail of the governance and management arrangements are set out in the Governance Structure section of this document.

## The Vision for Mid Wales

In May 2020, the Growing Mid Wales Board partners adopted *A Vision for Growing Mid Wales* (the Growth Vision).

The Vision set out the key economic and social characteristics of the region:



Source: *A Vision for Growing Mid Wales: Strategic Economic Plan & Growth Deal Roadmap, May 2020*

The adopted Growth Vision outlines that by 2035, Mid Wales will be “an enterprising and distinctive region delivering economic growth driven by innovation, skills, connectivity and more productive jobs supporting prosperous and bilingual communities”.

The Growth Vision set out 8 Strategic Growth Priorities:



- **Agriculture, Food & Drink:** a strong and vibrant agricultural sector generating significant employment and produce to a nationally and internationally recognised standard, coupled with industrial and innovation strengths offers the opportunity to grow the economic base significantly and lead on new high-value food development.

- **Applied Research & Innovation:** home to internationally-significant industries and internationally-recognised research & development assets and expertise that offer opportunities to catapult regional productivity growth.
- **Strengthened Tourism Offer:** rich heritage, culture and outstanding natural assets underpin a vibrant tourism sector – offering a strong platform to drive new growth.
- **Energy:** the region is well-placed to lead Welsh and UK efforts in developing and generating solutions to address the challenges of a future energy system, and to contribute towards net zero goals. The region has developed a comprehensive Energy strategy with the vision “To achieve a net zero carbon energy system that delivers social and economic benefits, eliminates fuel poverty, better connects Mid Wales to the rest of the UK, and contributes to wider UK decarbonisation”.
- **Supporting Enterprise:** a vision for a strong, resilient and diverse Mid Wales economy requires enterprises to start, grow and prosper with the right support and infrastructure.
- **Digital:** connectivity is an essential part of modern life, influencing how individuals work, communicate and access services. Significant economic opportunities can be unlocked through investing in regional digital infrastructure.
- **Transport:** connectivity improvements will also be required to catalyse and further grow investment in the region, building on existing linkages to help deliver the transport network required to meet social and labour mobility demands of a growing economy.
- **Skills & Employment:** An effective, functioning labour market with the appropriate supply of skills and a capable workforce to meet business and industry demands will be essential if Mid Wales economy is to grow and prosper.

### *Growth Deal Proposition*

Building on the Vision, the Growing Mid Wales Board presented a proposition document to the Welsh Government and UK Government which led to the signing of Heads of Terms in December 2020. The signing demonstrated a commitment by each of the partners to work together for the people and businesses of Mid Wales and deliver local programmes and projects which will increase opportunity and prosperity in communities across the region. This Final Deal Agreement builds on the foundations set through the Heads of Terms.

The Growth Deal will be smart with this investment, using a robust, focused, and sustained approach to realising meaningful economic growth. The economy of Mid Wales exists in fine balance, with several industries and sectors inter-dependent on each other due to the current structural make-up of its natural and economic geography. The Growth Deal aims to address the structural weaknesses holding the region back from achieving its full potential. These include lagging productivity, changing demographics, the region’s narrow and vulnerable economic base, projected employment decline, static and weakening labour market, market failure, and the hidden nature of a rural economy.

Through the Growth Deal, opportunities with the 14 neighbouring local authorities of the region will be maximised. This includes the area represented by the Marches Local Enterprise Partnership, with whom close links have been formed. The region will build on existing strengths across several sectors which include high value manufacturing, agriculture and food, defence and security, and tourism. The partnership will exploit a range of assets sustainably including an outstanding natural environment, research capability, the defence sector, advanced manufacturing, well-developed high-quality food and drink clusters, and the growth of energy generation, decarbonisation, and hydrogen technology.



The Growth Deal aims to capitalise on existing internationally recognised research and development assets and expertise that offer opportunities to catapult regional productivity growth. This will be achieved through strengthening networks and ways of working and developing career pathways in tech-based innovation and industries supporting higher-value jobs. The Deal intends to significantly grow the economic base of the agriculture, food and drink sector and to lead on new high-value food development. It is aimed that new growth will also be driven through capitalising on the distinct and rich heritage, culture, and outstanding natural assets that underpin the vibrant tourism sector in the region. This will be achieved through strengthening the awareness of the Mid-Wales offer, developing training and career pathways within the tourism sector, and investing in regional assets and the supporting infrastructure. By investing now, the Growth Deal will help to build resilience for the future.

The region has key strengths in low carbon technologies and in environmental assets. The Growth Deal aims to support future economic growth of the region, Wales, and the wider UK through capitalising on these strengths. This will enable the region to directly contribute to addressing the climate change emergency, and lead efforts to develop and generate solutions to address the challenges of a future energy system.

The Growth Deal highlights a vision for a strong, resilient, and diverse Mid Wales economy that enables enterprises to start, grow and prosper with the right support and infrastructure. This will be achieved by creating conditions to drive enterprise growth, investment and competitiveness which will raise regional productivity.

The region faces particular challenges in digital connectivity, due to the remote rural nature of the region, commercial viability, and the nature of technologies. It is vital that the region capitalises on the economic opportunities that can be unlocked by investing in its digital infrastructure, creating a catalyst for high quality business growth, innovation within targeted sectors, and providing communities with enhanced access to employment, education, and services. The size, remoteness, and the dispersed pattern of settlements in Mid Wales also provides challenges for the transport and connectivity of both people and goods. To drive economic growth and attract new investment the region must improve connectivity both to and within the region, which will help to grow the economy and raise productivity.

Finally, the Growth Deal aims to capitalise on the strength of the regions highly qualified and skilled workforce, whilst addressing the structural weaknesses in the skills infrastructure that currently inhibit the regional labour market.

The Growth Deal will invest in a way that promotes social value and builds wealth in the region's communities. The Growing Mid Wales Board recognises and values the obligation to deliver the Growth Deal in a way that improves and enhances our social, cultural, environmental, and economic well-being.

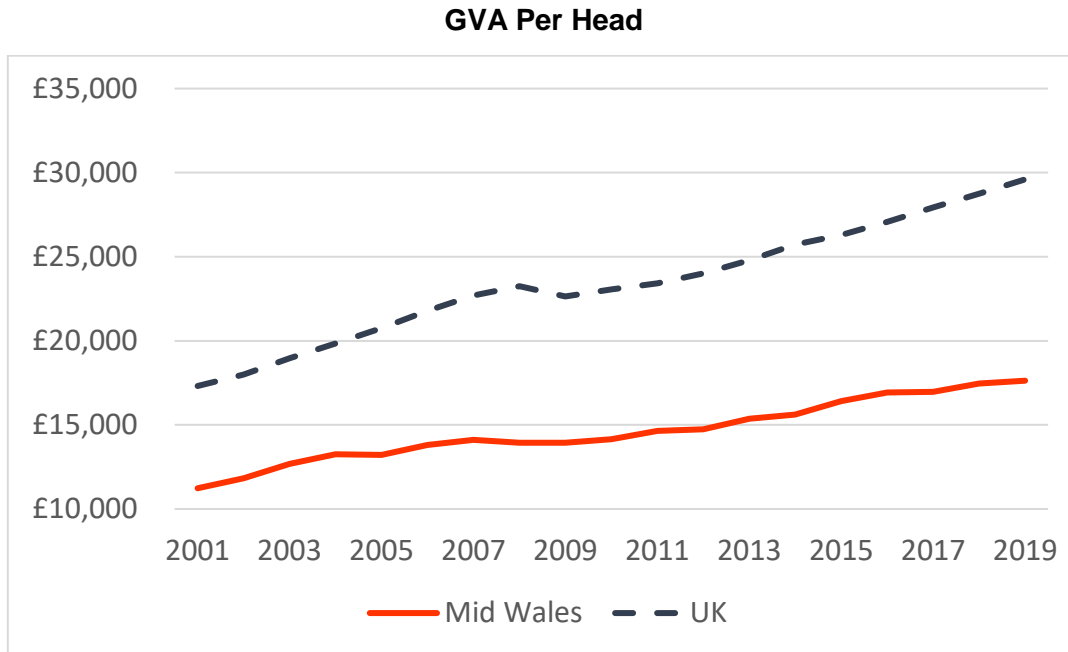
### ***The Region***

The Mid Wales economy is often characterised as a large and predominantly rural region, comprising 34% of the land mass of Wales. It is known for its natural beauty, strong cultural identities, and heritage. It is less well-known as a land of untapped economic opportunity - where business survival rates outclass the Welsh average; where our natural and academic assets offer an obvious choice for cutting-edge research providing strong opportunities to create new industrial clusters, where there is a strong yet diverse labour market – with strategic commuter links within and outside the region to other parts of Wales and cross-border into England.

Mid Wales is home to just over 200,000 residents and contributes £3.6 billion in Gross Value Added (GVA) (equating to £17,509 per head or £34,438 per job) to the UK economy each

year, representing 5.5% of the Welsh economy<sup>3</sup>. The contribution of Mid Wales to the national economy has remained almost constant for the last twenty years. Mid Wales is characterised by an ageing population and a net out-migration of young people. Since 2008, the region has seen an overall decline in its population of around 1.2%.

Powys records the lowest performance in terms of GVA per hour worked across all areas of the UK, lagging significantly behind the rest of Wales (82% of Welsh average) and the UK (65% of the UK average).

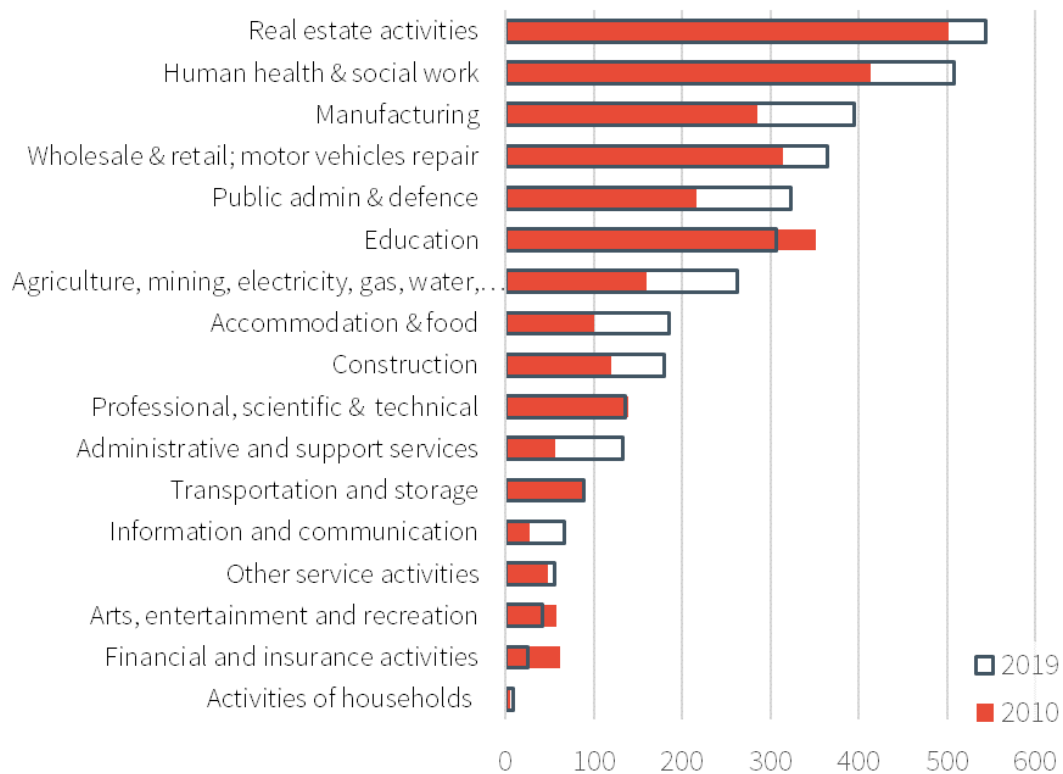


Source: ONS, Regional GVA and ONS, Mid-year population estimates

The drivers of these trends are complex and mainly due to employment structure including seasonal employment and the presence of low value-added sectors across the region. The largest contributors by sector to the region’s GVA are real estate, health, manufacturing, and wholesale and retail. This contrasts markedly with the employment breakdown in the region which shows the dominance of agriculture which is high in employment terms but delivers low GVA to the Mid Wales economy.

<sup>3</sup> StatsWales, December 2019  
[www.growingmid.wales](http://www.growingmid.wales)

GVA (£million) by sector, Mid Wales



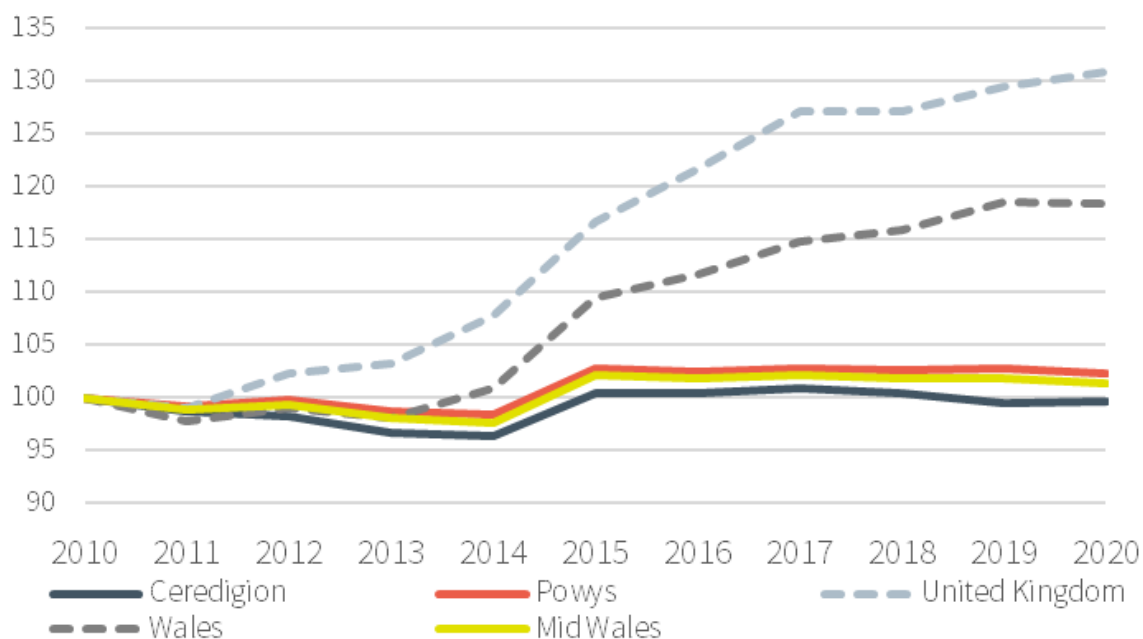
Source: ONS, Regional gross value added (balanced) by industry

There are some 95,400 people in employment in Mid Wales, with economic activity rates in line with Welsh and UK averages, driven by high levels of self-employment. Levels of unemployment in the region are comparatively low at 2.6% in January 2020, almost half that of Wales and the UK, and the region has seen a bigger improvement in unemployment numbers compared to Wales since 2001. Despite this, underemployment, low earnings, and seasonal employment remain key challenges. Average full-time weekly earnings, for example, were 93%% of the UK average in 2016 and 94 %% of the Wales average. Addressing the structural weaknesses in the skills infrastructure that currently inhibit the regional labour market will help to address these challenges.

Over the past five years (2014-2019), employment in Mid Wales has increased by around 7%. Jobs are particularly concentrated in Wholesale and Retail, Accommodation & Food Services and Health and Social Work. The largest increases in employment growth over this period were in Accommodation and Food, as well as Professional Services. Sectors including business administration and support services, and professional, scientific, and technical services, are currently less concentrated in Mid Wales compared to the UK but are growing strongly. This combination of under-representation and dynamic growth illustrates the potential for further expansion of these sectors.

Mid Wales contains 12,625 VAT registered businesses as of 2020. The business base has a very high proportion (>95%) of micro businesses (<10 employees). Just 0.8% of businesses across Mid Wales are classed as medium or large (50+ employees). Over the past ten years, growth in the number of businesses in the region has remained relatively static at 3% and has lagged significantly behind Wales (21%) and the UK (32%).

Business Counts Growth Index, 2010 = 100



Source: ONS, UK Business Count

Survival rates for new businesses after 5 years are however significantly better in Mid Wales than for England & Wales<sup>4</sup>.

The large proportion of micro businesses across Mid Wales is in part driven by the high number of farms and agricultural enterprises, which represent 37% of all businesses. Medium sized enterprises are seen predominantly in the health and manufacturing sectors, representing 6% and 5% of the total business stock respectively. The large geographic area and rural nature of Mid Wales means that business density is also significantly lower than in Wales and the UK.

Construction, Accommodation and Food Services, Professional, Scientific and Technical Services, and Business Administration Services are other significant sectors in terms of business counts.

Reflecting the sectoral composition of businesses, employment is heavily based in agriculture, with accommodation and food services also being significant, illustrating the importance of the tourism industry to the region. Education and health also contribute significantly to employment in Mid Wales demonstrating the key role of the public sector as a source of jobs in the region, with military bases in other areas offering significant local employment. The specific impacts of COVID-19 on the Mid Wales economy and the Growth Deal are set out in the next section.

<sup>4</sup> Growing Mid Wales Baseline Report, AECOM, 2019



## ***The Case for Change***

This section sets out the challenges and opportunities across the key sectors in the Mid Wales economy that the Growth Deal has the potential to address:

### **Applied Research & Innovation**

The region is home to internationally significant industries and internationally recognised research and development assets, including in agri-tech, food and bioscience, animal health, and advanced manufacturing. There is a need to capitalise on these internationally significant research and industrial strengths, harnessing emerging specialisms, alongside strengthened industry engagement and development to catapult regional productivity growth.

### **Agriculture, Food & Drink**

Mid Wales is home to key strategic food-related enterprises and support organisations with, for example, two of the main farming unions (FUW and NFU) having headquarters within its boundaries. The sector is a major employer, with 10,275 people employed in the food industry in Mid Wales, higher than national averages. The sector is vulnerable to changes in external policy and trading environments but there are also opportunities to develop new markets and processes. There are opportunities to significantly grow the economic and employment base through new high-value food development and produce development to a nationally and internationally recognised standard.

### **Strengthened Tourism Offer**

The tourism industry employs over 23,200 people in the region. It is supported by the regions outstanding natural assets including the Brecon Beacons National Park and the Wales Coastal Path and further bolstered by a diverse range of annual events including internationally recognised brands such as Green Man Festival. The sector is estimated to be worth an estimated £1.08 billion to the Mid Wales economy in 2016. There are opportunities to capitalise on the strength of the natural, heritage, and cultural assets in the region, focusing on driving more sustainable and resilient tourism growth which centres on quality and value, not volume.

### **Energy**

Natural resources in Mid Wales are well placed to produce green and renewable forms of energy. Currently, the region generates 97% of the electricity that it consumes from local renewable sources. The regions offer is enhanced by the presence of renowned academic / research institutions, including CAT and Aber University/BERS. Due to its abundant natural resources, the region is positioned well to help both Welsh and UK governments reach their 2050 target for reducing carbon emissions. There is an opportunity to establish mid Wales's role in supporting, and potentially leading, Welsh and UK efforts in developing and generating solutions to address the challenges of a future energy system.

### **Digital**

Although there have been significant improvements in recent years, digital connectivity in the region is significantly behind the rest of Wales and the UK, with over 20,000 'white premises' in the region who cannot access speeds of 30Mbps and 20% less 4g coverage than the rest of Wales. Improving digital infrastructure and exploiting next generation technologies will be critical to improving productivity, innovation, and competitiveness. Supporting the development of digital skills will help bridge the digital divide and allow people to live and work more freely. In doing so, the region can capitalise on the economic opportunities that can be unlocked by investing in digital infrastructure.

### **Supporting Enterprise**

Within the region, there is a very high proportion (>95%) of micro businesses (<10 employees), providing many businesses with the potential for growth. Additionally, the number of businesses in Mid Wales is steadily growing – in 2020, Mid Wales was home to 12,625 businesses, a growth of 2.5% since 2010. Survival rates for new businesses in Mid Wales after 5 years are significantly better in Mid Wales than for England & Wales, indicating resilient businesses. There are significant opportunities in terms of shaping business support and aligning infrastructure availability (digital, physical, land, and premises) to better support businesses across Mid Wales. It will be key to fostering an environment for a strong, resilient, and diverse Mid Wales economy that enables enterprises to start, grow, and prosper with the right support and infrastructure

### **Transport**

Transport connectivity both inside and outside of Mid Wales is crucial to economic and future growth. However, the region faces several challenges, including infrequent rail services with slow journey times and limited direct connectivity to major UK cities, poor uptake of public transport (<1% of bus use in the region), and a low take up of electric vehicles due to the lack of infrastructure. Investment is needed to improve strategic networks to keep goods and labour services moving freely. Moreover, the low carbon economy can be supported by improving the safety and resilience of the rail network, which will lead to reduced journey times and will increase capacity. Building on the regions existing linkages will help to deliver the transport network required to help grow the economy and raise productivity.

### **Skills & Employment**

The region is well educated, with school-age attainment in Mid Wales exceeding the Welsh average, and a higher proportion of working age people are qualified to degree level, compared to the national average. The regions universities provide a pipeline of talented and skilled young people, but there are opportunities to increase the number of graduates finding employment in Mid Wales after their studies. The emerging Regional Skills Partnership offers an opportunity to identify and co-ordinate a plan to align skills supply and demand in Mid Wales. By ensuring there is an appropriate supply of skills and that there is a capable workforce, business and industry needs can be met as part of a functioning labour market to underpin future economic growth.

## ***The Economic Impact of COVID-19***

COVID-19 has had an immense economic impact on Mid Wales as in other parts of the UK and globally. The Growing Mid Wales Board will work closely with the two local authorities, UK and Welsh Governments and private sector representatives to co-ordinate the regional response to economic recovery.

The long-term economic impact of restrictions and business interruption associated with COVID-19 has still yet to be fully realised which could impact local businesses, local authorities, and education providers alike. It is also unclear how the pandemic has affected investor confidence, and the implications will vary by sector. Continuing disruption through labour shortage from self-isolation/illness, combined with disrupted training/supply chain development has created shortages in construction materials, with price inflation, particularly on imports.

The Growth Deal Strategic Growth Priorities are designed to be robust and relevant to deliver long-term economic growth for the region. Despite the challenges of COVID-19, the Strategic Growth Priorities being addressed are demonstrating how they deliver value to counter the impacts of the COVID-19 pandemic.

**Applied Research & Innovation** – Key industries such as advanced manufacturing and agri-tech have been impacted considerably by the coronavirus pandemic. However, the pandemic has also shown the need for innovation and future growth in these sectors to cope with challenges in the future. The recovery post-pandemic will provide opportunities to innovate within these sectors to encourage the clean growth and digitisation of the industries.

**Agriculture, Food & Drink** – Limits on the mobility of people across national and international borders during lockdowns have contributed to labour shortages for agriculture sectors. Additionally, the closure of non-essential food and drink retailers reduced demand for some sectors of the industry.

**Strengthened Tourism Offer** – During the pandemic and national lockdowns the tourism sector was particularly affected due to the restricted movement within Wales and the wider UK. However, with the lifting of restrictions within the UK whilst foreign travel restrictions remained complicated, the UK saw a growth in ‘staycations’ over the summer of 2021. This may help to further strengthen the demand of ‘staycation’ tourism in the future.

**Energy** – Positioning Mid Wales as a key UK location for low carbon energy generation and supply chain investment will secure hundreds of new jobs for generations to come. This will play a key role in the region’s ability to address climate change and deliver against government policy areas, whilst creating more prosperous communities in the region which will help to overcome the effects of the pandemic.

**Digital** – During the pandemic, the demand and reliance on digital connectivity to enable people to work and learn from home, keep in touch with friends and families, run businesses, and access essential public services, grew dramatically and this will only continue to grow.

**Supporting Enterprise** – The pandemic has caused numerous new and small businesses to suffer due to reduced demand, with industries such as the beauty and tourism sectors particularly struggling. However, it has also provided an opportunity for new start-ups, with a record number of new businesses being created in 2020. It will be key to support these businesses in key growth areas with the right support and infrastructure.

**Transport** – The limitation on the mobility of people during national lockdowns saw many people reducing how much they travel. Additionally, there was a change in the types of transport used, with more opting to not use public transport, due to safety concerns, and instead using private vehicles. However, some public transport use has seen demand increase again, with bus use (excluding London) returning to pre-pandemic levels. National rail use is recovering more slowly, with use in September 2021 at ~67% of pre-pandemic use.<sup>5</sup> The post-pandemic period provides an opportunity to reform the public transport sector.

**Skills & Employment** – UK and Welsh Government schemes, such as the Job Retention Scheme and Economic Resilience Fund, have helped to mitigate the economic impact of COVID-19. However, substantial effects were still felt, with 16,000 redundancies occurring in Mid-Wales in the three months to November 2020, the highest rate in this period since 2009. Women, ethnic minorities and young people have been particularly affected with higher proportions of these demographics being furloughed<sup>6</sup>. Additionally, key sectors such as manufacturing in Wales have been affected by the pandemic and economic uncertainty. There are opportunities to innovate these sectors and to support re-training opportunities in sectors which are likely to grow.

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<sup>5</sup> DfT Domestic Transport Use by Mode, Great Britain, since 1<sup>st</sup> March 2020

<sup>6</sup> <https://phw.nhs.wales/publications/publications1/covid-19-and-employment-changes-in-wales-what-we-know-about-current-and-future-impacts/>

## Growth Deal Investment

The investment by UK Government, Welsh Government the Growing Mid Wales Board and its regional partners will act as a catalyst to unlock investment and aid economic recovery in the region.

The UK and Welsh Governments have jointly committed to the investment of £110 million over the next 10/15 years<sup>7</sup>, subject to an annual funding approvals process; the Growing Mid Wales Board also committed to securing further public and private sector investment to deliver an overall investment of £280-400 million. A private sector investment strategy will be developed to provide assurance with regards to leverage and match funding.

Through the Mid Wales Growth Deal, the Welsh and UK Governments and partners are embarking on a new strategic relationship that creates a legacy that will transform the region in the long term with co-ordination centred across Strategic Growth Priorities.

An indicative funding breakdown for the Mid Wales Growth Deal is presented below:

UK Government	Welsh Government	Other Public Sector	Private Sector	TOTAL
£55m	£55m	£75-£132m	£92-£157m	<b>£280-£400m</b>

*Note: The maximum contribution of the Growth Deal is capped at £110 million. The ranges presented are based on the total capital costs stated within Project Proformas and Strategic Outline Cases provided as part of the SPBC development process (lower bound) and the application of Optimism Bias at 44% apportioned between the match funding contributions (upper bound).*

## The Impact of the Growth Deal

The following indicative investment objectives have been developed through the creation of a Strategic Portfolio Business Case to support the region to secure the Final Deal Agreement with Welsh Government and UK Government.

<b>Investment Objective 1</b>	To create between 1,100 and 1,400 new jobs in Mid Wales through the Growth Deal by 2032.
<b>Investment Objective 2</b>	To support a net additional GVA uplift of between £570 million and £700 million for the Mid Wales Economy through the Growth Deal by 2032 <sup>8</sup> .
<b>Investment Objective 3</b>	To deliver a total investment of up to £400 million in the Mid Wales Economy through the Growth Deal by 2032.

<sup>7</sup> Note: The UK Government communicated its intention to accelerate the Growth Deal to a 10 year profile as part of Spending Review 2020. The Welsh Government's position has not been confirmed, therefore potentially remains 15 years as set out in the Heads of Terms agreement. The term of funding will be negotiated and agreed pre grant offer letters being issued.

<sup>8</sup> Note: Values undiscounted.

The Growth Deal Portfolio will contribute to achieving the investment objectives above. The Portfolio will generate a set of benefits that have been classed as direct, indirect, and wider benefits. The constituent Programmes and Projects of the Portfolio will have to demonstrate in their development how they will achieve these objectives.

It should also be noted that the Accounting Officer Review (AOR) will be expected to make recommendations on ensuring the Portfolio delivers on a wider range of outcomes to deliver on economic, social and environmental wellbeing. An example of this will be the development of a low carbon impact assessment for the Deal and incorporating this into project business cases.

In addition, as project business cases evolve a suite of indicators and measures will be developed which best reflect success for the Deal and the characteristics of the Mid Wales region.

It should be noted that no specific programmes and projects for Energy, Transport and Skills & Employment have been identified in the current Shortlist of the Growth Deal Portfolio.

As a result of this shortlisting process, benefits associated with these Strategic Growth Priorities have not been quantified at this stage. However, it should be noted that the production of the Strategic Portfolio Business Case is an iterative process where programmes and projects within these Strategic Growth Priorities may come forward at a later stage within the Growth Deal period.

The key types of benefits for the shortlisted Programmes and Projects currently being considered are summarised below:

<b>Benefits Framework</b>					
	<b>Applied Research &amp; Innovation</b>	<b>Agriculture Food &amp; Drink</b>	<b>Strengthened Tourism Offer</b>	<b>Digital</b>	<b>Supporting Enterprises</b>
<b>Direct Benefits</b>	Jobs and GVA	Jobs and GVA	Jobs and GVA	Not quantified	Jobs and GVA
<b>Indirect Benefits</b>	Supply Chain Jobs and GVA	Supply Chain Jobs and GVA	Supply Chain Jobs and GVA Visitor Spend Amenity Value	Business Productivity Business Innovation	Business Productivity Business Innovation
<b>Wider Benefits</b>	Social Welfare Benefits Environmental Benefits Inward Investment Improved Perceptions	Capitalising on internationally significant research and industrial strengths	Development of sector to nationally and internationally recognised standard	Capitalise on natural, heritage and cultural assets Drive sustainable and resilient tourism growth	Facilitate Innovation Cluster growth Inward Investment

Benefits Framework					
	Applied Research & Innovation	Agriculture Food & Drink	Strengthened Tourism Offer	Digital	Supporting Enterprises
Direct Benefits	Jobs and GVA	Jobs and GVA	Jobs and GVA	Not quantified	Jobs and GVA
	Reduced Deprivation	Harnessing emerging specialisms Strengthened industry engagement		focusing on quality	

Source: Mid Wales Strategic Portfolio Business Case

## 2. The Growth Deal – Current Scope

The aim of the Growth Deal is to deliver an enterprising and distinctive region, delivering economic growth driven by innovation, skills, connectivity, and more productive jobs supporting prosperous and bilingual communities. The approach is to promote growth in a scalable, inclusive, and sustainable way in line with the *Well-being of Future Generations (Wales) Act 2015*.

The Growth Deal Portfolio is currently based on two programmes and nine projects that sit within five of the eight identified Strategic Growth Priorities, as follows:

Strategic Growth Priorities	Projects
Applied Research & Innovation	<ul style="list-style-type: none"> <li>• Innovation Park.</li> <li>• National Spectrum Centre.</li> <li>• Mid Wales Advanced Manufacturing Campus.</li> </ul>
Agriculture, Food & Drink	<ul style="list-style-type: none"> <li>• Food Manufacturing Innovation Centre.</li> <li>• University of Gastronomy.</li> </ul>
Strengthened Tourism Offer	<ul style="list-style-type: none"> <li>• Cynefin – The Green Heart of Wales.</li> <li>• Dwr Cymru Elan Valley.</li> <li>• Montgomery Canal Wales - Restoration to Navigation.</li> <li>• Ceredigion Harbours.</li> </ul>
Energy	<ul style="list-style-type: none"> <li>• No projects identified at this stage.</li> </ul>
Digital	<ul style="list-style-type: none"> <li>• Strategic Employment Site Connectivity.</li> </ul>
Supporting Enterprise	<ul style="list-style-type: none"> <li>• Mid Wales Sites and Premises.</li> </ul>
Transport	<ul style="list-style-type: none"> <li>• No projects identified at this stage.</li> </ul>
Skills & Employment	<ul style="list-style-type: none"> <li>• No projects identified at this stage.</li> </ul>

All of the currently proposed programmes and projects within the Growth Deal contribute to the achievement of the Growth Vision and the delivery of benefits for Mid 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*.

The strategic aims and spending objectives of the set of shortlisted programmes and projects within these 5 strategic growth priorities equate to the following headline summaries:



## Applied Research and Innovation

### Strategic Aim:

Capitalising on internationally-significant research and industrial strengths, harnessing emerging specialisms, alongside strengthened industry engagement and development to catapult regional productivity growth.

### Spending Objectives:



#### JOB CREATION

To create between 185 and 255 jobs over a 10-year period.



#### GVA

Create net additional GVA of £55-65 million over a 10-year period.



#### INVESTMENT

Investment of between £66 and £95 million over a 10-year period.

## Agriculture Food and Drink

### Strategic Aim:

Significantly grow the economic and employment base through new high-value food development and produce development to a nationally and internationally recognised standard.

### Spending Objectives:



#### JOB CREATION

To create between 35 and 55 jobs over a 10-year period.



#### GVA

Create net additional GVA of £40-50 million over a 10-year period.



#### INVESTMENT

Investment of between £12 and £17 million over a 10-year period.



## Strengthened Tourism Offer

### Strategic Aim:

To capitalise on the strength of our natural, heritage and cultural assets and offer to drive sustainable and resilient tourism growth focusing on quality and value, not volume.

### Spending Objectives:



#### JOB CREATION

To create between 200 and 245 jobs over a 10-year period.



#### GVA

Create net additional GVA of £120-145 million over a 10-year period.



#### INVESTMENT

Investment of between £92 and £132 million over a 10-year period.

## Digital

### Strategic Aim:

Capitalising on the economic opportunities that can be unlocked by investing in our digital infrastructure.

### Spending Objectives:



#### JOB CREATION

To create between 370 and 450 jobs over a 10-year period.



#### GVA

Create net additional GVA of £95-115 million over a 10-year period.



#### INVESTMENT

Investment of between £50 and £72 million over a 10-year period.

## Supporting Enterprise

### Strategic Aim:

Fostering the environment for a strong, resilient and diverse Mid Wales economy that enables enterprises to start, grow and prosper with the right support and infrastructure.

### Spending Objectives:



#### JOB CREATION

To create between 340 and 415 jobs over a 10-year period.



#### GVA

Create net additional GVA of £85-105 million over a 10-year period.



#### INVESTMENT

Investment of between £56 and £81 million over a 10-year period.

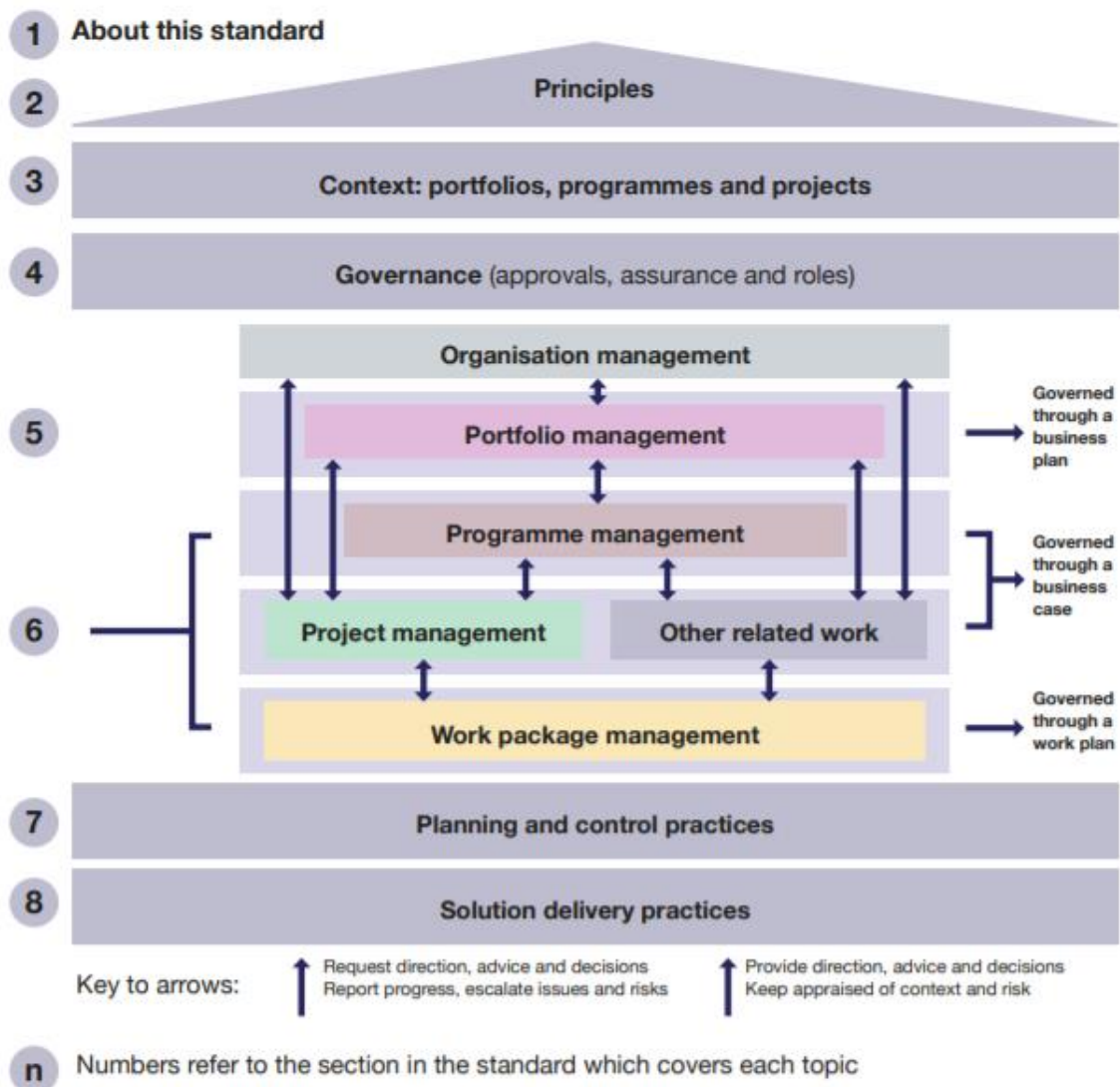
### 3. Governance Structure

The Growth Deal’s governance arrangements enable decisions to be made in an open and transparent way for the benefit of the whole of the region. This section details the existing arrangements and how they contribute to the management of the programme and associated risks.

Additional governance documents will apply to delivery of the Growth Deal, over the 10-15 years.

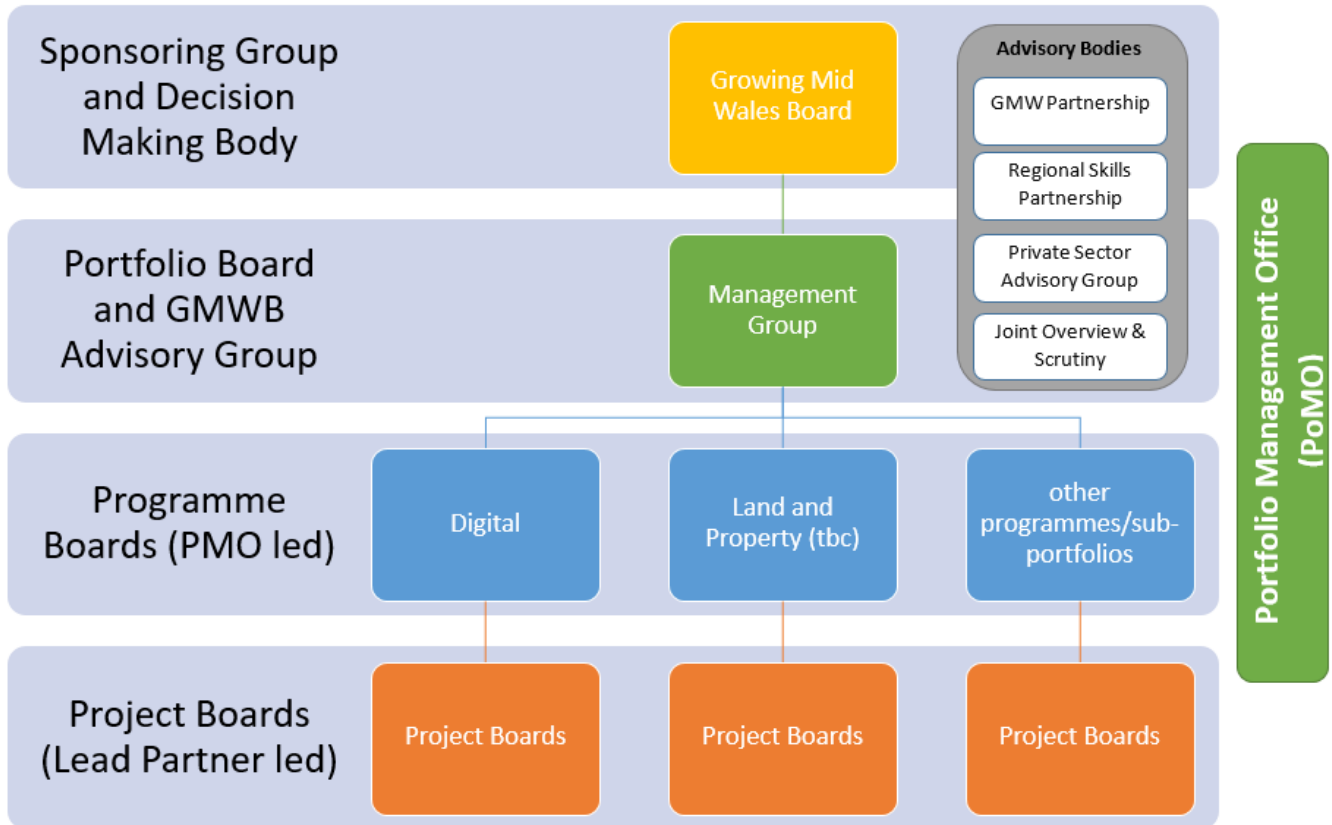
#### Mid Wales Growth Deal Governance Structure

The Growing Mid Wales Board has adopted a delivery model based on a best practice approach to portfolio, programme, and project management as set out in ‘Government Functional Standard GovS 002: Project Delivery’. Portfolio, programme, and project management is an integrated way of meeting an organisation’s ambitions, driving better decisions and increasing the likelihood of successful outcomes. The delivery structure for the Mid Wales Growth Deal broadly follows the below standards:



Source: HM Government, Governmental Functional Standard, GovS 002: Project Delivery, 15<sup>th</sup> July 2021

The diagram below sets out the Governance structure for the Mid Wales Growth Deal:



### **Strategic and Portfolio Level**

**GMW Board (Sponsoring Group)** - Leadership, strategic decision making, and accountability for the Mid Wales Growth Deal. All authority below this level is delegated to relevant parties as required through a formal GMWB decision. The GMWB will be responsible for the consideration and approval of programme and project business cases within the portfolio and with responsibility for delivery delegated to the relevant programme and project boards.

**Management Group (Portfolio Board)** - This group is the advisory body to the GMWB but also acts as the Portfolio Board for the Growth Deal to support and challenge the Operations Manager and the Portfolio Management Office (PoMO) to ensure delivery. The management group is made up of senior officers from the Local Authorities, chaired by an appointed Senior Responsible Owner (SRO) for the Portfolio. A member of the Management Group will also be appointed as a Senior Responsible Owner (SRO) for each of the programmes and lead the relevant Programme Board.

**Operations Manager** - The Operations Manager is accountable to the Management Group for the delivery of the Growth Deal Portfolio.

**GMW Partnership (Advisory)** - Constituted with its own Terms of Reference, it provides wider cross-sector stakeholder representation to inform, challenge and advise on the Growth Deal; and to provide regional leadership of the wider Vision for Growing Mid Wales.

**Regional Skills Partnership (Advisory)** – Public and private sector stakeholder group to identify and advise on the supply and demand of the labour market. Works closely with the Private Sector Advisory Group.

**Private Sector Advisory Group (Advisory)** - Advisory, support and advocacy mechanism for the development and delivery of the Growth Deal providing business voice relevant to Mid Wales economy.

**Joint Overview and Scrutiny Sub-Committee (Advisory)** - Monitoring and scrutiny function on behalf of the Councils, to scrutinise decisions made or actions taken by the GMWB for the MWGD.

### ***Programme and Project Level***

**Programme/Thematic Boards** - Where a programme exists, each will have a formal Board and an appointed Senior Responsible Owner (SRO). These boards initially focus on the development of the agreed business cases and subsequently oversee the delivery, with a specific focus on the benefits and outcomes to be achieved. Programme/Thematic Boards escalate to the GMW Board via the Operations (Portfolio) Manager. Programme/Thematic Boards will comply with the methodology set out in MSP.

**Project Boards** - All projects within the Growth Deal will be managed via a Project Board with appointed SROs and project managers in place to ensure delivery. Project Boards will comply with the methodology set out in PRINCE2. These boards will be focused on the development and delivery of the agreed business case, with a focus on the delivery of specified outputs. Projects and Project Boards will be the responsibility of the Project Sponsor and clear arrangements for the delivery of projects in line with best practice will be set out in each business case. Projects will report through to the relevant Programme/Thematic Board. Where a project does not naturally sit within a Growth Deal Programme, the Management Group will look to establish thematic-level/project monitoring boards that will provide a mechanism to report back to the PoMO.

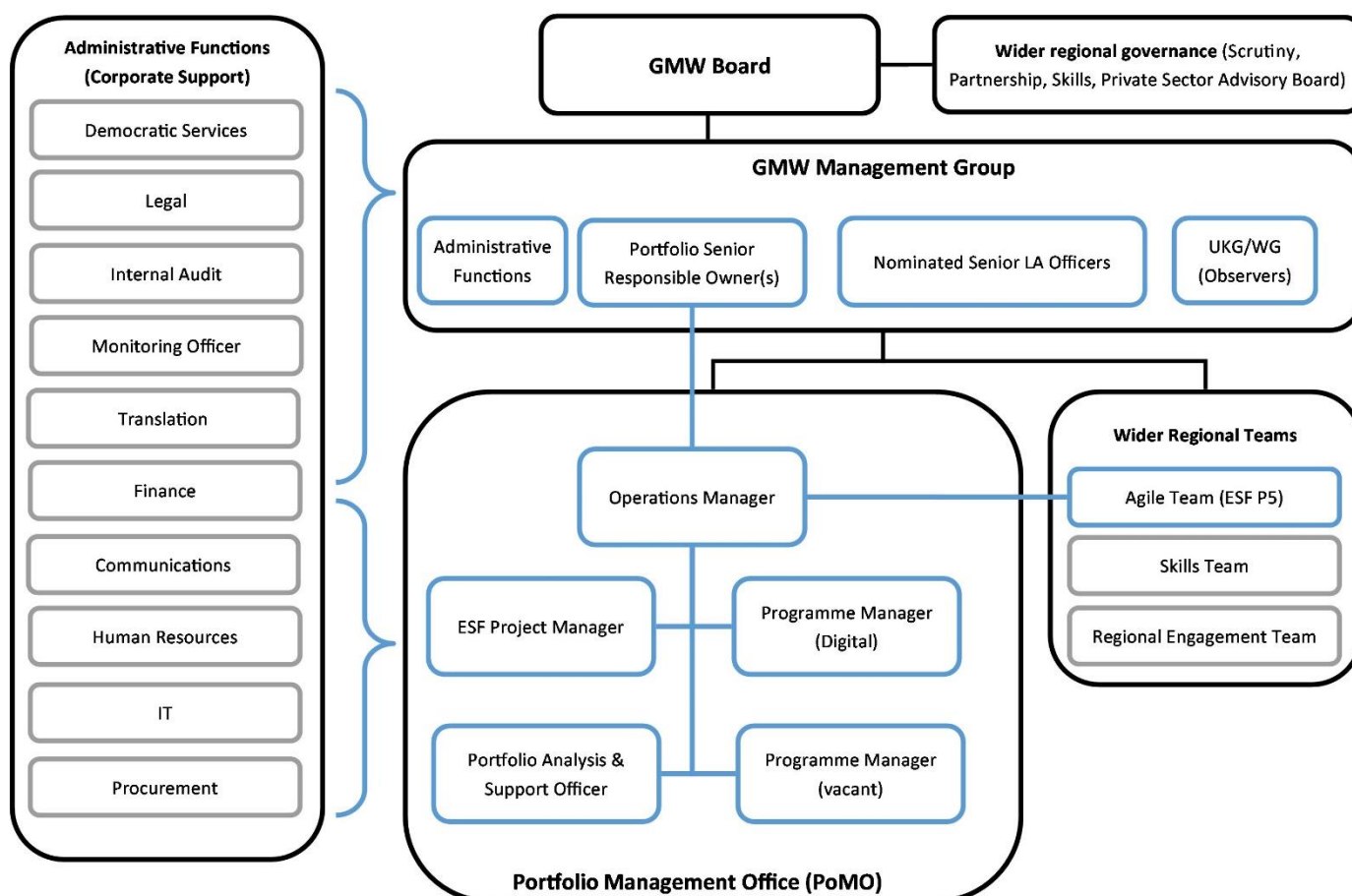
**Portfolio Management Office (PoMO)** – The PoMO provides a professional support team for the successful delivery of the agreed work programme of the Board. It supports and co-ordinates activity across the portfolio, acting as an information hub and ensuring a consistent approach to reporting, control of risk and issues. It also acts as a valuable assurance function, providing advice and challenge to programmes and projects. Each programme is assigned a Programme Manager from within the PoMO.

The formation of the PoMO is a major step towards the delivery phase of the Portfolio and subsequent Programmes and Projects. Sitting alongside regional governance the PoMO plays a key role in:

- Governance Support: Co-ordinating and servicing the business needs of regional committees;
- Operational Management: People, Budget, Risk & Issues, Strategic Planning & Activity Reporting;
- Programme / Project Development: Organising and co-ordination of workstreams, project engagement, and programme / project development / sponsor support;
- Communication & Stakeholder Engagement: Co-ordinating key messages and communications activity; and
- Co-ordination across wider regional activity: EU funding (RET), Transport (TRaCC) & Regeneration Funding.

The PoMO structure is set out on the following page:

### Portfolio Management Office Structure



**Operations (Portfolio) Manager** – The role of the Operations (Portfolio) Manager is to oversee the delivery of the Growth Deal portfolio and is accountable to the Growing Mid Wales Management Group.

**Programme Manager (Digital)** - Development, management and delivery of the Digital Programme;

**Programme Manager (vacant)** - Development, management and delivery of the Sites and Premises Programme; and

**ESF Project Officer** – Support the operational management of the Regional Collaboration Office, enable development of agile team, compliance and monitoring.

**Portfolio Analysis & Support Officer** - Executive/Portfolio Support for team including performance analysis and management support, monitoring, document and systems management.

## ***Standing Orders, delegated authority and terms of reference***

The core members of the PoMO are employed by the Accountable Body and operate to their standards, procedures and policies. Other members of the team may be appointed through the arrangements with Local Authorities and Aberystwyth University for an agile team – brought in as required on a ‘secondment’ basis funded by the Local Authorities and European Social Fund monies provided by WEFO.

Funding for programmes/projects will only be released by Ceredigion County Council as the Accountable Body following the successful approval of programme/project business cases by the Growing Mid Wales Board and on the basis of submission and verification of quarterly claims by project sponsors.

Contractual relationships required will be between Ceredigion County Council as the Accountable Body for the Mid Wales Growth Deal and the relevant Project / Programme Sponsors delivering the schemes. The Project / Programme Sponsors will then require appropriate contractual relationships with any contractors or suppliers procured to deliver the schemes.

The nature of these contractual relationships will be set out in the commercial case of each project / programme business case.

Each programme or project will report back to the Growing Mid Wales Board in line with the approach set out in the Management Case of the Strategic Portfolio Business Case and the Implementation Plan.

Terms of Reference for Programme and Project Boards will be agreed with Project Sponsors and SROs to ensure the appropriate links and reporting arrangements understood by both parties.

The exact provisions and terms of reference for the governance and implementation of the Deal will be set out in the relevant Inter-Authority Agreement.

## ***Resourcing***

The PoMO was established in July 2021 and is to be funded up until July 2023 through a combination of partner (Local Authority) match funding and European Social Fund grants. This provides funding to support the existing team, and wider agile team roles to support elements of the wider vision and regional working. The PoMO is currently reviewing its resource allocation and capacity requirements.

The Local Authorities are cognisant of the requirement to continue to support the revenue costs of the PoMO beyond July 2023. A revenue budget for the GMW Board will be established in due course – with options and budgets being considered. It is envisaged that the revenue costs of delivering the Growth Deal and PoMO will be met through a combination of continued partner contributions and options to top slice the annual Government grant.

## ***Decision Making Process***

### **UK Government and the Welsh Government**

Both the UK Government and the Welsh Government are accountable for ensuring the most appropriate use of Government funding for the Growth Deal.

The UK Government has allocated City and Growth Deal funding for the Welsh Government to administer, allowing funding from both Governments to be managed and released through a single agreed process. A legally binding Award of Funding Letter will be issued by Welsh Government stating the process for releasing the Growth Deal Funds. The funding is understood to be paid to the Accountable Body of the Growth Deal (Ceredigion County



Council) on an annual basis over the lifetime of the Growth Deal on a confirmed profile with drawdown conditional upon providing ongoing assurance.

Monitoring & evaluation of the progress of the Growth Deal will be an ongoing activity and an annual review of progress will be required prior to the release of annual funding. This will take the form of an assessment of a range of documentation and presentation to the Welsh Cities & Growth Implementation Board (WCGIB) by the PoMO to include an annually updated Strategic Portfolio Business Case providing greater Programme and Project detail. The next planned assurance review will specifically focus on delivery readiness (PAR/Gateway 0) with a specific focus on ensuring resolution of the AOR recommendations.

Decisions as to the release of funding to the Growth Deal will be taken by Ministers of the Welsh Government and UK Government annually. These decisions are informed by recommendations made by the Welsh Cities & Growth Implementation Board (WCGIB).

The annual funding approval process is set out in Appendix B.

While overarching accountability for the administration of funding rests with the Permanent Secretary for the Welsh Government, members of the Welsh Cities & Growth Implementation Board need to ensure that they are acting in accordance with the principles in Managing Welsh Public Money<sup>9</sup> (in the case of Welsh Government officials) and HMT's Managing Public Money<sup>10</sup> (for UK Government officials). This includes the need to assure themselves that the use of the funding offers good value for money and that it will be used with due regularity and propriety.

Welsh Government is currently setting out a separate Common Terms Agreement which will relate to certain aspects of the Growth Deal such as confidentiality, data protection, dispute resolution and assurance between Welsh Government and the partners in the region.

### **Growing Mid Wales Board**

The Growth Deal partners are committed to putting in place robust decision-making and financial management processes to ensure that public money is spent responsibly and accounted for. The Growing Mid Wales Board is a Local Authority executive Joint Committee and as such is subject to the requirements in relation to transparency, accountability, standards of governance, decision making and conduct which apply to such a body.

The Growing Mid Wales Board will be responsible for the consideration and approval of project and programme business cases within the portfolio, prior to consideration by Governments as defined in the Welsh City and Growth Deals Governance and Assurance Framework; with responsibility for delivery delegated to the relevant programme and project boards. All projects and programmes will also be subject to a "health check" from local assurers and approval through a Project Gateway 1 review.

The Growing Mid Wales Board operates as a Joint Committee via an established Inter-Authority Agreement, and will seek to establish a consensus of all the partners around all decisions relating to the Growth Deal.

It is recognised that the Growing Mid Wales Board's powers and duties relate to activities set out in the Growth Deal. Each constituent partner's decision-making in relation to its own

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<sup>9</sup> <https://gov.wales/managing-welsh-public-money>

<sup>10</sup> <https://www.gov.uk/government/publications/managing-public-money>



financial commitments will not be subject to Growing Mid Wales Board approval. The Growing Mid Wales Board working with the Accountable Body does however have a monitoring and assurance role with respect to the Growth Deal funding to ensure that it is spent in line with the Growth Deal objectives.

### ***Project approval process***

The Mid Wales Growth Deal Final Deal Agreement is to be signed on the basis of an approved Strategic Portfolio Business Case and the potential programme and project proposals in consideration at that point. While work is continuing in the background to develop Programme and Project Business Cases further, once the final deal has been agreed, project and programme business cases can be brought forward for the Growing Mid Wales Deal Board to consider.

Business cases will be developed for each programme and project within the Mid Wales Growth Deal in line with the '*Better Business Case*' guidance developed by Welsh Government and HM Treasury.

Preparing a Business Case using the five Case model provides decision makers and stakeholders with a proven framework for structured 'thinking' and assurance that the scheme provides and strategic fit, maximise public value, is commercially viable, is affordable and is fundable over time.

The development of programme (PBC) and project business cases (SOC, OBC and FBC) should be conducted in accordance with the Portfolio / Programme Business Case – Development Phase and Project Business Case.

Business cases will be required to demonstrate how they deliver against the objectives and aspirations of the Mid Wales Growth Deal Strategic Portfolio Business Case.

In line with the guidance, the PoMO will determine which approach to business cases is the most suitable for each scheme. The iterative production of the Business Case (Strategic Outline Case (SOC), Outline Business Case (OBC) and Full Business Case (FBC) should be considered for larger, complex projects requiring a competitive procurement.

Consideration may be given to combining the SOC and OBC where the case for change has already been made and agreed as part of a Programme Business Case (PBC).

Consideration may be given to combining the OBC and FBC where the intended procurement route has been pre-competed and firm prices are available in support of the spending proposal.

A Business Justification Case (BJC) may be considered for smaller items of spend, which are NOT novel or contentious; within the organisational limit agreed for the use of single business cases (BJC); and can be procured from an existing pre-competed arrangement.

Each project or programme business case will be subject to gateway reviews as set out in the Integrated Assurance and Approvals Plan (IAAP).

Project / programme business cases will first be considered by the relevant Programme/Thematic Board. Business cases will only be presented to the Growing Mid Wales Board following endorsement by the relevant Programme/Thematic and the completion of required gateway reviews. The PoMO retains the right to commission external reviews of business cases where required.

All project / programme business cases will be required to complete a Welsh Language impact assessment and a Wellbeing of Future Generations impact assessment before consideration by the Growing Mid Wales Board.

## Assurance

Assurance is an integral part of the development of the Growth Deal Portfolio with the Accounting Officer Review a critical point, the progress against the recommendations from which will be reviewed as part of the next planned assurance review in Spring 2022.

Following the approval of the Portfolio IAAP, detailed IAAPs will be developed for each programme and project within the Growth Deal. The exact timing of assurance reviews will be a matter for the PoMO to agree with Welsh Government and the relevant Programme and Project Boards.

While the exact timing of reviews is to be agreed, the following principles are to be applied:

- Major portfolio assurance reviews will take place periodically at agreed intervals unless requested sooner by the Growing Mid Wales Board, UK or Welsh Government;
- Programme assurance reviews will take place periodically at agreed intervals unless requested sooner by the Growing Mid Wales Board, UK or Welsh Government;
- Project assurance reviews will take place throughout the life of the project at pre-agreed stages. The level of assurance may vary per project, but would include a minimum of two external Gateway reviews per project, including a pre-delivery review and a benefits realisation review. The rationale for the proposed approach is set out below:
  - **Project Gateway 1 (SOC / PBC)** – Only required for new projects or those currently at concept stage due to the approved Programme Business Case. All other projects to produce combined SOC/OBC for Gateway 2;
  - **Project Gateway 2 (OBC)** – Required for all projects within the Growth Deal;
  - **Project Gateway 3 (FBC)** – PoMO decision on whether Gateway 3 is required on a project by project basis;
  - **Project Gateway 4 (Implementation)** - PoMO decision on whether Gateway 4 is required on a project by project basis; and
  - **Project Gateway 5 (Benefits Realisation)** – Required for all projects within Growth Deal.
- Delivery of the Portfolio through programmes and projects (Project Gateway 4 and 5) should be conducted in accordance with the Portfolio / Programme – Delivery Phase and Project – Delivery Phase flowcharts.
- **Project Assessment Review (PAR)** – may be used in place of Gateway 1-5 where the PoMO in consultation with the WG Assurance Hub consider it a more appropriate review mechanism.

## Change Management

A Change Management Plan will be developed for the Mid Wales Growth Deal.

The plan will adopt a similar principle to the Risk and Issues Management Framework, where changes are dealt with at the appropriate level within agreed tolerances. These tolerances will be agreed for each project business case, with a clear escalation process in place.

Changes will be assessed in terms of their financial impact but also their impact on the benefits to be delivered through the programme and projects.

Change management for the programmes will be primarily managed via the Programme/Thematic Board and relevant Project Board within tolerances delegated by the Growing Mid Wales Board upon consideration of the project business case.

Significant changes outside these tolerances would need to be escalated to the GMW Management Group or the Growing Mid Wales Board and may require the business case to be updated or additional assurance activities to take place.

Any new or replacement projects to be brought forward for consideration must demonstrate delivery against the relevant programme business case and the objectives of the Strategic Portfolio Business Case. Where those projects are within the existing agreed financial envelope for the Board, those projects would be a matter for the Growing Mid Wales Board to decide upon.

Projects that fall outside the remit of an agreed programme business case or those that would exceed the agreed financial envelope would be considered a 'reserved matter' for the Growing Mid Wales Board partners.

Approval will be sought from WCGIB regarding any significant changes, which could alter the original scope of the Deal and the intended original outcomes, with assurances provide on how these changes will be managed. This is in keeping with the Governance & Assurance Framework and will also be captured as part of regular monitoring and reporting.

### ***Role of members/accountability***

It is the duty of all Growing Mid Wales Board members to act in the best interests of the Growth Deal region. All private and third sector members will also be required to act in the interests of the Growth Deal region; foregoing any interest (if any) their own organisation may have in the Growth Deal and any related projects.

All members are expected to comply with the code of conducts of their respective organisations, the appropriate policies and procedures which are to be established by the Growing Mid Wales Board and the values and aspirations of the Growth Deal.

Government representatives may attend in observer/advisory capacity and are not bound by the requirements of the Growing Mid Wales Board's members.

Matters pertaining to the governing of the Deal are set out in the Inter-Authority Agreement (IAA3).

## 4. Role of the Accountable Body

For the duration of the Growth Deal, the accountable body shall be responsible for receiving and allocating funds for and on behalf of the Growing Mid Wales Board. Ceredigion County Council as the Accountable Body shall:

- act diligently and in good faith in all its dealings with the other Council and it shall use its reasonable endeavours to discharge the Councils' obligations in relation to the MWGD pursuant to and in accordance with this Agreement and all applicable legislation including but not limited to:-
  - the Well-being of Future Generations (Wales) Act 2015;
  - Welsh Language (Wales) Measure 2011; and
  - the Welsh Language Standards
- act as the primary interface (on behalf of itself and the other Council) with the WG, the UKG and any other body necessary to discharge the Councils' obligations in relation to the MWGD;
- act as the Accountable Body and to enter into and perform all contracts approved by the GMWB or the Councils (if a “Matter Reserved to the Councils”) on behalf of the MWGD; and
- act as the Accountable Body to hold any funds received directly from the WG, the UKG (if any), the Councils (if any) and/or any other sources (if any) in relation to the MWGD and only to use and release such funds as agreed in accordance with the terms of such funding and this Agreement.

Note: the provisions and terms of reference for the role (and appointment) of the Accountable Body, is set out in the most recent Inter-Authority Agreement agreed by the GMW Board and its constituent Local Authorities.

## 5. Monitoring and Evaluation

Managing our approach as a Portfolio will require continual feedback loops that link aspects of programme assurance, modelled economic impact, monitoring & evaluation to ensure that planned, developing, and delivering activity continues to meet the business needs set out in the Portfolio Business Case.

Our governance and management structures have been established to accommodate a way of working and an approach that enables a continuous cycle of assurance and review, through:

- A clearly defined PoMO
- An Integrated Assurance and Approval Plan (IAAP) that will establish clear processes
- An Implementation Plan for the Portfolio
- Robust and continual monitoring and evaluation that will continue to inform and shape the direction of the Portfolio.

## 6. Communications Protocol

A Strategic Communications Framework has been developed which provides an overarching framework to govern and direct all strategic communications activity relating to the work of Growing Mid Wales and achieving the ambitions outlined in The Vision for Growing Mid Wales. This strategic framework will apply to the wider regional as well as the Growth Deal. Underneath the strategic framework the individual regional functions will produce their own respective communication plans.

The PoMO will be responsible for managing communications regarding the Growth Deal and will communicate as appropriate with relevant partners and stakeholders. The PoMO will be the primary point of contact for the Welsh Government and UK Government in regards to the Growth Deal and will ensure that both Governments are consulted regarding any public facing documents or communications and that this is appropriately branded. The Welsh and English language will be represented equally in all digital and written publications.

## 7. Delivering for Mid Wales

The Growth Deal will continue to evolve over its lifetime and this Final Deal Agreement sets out the principles and processes relating to governance and assurance which have or will be put in place to ensure that the Growth Deal remains relevant and achievable.

All signatories look forward to working together for the people and businesses of Mid Wales.

## Appendix A – Short-listed Projects / Programmes for Tranche 1 of Mid Wales Growth Deal\*

Short-listed Projects / Programmes for Tranche 1 of Mid Wales Growth Deal*			
Strategic Growth Priorities	Project / Programme	Summary	Business Case Maturity Index
Applied Research & Innovation	Innovation Park	Lead by Aberystwyth University, the Innovation Park will enable industry and academia to build on the work of AberInnovation, with the aim of identifying, developing and demonstrating the enabling processes and technologies necessary to secure, broaden and maximise the value gained for the region. The £30 million project is seeking to deliver circa 10,000m <sup>2</sup> of fully serviced office space, shared facilities and R&D space.	SOC (initial)
	National Spectrum Centre	Lead by Aberystwyth University, the National Spectrum Centre seeks to establish a key asset operated through a hub and spoke model that will benefit from the region's varied environments (coastal, uplands, rural etc.) and bring high quality jobs and increased growth to the region. The SOC seeks approval to invest an estimated £17 million in Phase 2 of the National Spectrum Centre development.	SOC (initial)
	Mid Wales Advanced Manufacturing Campus	Identified through a recent SQW Applied Research and Innovation Report, this project was a recommended intervention to deliver an Innovation/Advanced Manufacturing Campus for Mid Wales, with the aim of improving the supply of skills into industry and provide a hub for collaboration/R&I activity. A project lead is yet to be identified. Total capital costs are unknown.	Concept
Agriculture, Food & Drink	Food Manufacturing Innovation Centre	Lead by Food Centre Wales (part of Ceredigion County Council), the Food Manufacturing Innovation Centre is a £4.4 million project to deliver a state of the art food manufacturing innovation centre at Horeb, Llandysul, Ceredigion. The project would provide a facility to enable companies to take the next steps from small scale, research-based product testing and analysis to scaling-up of the production to enable full market and commercial viability testing.	SOC (initial)
	Canolfan Tir Glas / University of Gastronomy	Trinity St David's University is seeking to establish a Centre for Rural Enterprise (Canolfan Tir Glas), an entity that will promote the local food industry, sustainability, resilience and rural entrepreneurship. The Centre will aim to play its part in strengthening the economic	SOC (initial)

Short-listed Projects / Programmes for Tranche 1 of Mid Wales Growth Deal*			
Strategic Growth Priorities	Project / Programme	Summary	Business Case Maturity Index
		infrastructure of the wider agri-food economy in Mid Wales from the centre and its outreach work, particularly by focusing on skills and career development in the hospitality sector and other rural diversification sectors. Total capital costs are estimated to be £8 million.	
Strengthened Tourism Offer	Cynefin – The Green Heart of Wales	Lead by the Centre for Alternative Technology, seeks to create a powerful and immersive learning experience, bringing huge practical benefits to the delivery of Skills for the future in renewable energy, sustainable construction and retrofit, food, land use and sustainable tourism. The tourism element of the project comprises of: An Arrival and Welcome Hub, Green Street, Elemental and Site Accommodation. Total capital costs are estimated to be £24.2 million.	SOC (initial)
	Dwr Cymru Elan Valley	Lead by Dwr Cymru, the Elan Valley Lakes Project seeks to achieve economic growth and sustainability through adding appropriate high experience level adventure, sport and nature activities and improve provision of overnight accommodation. It is hoped this will increase visitor spend and enhance income streams. Total capital costs are estimated to be £12.7 million.	SOC (initial)
	Montgomery Canal Wales - Restoration to Navigation	Lead by the Canal and River Trust / Glandwr Cymru, the restoration of the Montgomery Canal in Wales seeks to facilitate linkage to the wider 2000-mile Canal network, and boater access through Powys to beyond Welshpool. So enhancing opportunities for a range of non-boater visitor activities, all with associated spend and opportunities for tourism and leisure businesses. Total capital costs are estimated to be £24.4 million.	SOC (initial)
	Ceredigion Harbours	Lead Ceredigion County Council, Ceredigion Harbours is an outline proposal for two major marina/harbour developments (Aberystwyth and Aberaeron). In both instances, the assets are to remain publicly-owned and will combine currently planned investment in sea defences/coastal flooding, adding further economic value through the reconfiguration and development of the assets to generate new economic opportunities in retail, leisure and tourism. In Aberystwyth, the proposals also incorporate strengthened faculties to	Concept



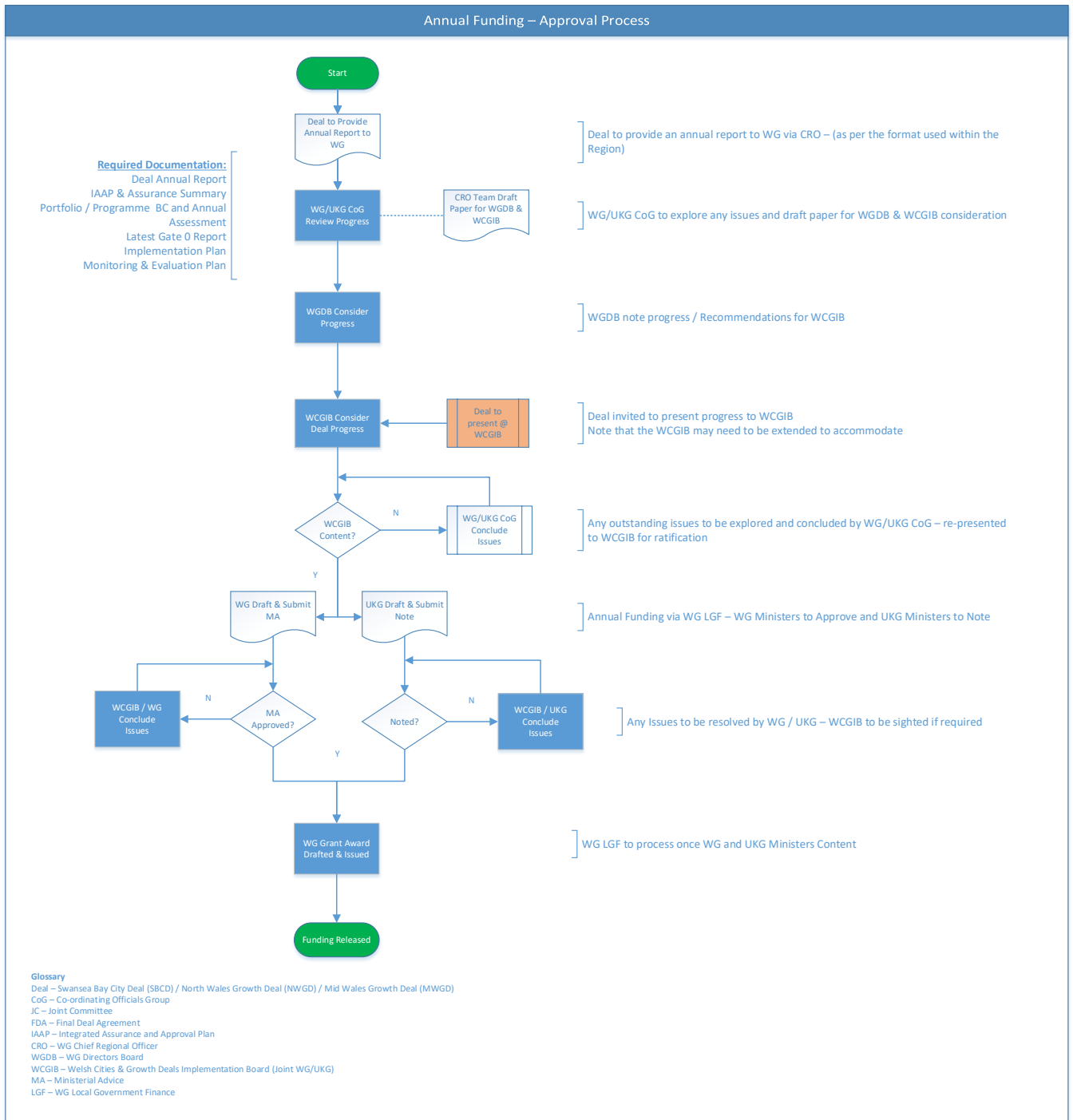
Short-listed Projects / Programmes for Tranche 1 of Mid Wales Growth Deal*			
Strategic Growth Priorities	Project / Programme	Summary	Business Case Maturity Index
		support the fisheries sector. Total capital costs are estimated to be between £20 and £30 million.	
Digital	Digital Programme	Lead jointly by Ceredigion County Council and Powys County Council, this programme seeks to accelerate the provision of connectivity services to strategic employment and residential sites within the Mid Wales region, and in doing so provide better services to businesses to facilitate greater economic growth. Connectivity is an essential part of modern life, influencing how individuals work, communicate and access services. Significant economic opportunities can be unlocked through investing in regional digital infrastructure. Total capital costs are estimated to be £50 million.	Programme Business Case (Initial)
Supporting Enterprise	Mid Wales Sites and Premises.	Lead jointly by Ceredigion County Council and Powys County Council, this intervention will deliver a strategic programme of prioritised, direct public sector investment in employment sites and premises and related infrastructure across Mid Wales to help meet current need and stimulate future economic growth in the region. This would be delivered through a Mid Wales Property Infrastructure Investment Fund. The proposal would be complemented by the development of broader financial incentives to help stimulate private sector investment in employment sites and premises, and targeted investments in strategic employment sites.	Programme Business Case (initial)

\*These are the programmes and projects currently identified (Strategic Portfolio Business Case v1) as tranche 1 – shortlist proposals. This is defined as “*Shortlist for further development, with conditions. These are interventions that perform well against the spending objectives and Critical Success Factors, and are sufficiently well advanced at this stage to be mandated for further detailed business case development. These interventions make up the first tranche of the Growth Deal Portfolio.*”

The Strategic Portfolio Business Case is a live document that is subject to regular review and assurance. A continual process of alignment is required to ensure that the programmes and projects within the strategic portfolio remains linked to strategic objectives, because even as strategies are delivering changes and improvements to business operations, they may need to respond to internal and external changes and to accommodate new initiatives and policies.



# Appendix B – Annual Funding Approval Process



Note: derived from the Welsh City and Growth Deals Implementation Board – Governance and Assurance Framework v1 December 2020.

## Appendix C – Additional Governance Documents to Final Deal Agreement

- GMW Strategic Portfolio Business Case (v1)
- GMW Integrated Assurance and Approvals Plan (Draft v0.5)
- GMW Implementation Plan (Draft v0.5)
- GMW Risk Register (v0.5)
- GMW Communications Strategy (v7.3)
- GMW Inter-Authority Agreement (v3 signed)



**Tyfu**  
**Canolbarth Cymru**  
**Growing**  
**Mid Wales**

# BARGEN TWF CANOLBARTH CYMRU

Cytundeb y Fargen Derfynol

**Fersiwn: 1.0**

**Statws: Terfynol**

[www.tyfucanolbarth.cymru](http://www.tyfucanolbarth.cymru)

## Rhagair

Mae **Bargen Twf Canolbarth Cymru** yn ffrwyth cydweithio agos ac ymrwymiad gan bartneriaid ar draws llywodraethau, awdurdodau lleol a rhanddeiliaid rhanbarthol er mwyn pennu Portffolio uchelgeisiol o flaenoriaethau buddsoddi a fydd yn ceisio dwyn newid o ran cyflogaeth a newid economaidd sylweddol i Ganolbarth Cymru.

Yn ystod ei chyfnod, bydd Bargen Twf Canolbarth Cymru yn grymuso'r rhanbarth i gyflwyno buddsoddiadau cyfalaf mewn ffordd strategol a chydgyssylltiedig, gan ystyried y sefyllfa dros y tymor hir.

Mae'n gyfle unigryw i sicrhau bod penderfyniadau ynghylch cyllid yn cael eu gwneud yn agosach i'r busnesau a'r cymunedau lleol sy'n bodoli yng Nghanolbarth Cymru, er mwyn dangos potensial a dyrchafu uchelgais ranbarthol yr hyn y gallai ein heconomi esblygu i fod. Mae ganddi rôl cadarn i'w gyflawni law yn llaw â buddsoddiad ehangach a chyllid gan y sectorau cyhoeddus a phreifat er mwyn darparu seilwaith economaidd a fydd yn gwneud gwahaniaeth go iawn er mwyn creu economi sy'n fwy bywiog, cynaliadwy a chynhwysol.

Mae'r ddogfen hon yn nodi'r egwyddorion a fydd yn sylfaen ar gyfer y fargen derfynol y bydd y rhanbarth a'r ddwy Lywodraeth yn cytuno arni. Mae'n seiliedig ar yr Achos Busnes Portffolio Strategol sy'n creu'r sylfaen ac sy'n pennu'r fframwaith gweithredol ar gyfer y Fargen, ac a fydd yn esblygu er mwyn adlewyrchu datblygiad ei rhaglenni a'i phrosiectau cyfansoddol, ynghyd â newidiadau yn y cyd-destun polisi ac economaidd.

Wrth lofnodi'r cytundeb hwn, mae Llywodraeth y DU a Llywodraeth Cymru ar y cyd yn ymrwymo buddsoddiad o £110 miliwn i'r Fargen Twf dros gyfnod o rhwng 10 a 15 mlynedd.

Gan ddatblygu dogfen y [Weledigaeth ar gyfer Tyfu Canolbarth Cymru](#) a gyhoeddwyd yn ystod yr Haf 2020, a dogfen [Penawdau'r Telerau](#) a lofnodwyd ym mis Rhagfyr 2020; mae'r ddogfen hon yn nodi'r paramedrau a'r fframwaith er mwyn cyflawni Bargen Twf Canolbarth Cymru sy'n ailddatgan ymrwymiad pob parti i sicrhau gweithrediad llawn a photensial y cyllid hwn.

Mae'r Fargen Twf yn gyfle uchelgeisiol, ond realistig, ac y mae cryn angen amdano ar gyfer Canolbarth Cymru, er mwyn ysgogi newid cadarnhaol, hirdymor a chynaliadwy a fydd yn llywio adferiad ac yn cynnig budd i genedlaethau'r dyfodol.

Ar y cyd, edrychwn ymlaen at weld y manteision y bydd y buddsoddiad pwysig hwn yn eu dwyn i bobl a busnesau ar draws Canolbarth Cymru.



Vaughan Gething, Aelod o'r Senedd  
**Gweinidog yr Economi  
Llywodraeth Cymru**



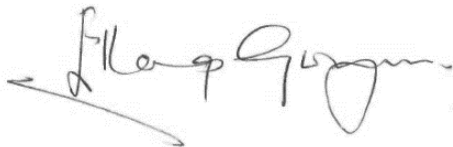
David TC Davies, Aelod Seneddol  
**Is-Ysgrifennydd Gwladol Seneddol  
Cymru Llywodraeth y DU**



Rebecca Evans, Aelod o'r Senedd  
**Y Gweinidog Cyllid a Llywodraeth  
Leol  
Llywodraeth Cymru**



Neil O'Brien, Aelod Seneddol  
**Is-Ysgrifennydd Gwladol Seneddol  
(Gweinidog Codi'r Gwastad, Yr  
Undeb a'r Cyfansoddiad)  
Llywodraeth y DU**



Cyng Ellen ap Gwynn  
**Arweinydd  
Cyngor Sir Ceredigion**



Cyng Rosemarie Harris  
**Arweinydd  
Cyngor Sir Powys**



Llywodraeth Cymru  
Welsh Government



Tyfu  
Canolbarth Cymru  
Growing  
Mid Wales



UK Government  
Llywodraeth y DU

*Mae holl bartïon y Fargen Derfynol hon wedi darparu eu llofnodion yn electronig*

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## Crynodeb Gweithredol

Mae Bargen Twf Canolbarth Cymru (y Fargen Twf) yn gytundeb rhwng Llywodraeth y DU, Llywodraeth Cymru a Bwrdd Tyfu Canolbarth Cymru er mwyn darparu buddsoddiad cyfalaf trawsnewidiol yn economi Canolbarth Cymru, yn unol â'r uchelgais a nodwyd yn nogfen strategaeth y Weledigaeth ar gyfer Tyfu Canolbarth Cymru, a gyhoeddwyd ym mis Mai 2020.

Mae Bwrdd Tyfu Canolbarth Cymru yn bartneriaeth rhwng y ddau Awdurdod Lleol yng Nghanolbarth Cymru, sef Cyngor Sir Ceredigion a Chyngor Sir Powys, y maent gyda'i gilydd yn cynnig arweinyddiaeth ac atebolrwydd ac yn gwneud penderfyniadau strategol ar gyfer y Fargen Twf.

Ceir tystiolaeth dda o'r achos dros yr angen i wella economi'r rhanbarth yn ei ['Weledigaeth ar gyfer Tyfu Canolbarth Cymru](#) – sy'n ffurfio'r Strategaeth y seilir y Fargen Twf ynddi.

Mae gan y rhanbarth Werth Ychwanegol Gros cymharol isel o'i gymharu gyda rhanbarthau eraill yn y DU, poblogaeth y mae ei maint yn lleihau ac sy'n heneiddio, dirywiad disgwylidig o ran ei chyflogaeth, methiant y farchnad, cyflogau isel, a thlodi gwledig. Yr hyn sy'n peri'r pryder mwyaf yw dirywiad economaidd disgwylidig y rhanbarth yn ystod y cyfnod 2018-2040, sef 3.5%, o'i gymharu gyda thwf disgwylidig o 7.4% yn economi y DU. Mae angen rhoi sylw i'r cylch dirywio hwn ar fyrder.

Y Weledigaeth ar gyfer Tyfu Canolbarth Cymru yw y bydd Canolbarth Cymru yn rhanbarth mentrus ac unigryw erbyn 2035, a fydd yn cyflawni twf economaidd wedi'i ysgogi gan arloesedd, sgiliau, cysylltedd a swyddi mwy cynhyrchiol sy'n cefnogi cymunedau ffyniannus a dwyieithog.

Mae'r Fargen Twf yn gatalydd allweddol er mwyn trawsnewid yr economi ranbarthol fel rhan o gymysgedd ariannol ehangach. Mae chwistrelliad cyllid cyfalaf i'r rhanbarth dros y tymor hir yn cynnig y cyfle i symud buddsoddiadau mewn seilwaith economaidd arwyddocaol ar y cyd â'r sector preifat.

Cyflwynwyd y Fargen Twf fel Portffolio, ac mae ganddi y potensial i gyflawni yn erbyn yr wyth Blaenoriaeth Twf Strategol yn y Weledigaeth:

- Ymchwil ac Arloesi Cymhwysol
- Amaethyddiaeth, Bwyd a Diod
- Cynnig Twristiaeth Cryfach
- Ynni
- Digidol
- Cefnogi Menter
- Trafnidiaeth
- Sgiliau a Chyflogaeth

Trwy ganolbwyntio'r gweithgarwch cyflawni ar y Blaenoriaethau Twf Strategol hyn ar y cyd fel rhan o Portffolio, bydd y Fargen Twf yn sicrhau effaith lawer yn fwy o ran uchelgais y Bwrdd a'i ddefnydd o adnoddau na chanolbwyntio ar set o brosiectau unigol digyfnewid ar eu pen eu hunain.

Bydd yr holl raglenni a phrosiectau a ddarparir trwy gyfrwng y Fargen Twf yn gwneud cyfraniad uniongyrchol tuag at nodau ac amcanion y Portffolio. Mae'r Portffolio fel y'i cynlluniwyd ar hyn o bryd yn canolbwyntio ar set o 2 rhaglen a 9 prosiect sy'n ymwneud â 5 o'r Blaenoriaethau

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<sup>1</sup> [www.tyfuanolbarth.cymru/yweledigaeth](http://www.tyfuanolbarth.cymru/yweledigaeth)  
[www.tyfuanolbarth.cymru](http://www.tyfuanolbarth.cymru)

Twf Strategol. Mae'r prif ffigurau a rhagdybiaethau yn rhai dangosol ar hyn o bryd – ond maent yn nodi cynigion y rhanbarth er mwyn cyflwyno'r Portffolio.

Mae dull y Portffolio yn sicrhau bod y gymysgedd gywir o ran rhaglenni a phrosiectau yn cynnig buddion go iawn a hirhoedlog ar draws y rhanbarth, sy'n sicrhau ffocws parhaus gweithgarwch llywodraethu rhanbarthol ar gyflawni nodau ac amcanion y Strategaeth. Mae hyn yn golygu bod y Portffolio yn fyw – a gallai'r rhaglenni a'r prosiectau newid wrth i waith cynllunio a datblygu pellach gael ei wneud – yn unol â'r dull Portffolio.

Fel y nodwyd yn yr Achos Busnes Portffolio Strategol, mae asesiad dangosol o'r rhaglenni a'r prosiectau yn y rhestr fer yn amcangyfrif y bydd y Fargen Twf yn cyflwyno buddsoddiad o £280-400 miliwn i economi Canolbarth Cymru at ei gilydd (£110 miliwn ar y cyd gan Lywodraeth y DU a Llywodraeth Cymru), gan greu 1,100-1,400 o swyddi ychwanegol net a sicrhau £570-700 miliwn ar ffurf GYG ychwanegol net<sup>2</sup>.

Gweithredir y Fargen Twf o fewn y fframwaith Llywodraethu a Sicrwydd, a sefydlwyd ac y cytunwyd arno gan Lywodraeth y DU a Llywodraeth Cymru – sy'n sicrhau bod Bargen Twf Canolbarth Cymru (MWGD) yn dilyn proses gymeradwyo a sicrwydd gytunedig er mwyn rheoli'r Portffolio.

Ers hynny, mae Cynghorau Sir Ceredigion a Phowys wedi gwneud trefniadau cyflawni, sicrwydd a llywodraethu cadarn er mwyn cynorthwyo darpariaeth y Fargen Twf trwy gyfrwng Bwrdd Tyfu Canolbarth Cymru, is-bwyllgorau a sefydlwyd a chapasiti pwrpasol er mwyn rheoli'r Fargen. Nodir hyn mewn Cytundeb Rhyng-Awdurdod, a lofnodir gan y ddau Awdurdod Lleol.

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<sup>2</sup> Nodyn: Gwerthoedd heb eu disgowntio



## 1. Cyflwyniad

Mae Bargeinion Dinesig a Thwf yng Nghymru yn gytundebau rhwng Llywodraeth y DU, Llywodraeth Cymru ac awdurdodau lleol yng Nghymru er mwyn cydlynu ymyriadau polisi a buddsoddi newydd i ysgogi twf mewn meysydd allweddol. Arweinir y Bargeinion yn lleol wrth i arweinwyr ddod ynghyd ar draws daearyddiaeth economaidd y cytunir arni yn lleol i ddatblygu set o gynigion a fydd yn ysgogi twf a chynhyrchiant ar draws eu rhanbarth. Mae Llywodraeth y DU a Llywodraeth Cymru yn cynorthwyo'r partneriaid lleol hyn i ddarparu ymyriadau er mwyn sicrhau twf lleol.

### ***Bwrdd Tyfu Canolbarth Cymru***

Mae Bwrdd Tyfu Canolbarth Cymru (Cyd-Bwyllgor) yn bartneriaeth rhwng ardal y ddau Awdurdod Lleol yng Nghanolbarth Cymru, sef Cyngor Sir Ceredigion a Phowys. Rôl bwrdd Tyfu Canolbarth Cymru yw cynnig arweinyddiaeth ac atebolrwydd a gwneud penderfyniadau strategol ar gyfer Bargen Twf Canolbarth Cymru. Mae Bwrdd Tyfu Canolbarth Cymru wedi creu a neilltuo adnoddau ar gyfer Swyddfa Rheoli Portffolio (SRhP) i oruchwylio cyflawniad y Fargen Twf.

Ers y sefydlwyd Partneriaeth Tyfu Canolbarth Cymru yn 2015; mae partneriaid o'r sectorau cyhoeddus, preifat a gwirfoddol ar draws rhanbarth Canolbarth Cymru wedi datblygu'r arweinyddiaeth a'r llais angenrheidiol er mwyn dylanwadu ar a chryfhau'r ffocws ar dyfu Canolbarth Cymru.

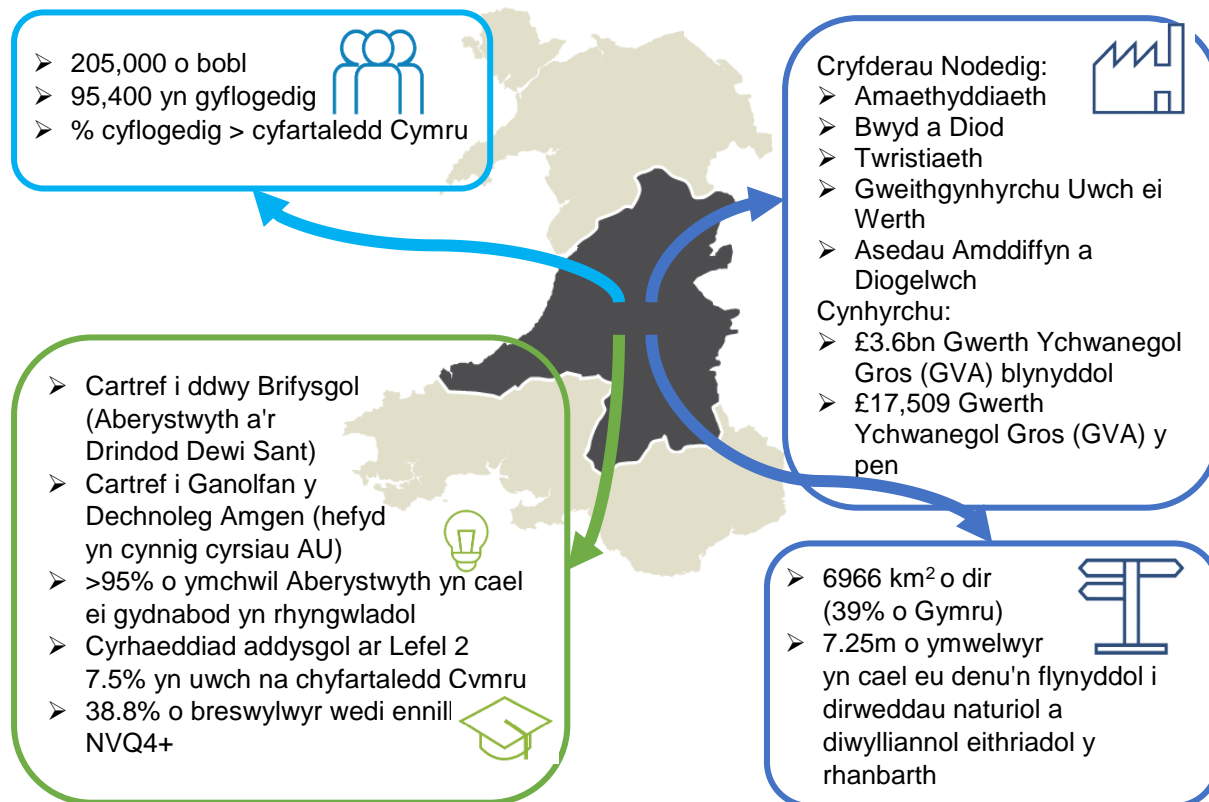
Ers y gwahoddiad i'r rhanbarth ddatblygu Bargen Twf yn 2017, daeth yn amlwg bod angen sefydlu strwythurau partneriaeth ffurfiol, cadarn a chdir pellach a fyddai'n pennu trefniadau llywodraethu a rheoli da a chdir er mwyn dwyn ymlaen datblygiad a chyflawniad y Fargen.

Fel sy'n digwydd gyda'r Bargeinion Dinesig a Thwf eraill yng Nghymru, nodir hyn ar ffurf cytundebau llywodraethu rhwng yr Awdurdodau Lleol perthnasol, er mwyn sefydlu fforymau newydd ar y cyd i wneud penderfyniadau ac ymgysylltu gyda rhanddeiliaid ehangach. Mae'r trefniadau llywodraethu ar gyfer y cam o gyflawni'r Fargen (ar ôl Cytundeb y Fargen Derfynol) yn cael eu hadolygu ar hyn o bryd. Nodir manylion y trefniadau llywodraethu a rheoli yn adran Strwythur Llywodraethu y ddogfen hon.

## Y Weledigaeth ar gyfer Canolbarth Cymru

Ym mis Mai 2020, mabwysiadodd partneriaid Bwrdd Tyfu Canolbarth Cymru *Weledigaeth ar gyfer Tyfu Canolbarth Cymru* (y Weledigaeth ar gyfer Twf).

Roedd y Weledigaeth yn nodi prif nodweddion economaidd a chymdeithasol y rhanbarth:



Ffynhonnell: *Gweledigaeth ar gyfer Tyfu Canolbarth Cymru: Cynllun Economaidd Strategol a Map Ffordd y Fargen Twf, Mai 2020*

Mae'r Weledigaeth ar gyfer Twf a fabwysiadwyd yn amlinellu'r ffaith y bydd Canolbarth Cymru, erbyn 2035, yn "Rhanbarth mentrus ac unigryw sy'n cyflawni twf economaidd wedi'i ysgogi gan arloesedd, sgiliau, cysylltedd a swyddi mwy cynhyrchiol sy'n cefnogi cymunedau ffyniannus a dwyieithog".

Roedd y Weledigaeth ar gyfer Twf yn pennu 8 Blaenoriaeth Twf Strategol:



- **Amaethyddiaeth, Bwyd a Diod:** sector amaethyddol cryf a bywiog sy'n creu cyflogaeth arwyddocaol ac sy'n cynhyrchu i safon a gydnabyddir yn genedlaethol ac yn rhyngwladol, ar y cyd â chryfderau mewn diwydiant ac arloesi yn cynnig cyfle i dyfu'r sylfaen economaidd yn sylweddol ac i arwain ym maes datblygu bwyd uchel ei werth newydd.

- **Ymchwil ac Arloesi Cymhwysol:** cartref i ddiwydiannau o bwysigrwydd rhyngwladol ac asedau ac arbenigedd ymchwil a datblygu a gydnabyddir yn rhyngwladol sy'n cynnig cyfleoedd i gynyddu twf cynhyrchiant rhanbarthol.
- **Cynnig Twristiaeth Cryfach:** treftadaeth gyfoethog, diwylliant ac asedau naturiol eithriadol sy'n sail i sector twristiaeth bywiog – gan gynnig llwyfan cryf i hybu twf newydd.
- **Ynni:** mae'r rhanbarth mewn sefyllfa arbennig o dda i arwain ymdrechion Cymru a'r DU o ran datblygu a chreu atebion i heriau system ynni yn y dyfodol, a chyfrannu at nodau net sero. Mae'r rhanbarth wedi datblygu strategaeth Ynni gynhwysfawr gyda'r weledigaeth "I sicrhau system ynni carbon sero net sy'n cynnig buddion cymdeithasol ac economaidd, sy'n gwaredu tlodi tanwydd, sy'n cysylltu Canolbarth Cymru mewn ffordd well gyda gweddill y DU, ac sy'n cyfrannu at ddatgarboneiddio ehangach yn y DU".
- **Cefnogi Menter:** gweledigaeth o gael economi gref, cydnerth ac amrywiol yng Nghanolbarth Cymru ac mae hyn yn golygu bod gofyn i fentrau ddechrau, tyfu a ffynnu gyda'r cymorth a'r seilwaith iawn.
- **Digidol:** mae cysylltedd yn rhan hanfodol o fywyd modern, gan ddylanwadu ar sut mae unigolion yn gweithio, yn cyfathrebu ac yn cael gwasanaethau. Mae modd datgloi cyfleoedd economaidd arwyddocaol trwy fuddsoddi mewn seilwaith digidol rhanbarthol.
- **Trafnidiaeth:** bydd gofyn sicrhau gwelliannau cysylltedd hefyd er mwyn cynnig catalydd a sicrhau twf o ran y buddsoddiad yn y rhanbarth, gan ddatblygu cysylltiadau sy'n bodoli eisoes er mwyn helpu i ddarparu'r rhwydwaith trafndiaeth sy'n ofynnol er mwyn bodloni galwadau symudedd llafur a chymdeithasol economi sy'n tyfu.
- **Sgiliau a Chyflogaeth:** Mae marchnad lafur effeithiol a gweithredol gyda chyflenwad priodol sgiliau a gweithlu galluog yn hanfodol er mwyn i economi Canolbarth Cymru dyfu a ffynnu.

### Cynnig y Fargen Twf

Gan ddatblygu'r Weledigaeth, cyflwynodd Bwrdd Tyfu Canolbarth Cymru ddogfen cynnig i Lywodraeth Cymru a Llywodraeth y DU, a arweiniodd ar lofnodi Penawdau'r Telerau ym mis Rhagfyr 2020. Roedd y cam o lofnodi'r ddogfen hon yn dangos ymrwymiad y partneriaid i gydweithio er lles pobl a busnesau Canolbarth Cymru a darparu rhaglenni a phrosiectau lleol a fydd yn cynyddu cyfleoedd a ffyniant mewn cymunedau ar draws y rhanbarth. Mae Cytundeb y Fargen Derfynol yn datblygu'r sylfeini a bennwyd trwy gyfrwng Penawdau'r Telerau.

Bydd y Fargen Twf yn gweithredu mewn ffordd ddoeth gyda'r buddsoddiad hwn, gan ddefnyddio dull gweithredu cadarn a chyson ac sy'n cynnwys ffocws er mwyn sicrhau twf economaidd ystyrlon. Mae economi Canolbarth Cymru yn bodoli gyda chydbwysedd gywrain, ac mae sawl diwydiant a sector yn rhyng-ddibynnol ar ei gilydd o ganlyniad i gyfansoddiad strwythurol ei daearyddiaeth naturiol ac economaidd ar hyn o bryd. Nod y Fargen Twf yw rhoi sylw i'r gwendidau strwythurol sy'n dal y rhanbarth yn ôl rhag gwireddu ei photensial llawn. Mae'r rhain yn cynnwys cynhyrchiant sydd ar ei hôl hi, demograffeg sy'n newid, sylfaen economaidd gul ac agored i niwed y rhanbarth, y dirywiad rhagamcanol mewn cyflogaeth, marchnad lafur ddisymud ac sy'n gwanhau, methiant y farchnad, a natur gudd economi wledig.

Trwy gyfrwng y Fargen Twf, manteisir i'r eithaf ar gyfleoedd gyda'r 14 awdurdod lleol cyfagos yn y rhanbarth. Mae hyn yn cynnwys yr ardal a gynrychiolir gan Bartneriaeth Menter Leol y Gororau, y ffurfiwyd cysylltiadau agos gyda hi. Bydd y rhanbarth yn datblygu'r cryfderau sy'n bodoli eisoes ar draws sawl sector, sy'n cynnwys gweithgynhyrchu gwerth uchel, amaethyddiaeth a bwyd, amddiffyn a diogelwch, a thwristiaeth. Bydd y bartneriaeth yn

manteisio ar amrediad o asedau mewn ffordd gynaliadwy gan gynnwys amgylchedd naturiol eithriadol, gallu ym maes ymchwil, y sector amddiffyn, gweithgynhyrchu uwch, clystyrau bwyd a diod o ansawdd uchel datblygedig, a thwf cynhyrchu ynni, datgarboneiddio a thechnoleg hydrogen.

Nod y Fargen Twf yw manteisio ar asedau ac arbenigedd ymchwil a datblygu sy'n bodoli eisoes ac sy'n cael eu cydnabod ar lefel ryngwladol, sy'n cynnig cyfleoedd i gynyddu twf o ran cynhyrchiant rhanbarthol. Cyflawnir hyn trwy gryfhau rhwydweithiau a ffyrdd o weithio a datblygu llwybrau gyrfa ym maes arloesi sy'n seiliedig ar dechnoleg a diwydiannau sy'n cynnal swyddi gwerth uwch. Mae'r Fargen yn bwriadu sicrhau twf arwyddocaol i sail economaidd y sector amaethyddiaeth, bwyd a diod, gan arwain ar ddatblygiad bwyd gwerth uchel newydd. Y nod yw y caiff twf newydd ei ysgogi hefyd trwy fanteisio ar yr asedau treftadaeth, diwylliant a naturiol eithriadol cyfoethog ac unigryw sy'n cynnig sylfaen ar gyfer y sector twristiaeth ffyniannus yn y rhanbarth. Cyflawnir hyn trwy gryfhau'r ymwybyddiaeth o gynnig Canolbarth Cymru, datblygu llwybrau hyfforddiant a gyrfa o fewn y sector twristiaeth, a buddsoddi mewn asedau rhanbarthol a'r seilwaith ategol. Trwy fuddsoddi nawr, bydd y Fargen Twf yn helpu i feithrin cydnheredd ar gyfer y dyfodol.

Mae'r rhanbarth yn cynnwys cryfderau allweddol ym maes technolegau carbon isel ac o ran asedau amgylcheddol. Nod y Fargen Twf yw cynorthwyo twf economaidd y rhanbarth, Cymru a'r DU ehangach yn y dyfodol trwy fanteisio ar y cryfderau hyn. Bydd hyn yn galluogi'r rhanbarth i wneud cyfraniad uniongyrchol i'r ymdrech o fynd i'r afael â'r argyfwng newid hinsawdd, gan arwain ymdrechion i ddatblygu a sicrhau datrysiadau er mwyn rhoi sylw i sialensiau system ynni yn y dyfodol.

Mae'r Fargen Twf yn amlygu gweledigaeth lle y bydd gan Ganolbarth Cymru economi gadarn, cydnorth ac amrywiol sy'n galluogi mentrau i ddechrau, tyfu a ffynnu gyda'r cymorth a'r seilwaith cywir. Cyflawnir hyn trwy greu amodau er mwyn ysgogi twf menter, buddsoddiad ac ysbryd cystadleuol a fydd yn gwella cynhyrchiant rhanbarthol.

Mae'r rhanbarth yn wynebu sialensiau penodol o ran cysylltedd digidol, o ganlyniad i natur wledig anghysbell y rhanbarth, hyfywedd masnachol a natur technolegau. Mae'n hanfodol bod y rhanbarth yn manteisio ar y cyfleoedd economaidd y mae modd eu datgloi trwy fuddsoddi yn ei seilwaith digidol, gan greu catalydd ar gyfer twf busnes o ansawdd uchel, arloesi o fewn sectorau a dargedir, a chynnig mynediad estynedig i gymunedau i gyflogaeth, addysg a gwasanaethau. Yn ogystal, mae maint, natur anghysbell a phatrwm gwasgaredig aneddiadau yng Nghanolbarth Cymru yn cynnig sialensiau o ran trafnidiaeth a chysylltedd pobl a nwyddau. Er mwyn ysgogi twf economaidd a denu buddsoddiad newydd, rhaid i'r rhanbarth wella cysylltedd â'r rhanbarth ac o fewn y rhanbarth, a fydd yn helpu i dyfu'r economi a gwella cynhyrchiant.

Yn olaf, nod y Fargen Twf yw manteisio ar gryfder gweithlu hynod o fedrus a chymwys y rhanbarth, gan roi sylw i'r gwendidau strwythurol yn y seilwaith sgiliau sy'n llesteirio'r farchnad lafur rhanbarthol ar hyn o bryd.

Bydd y Fargen Twf yn buddsoddi mewn ffordd sy'n hyrwyddo gwerth cymdeithasol ac sy'n creu cyfoeth o fewn cymunedau'r rhanbarth. Mae Bwrdd Tyfu Canolbarth Cymru yn cydnabod ac yn gwerthfawrogi'r rhwymedigaeth i gyflawni'r Fargen Twf mewn ffordd sy'n gwella ac sy'n cynyddu ein lles cymdeithasol, diwylliannol, amgylcheddol ac economaidd.

### ***Y Rhanbarth***

Yn aml, nodweddir economi Canolbarth Cymru fel rhanbarth mawr a gwledig at ei gilydd, sy'n cynnwys 34% o dir Cymru. Mae'n adnabyddus am ei harddwch naturiol, ei hunaniaeth ddiwylliannol gadarn, a'i dreftadaeth. Nid yw mor adnabyddus fel man lle nas manteisiwyd ar

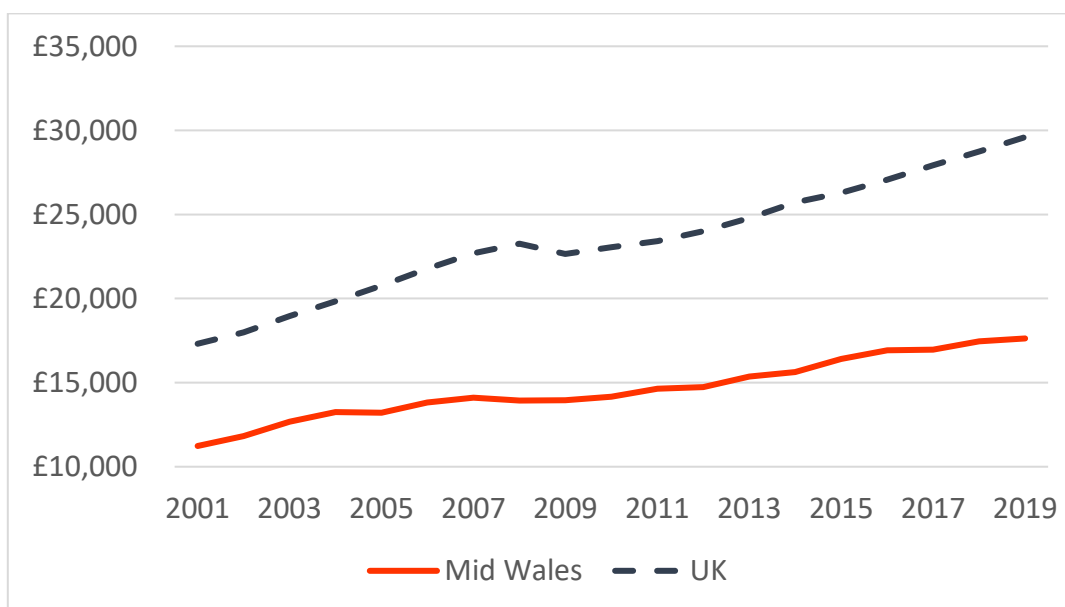


y cyfle economaidd sydd ganddo – lle y mae cyfraddau goroesi busnesau yn rhagori ar y cyfartaledd yng Nghymru; lle y mae ein hasedau naturiol ac academaidd yn cynnig dewis amlwg ar gyfer y gwaith ymchwil diweddaraf sy'n cynnig cyfleoedd cadarn i greu clystyrau diwydiannol newydd, lle y ceir marchnad lafur gadarn ond amrywiol – gyda chysylltiadau cymudo strategol o fewn a thu allan i'r rhanbarth i rannau eraill o Gymru ac ar draws y ffin i Loegr.

Mae ychydig dros 200,000 o breswylwyr yn byw yng Nghanolbarth Cymru, gan gyfrannu gwerth £3.6 billion ar ffurf Gwerth Ychwanegol Gros (GYG) (sy'n cyfateb ag £17,509 y pen neu £34,438 y swydd) i economi y DU bob blwyddyn, gan gynrychioli 5.5% o economi Cymru<sup>3</sup>. Mae cyfraniad Canolbarth Cymru i'r economi genedlaethol wedi aros bron yn gyson dros yr ugain mlynedd ddiwethaf. Nodweddir Canolbarth Cymru gan boblogaeth sy'n heneiddio ac allfudo net gan bobl ifanc. Er 2008, mae poblogaeth y rhanbarth wedi gostwng tua 1.2% yn gyffredinol.

Mae Powys yn cofnodi'r perfformiad isaf o ran GYG fesul awr a weithir ar draws holl ardaloedd y DU, ac mae gryn dipyn ar ei hôl hi o'i chymharu gyda gweddill Cymru (82% o'r cyfartaledd yng Nghymru) a'r DU (65% o'r cyfartaledd yn y DU).

### GYG y Pen

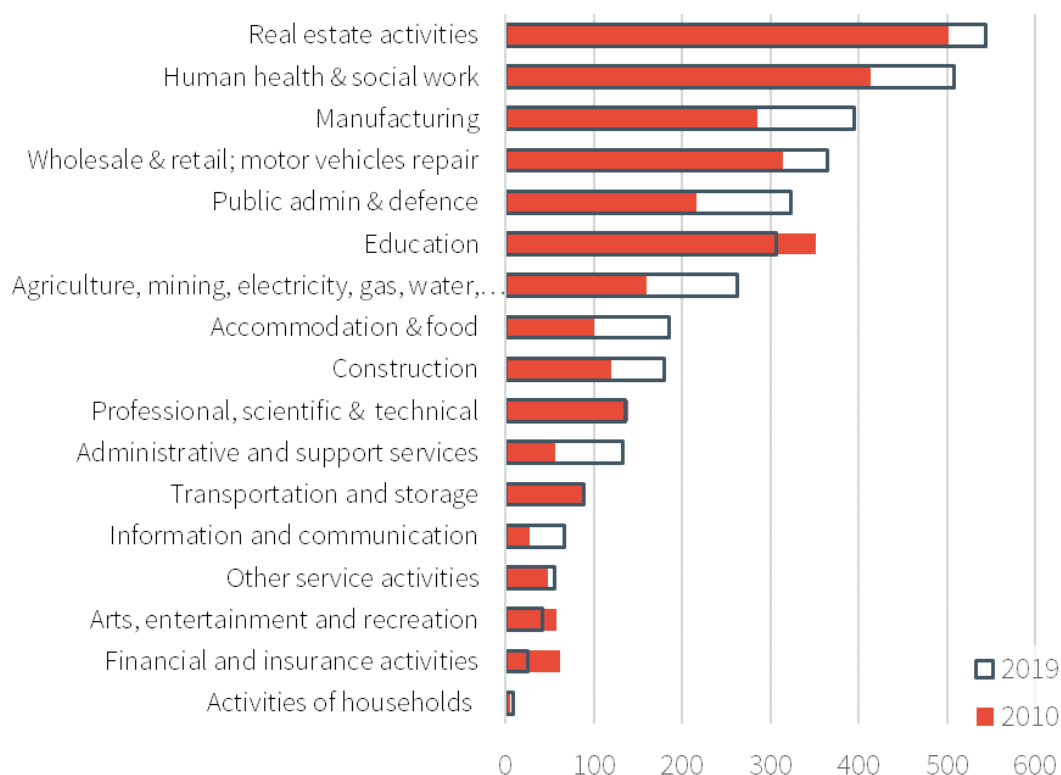


Ffynhonnell: ONS, GYG Rhanbarthol ac ONS, Amcangyfrifon poblogaeth canol blwyddyn

Mae ysgogwyr y tueddiadau hyn yn gymhleth ac maent o ganlyniad i'r strwythur cyflogaeth yn bennaf, gan gynnwys cyflogaeth dymhorol a phresenoldeb sectorau gwerth ychwanegol isel ar draws y rhanbarth. Y cyfranwyr mwyaf fesul sector i GYG y rhanbarth yw eiddo tirol, iechyd, gweithgynhyrchu, a chyfanwerthu a manwerthu. Mae hyn yn wahanol iawn i'r dadansoddiad cyflogaeth yn y rhanbarth, sy'n dangos trechedd amaethyddiaeth, sy'n uchel o ran cyflogaeth, ond sy'n cynnig GYG isel i economi Canolbarth Cymru.

<sup>3</sup> StatsCymru, Rhagfyr 2019

**GYG (£miliwn) fesul sector, Canolbarth Cymru**



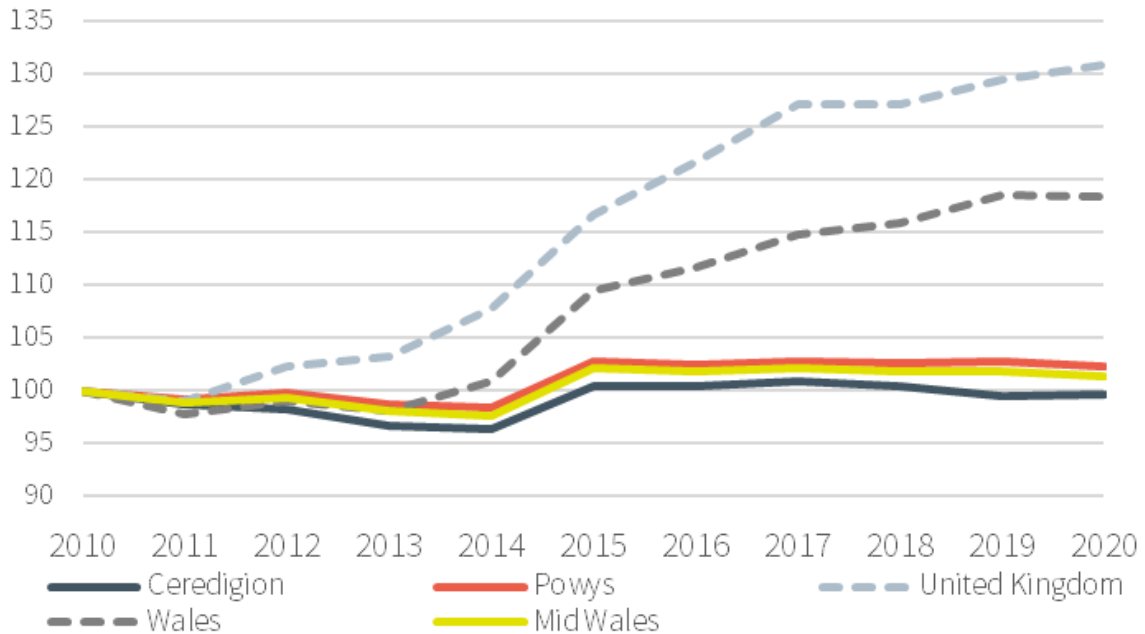
*Ffynhonnell: ONS, Gwerth ychwanegol gros rhanbarthol (cytbwys) fesul diwydiant*

Cyflogir tua 95,400 o bobl yng Nghanolbarth Cymru, ac mae cyfraddau y gweithgarwch economaidd yn cyd-fynd â'r cyfartaledd yng Nghymru ac yn y DU, ac mae'r rhain yn cael eu hysgogi gan lefelau hunangyflogaeth uchel. Mae lefelau diweithdra yn y rhanbarth yn gymharol isel, sef 2.6% ym mis Ionawr 2020, bron i hanner y lefel ar draws Cymru a'r DU, a gwelwyd mwy o welliant o ran y niferoedd diweithdra yn y rhanbarth o'i chymharu gyda'r sefyllfa yng Nghymru er 2001. Er hyn, mae tangyflogaeth, cyflogau isel a chyflogaeth dymhorol yn parhau i fod yn sialensiau allweddol. Roedd yr enillion wythnosol amser llawn cyfartalog, er enghraifft, yn 93% o'r cyfartaledd ar draws y DU yn 2016 ac yn 94% o'r cyfartaledd yng Nghymru. Bydd rhoi sylw i'r gwendidau strwythurol yn y seilwaith sgiliau sy'n llesteirio'r farchnad lafur ranbarthol ar hyn o bryd yn helpu i fynd i'r afael â'r sialensiau hyn.

Dros y bum mlynedd ddiwethaf (2014-2019), mae lefel y gyflogaeth yng Nghanolbarth Cymru wedi codi tua 7%. Gwelir bod rhan fwyaf y swyddi ym maes Cyfanwerthu a Manwerthu, Llety a Gwasanaethau Bwyd ac Iechyd a Gwaith Cymdeithasol. Gwelwyd y cynnydd mwyaf o ran y twf mewn cyflogaeth yn ystod y cyfnod hwn ym maes Llety a Bwyd, yn ogystal â Gwasanaethau Proffesiynol. Mae sectorau gan gynnwys gweinyddu busnes a gwasanaethau cymorth, a gwasanaethau proffesiynol, gwyddonol a thechnegol yn llai amlwg yng Nghanolbarth Cymru o'i chymharu â gweddill y DU, ond maent yn sicrhau twf cadarn. Mae'r cyfuniad hwn o gynrychiolaeth annigonol a thwf dynamig yn dangos y potensial i ehangu'r sectorau hyn ymhellach.

Yn 2020, roedd Canolbarth Cymru yn cynnwys 12,625 o fusnesau sydd wedi cofrestru at ddibenion TAW. Mae cyfran uchel iawn (>95%) o'r busnesau yn fusnesau micro (<10 o gyflogeion). Dosbarthir 0.8% yn unig o fusnesau ar draws Canolbarth Cymru yn rhai canolig neu fawr (50+ o gyflogeion). Dros y deng mlynedd ddiwethaf, mae'r twf yn nifer y busnesau wedi aros yn gymharol sefydlog, sef 3%, ac mae wedi bod gryn dipyn ar ei hôl hi o'i gymharu gyda'r sefyllfa ar draws Cymru (21%) a'r DU (32%).

Mynegai Twf Cyfrifiadau Busnes, 2010 = 100



Ffynhonnell: ONS, Cyfrifiadau Busnes y DU

Fodd bynnag, mae'r cyfraddau goroesi ar gyfer busnesau newydd ar ôl 5 mlynedd lawer yn well yng Nghanolbarth Cymru nag y maent yng Nghymru a Lloegr<sup>4</sup>.

Ysgogir cyfran fawr y busnesau micro ar draws Canolbarth Cymru gan niferoedd uchel y ffermydd a'r mentrau amaethyddol yn rhannol, sy'n cynrychioli 37% o'r holl fusnesau. Gwelir mentrau o faint canolig yn y sectorau iechyd a gweithgynhyrchu yn bennaf, gan gynrychioli 6% a 5% o gyfanswm y stoc busnes. Mae ardal ddaearyddol fawr a natur wledig Canolbarth Cymru yn golygu bod dwysedd busnesau lawer yn is nag y mae yng Nghymru a'r DU hefyd.

Mae Adeiladu, Llety a Gwasanaethau Bwyd, Gwasanaethau Proffesiynol, Gwyddonol a Thechnegol, a Gwasanaethau Gweinyddu Busnes yn sectorau arwyddocaol eraill o ran cyfrifiadau busnes.

Gan adlewyrchu cyfansoddiad sectorol busnesau, mae cyfran sylweddol o'r gyflogaeth ym myd amaeth, ac mae llety a gwasanaethau bwyd yn arwyddocaol hefyd, gan ddangos pwysigrwydd y diwydiant twristiaeth i'r rhanbarth. Mae addysg ac iechyd yn gwneud cyfraniad sylweddol i gyflogaeth yng Nghanolbarth Cymru hefyd, gan ddangos rôl allweddol y sector cyhoeddus fel ffynhonnell swyddi yn y rhanbarth, ac mae canolfannau milwrol mewn ardaloedd eraill yn cynnig cyflogaeth leol arwyddocaol. Nodir effeithiau penodol COVID-19 ar economi Canolbarth Cymru a'r Fargen Newydd yn yr adran nesaf.

<sup>4</sup> Adroddiad Gwaelodlin Tyfu Canolbarth Cymru, AECOM, 2019  
[www.tyfuanolbarth.cymru](http://www.tyfuanolbarth.cymru)



## ***Yr Achos dros Newid***

Mae'r adran hon yn nodi'r sialensiau a'r cyfleoedd ar draws y sectorau allweddol yn economi Canolbarth Cymru y mae gan y Fargen Twf y potensial i fynd i'r afael â nhw:

### **Ymchwil ac Arloesi Cymhwysol**

Mae'r rhanbarth yn gartref i ddiwydiannau o bwysigrwydd rhyngwladol ac asedau ac arbenigedd ymchwil a datblygu a gydnabyddir yn rhyngwladol, gan gynnwys ym maes technoleg amaethyddol, bwyd a biowyddoniaeth, iechyd anifeiliaid, a gweithgynhyrchu uwch. Mae angen manteisio ar y cryfderau hyn o ran diwydiant a gwaith ymchwil o arwyddocâd rhyngwladol, gan harneisio arbenigeddau sy'n dod i'r amlwg, law yn llaw â gweithgarwch ymgysylltu a datblygu diwydiannol er mwyn cynyddu twf mewn cynhyrchiant rhanbarthol.

### **Amaethyddiaeth, Bwyd a Diod**

Mae Canolbarth Cymru yn gartref i sefydliadau cymorth a mentrau strategol allweddol sy'n gysylltiedig â bwyd, ac mae gan ddwy o'r prif undebau amaeth (FUW ac NFU) bencadlys o fewn ei ffiniau. Mae'r sector yn gyflogwr mawr, a chyflogir 10,275 o bobl yn y diwydiant bwyd yng Nghanolbarth Cymru, sy'n uwch na'r cyfartaledd cenedlaethol. Mae'r sector yn agored i newidiadau mewn polisi allanol ac amgylcheddau masnachu, ond ceir cyfleoedd hefyd i ddatblygu marchnadoedd a phrosesau newydd. Ceir cyfleoedd i dyfu'r sylfaen economaidd a chyflogaeth yn sylweddol trwy ddatblygu bwyd gwerth uchel newydd a datblygu cynnyrch i safon gydnabyddedig ar lefel genedlaethol a rhyngwladol.

### **Cynnig Twristiaeth Cryfach**

Mae'r diwydiant twristiaeth yn cyflogi dros 23,200 yn y rhanbarth. Fe'i cefnogir gan asedau naturiol eithriadol y rhanbarth, gan gynnwys Parc Cenedlaethol Bannau Brycheiniog a Llwybr Arfordir Cymru, a chaiff ei atgyfnerthu ymhellach gan ystod amrywiol o ddigwyddiadau blynyddol gan gynnwys brandiau a gydnabyddir ar lefel ryngwladol megis Gŵyl Green Man. Amcangyfrifwyd bod y sector yn werth £1.08 biliwn i economi Canolbarth Cymru yn 2016. Ceir cyfleoedd i fanteisio ar gryfder asedau naturiol, treftadaeth a diwylliannol yn y rhanbarth, gan ganolbwyntio ar ysgogi twf mwy cynaliadwy a chydnerth ym maes twristiaeth, sy'n canolbwyntio ar ansawdd a gwerth, nid cyfanswm.

### **Ynni**

Mae adnoddau naturiol yng Nghanolbarth Cymru mewn sefyllfa dda i gynhyrchu ffurfiau ynni gwyrdd ac adnewyddadwy. Ar hyn o bryd, mae'r rhanbarth yn cynhyrchu 97% o'r trydan y mae'n ei ddefnyddio o ffynonellau adnewyddadwy lleol. Caiff cynnig y rhanbarth ei ymestyn gan bresenoldeb sefydliadau academiaidd / ymchwil adnabyddus, gan gynnwys CAT a Phrifysgol Aber/BERS. O ganlyniad i'w hadnoddau naturiol toreithiog, mae'r rhanbarth mewn sefyllfa dda i helpu Llywodraeth Cymru a Llywodraeth y DU i wireddu eu targed o leihau allyriadau carbon erbyn 2050. Ceir cyfle i sefydlu rôl canolbarth Cymru wrth gynorthwyo ymdrechion Cymru a'r DU i ddatblygu a chreu datrysiadau er mwyn rhoi sylw i sialensiau system ynni yn y dyfodol, ynghyd ag arwain yr ymdrechion hyn o bosibl.

### **Digidol**

Er y gwnaethpwyd gwelliannau sylweddol dros y blynyddoedd diwethaf, mae cysylltedd digidol yn y rhanbarth lawer yn waeth nag y mae yng ngweddill Cymru a'r DU, a cheir dros 20,000 o 'safleoedd gwyn' yn y rhanbarth, nad ydynt yn gallu manteisio ar gyflymder o 30Mbps ac y maent yn cael 20% yn llai o wasanaeth 4g na gweddill Cymru. Bydd gwella'r seilwaith digidol a manteisio ar dechnolegau'r genhedlaeth nesaf yn hollbwysig er mwyn gwella cynhyrchiant, arloesedd a'r gallu i gystadlu. Bydd cynorthwyo datblygiad sgiliau digidol yn helpu i bontio'r bwlch digidol, gan ganiatáu i bobl fyw a gweithio mewn ffordd fwy rhydd. Trwy wneud hynny,

gall y rhanbarth fanteisio ar y cyfleoedd economaidd y bydd modd eu datgloi trwy fuddsoddi mewn seilwaith digidol.

### **Cefnogi Menter**

Yn y rhanbarth, ceir cyfran uchel iawn (>95%) o fusnesau micro (<10 o gyflogeion), sy'n cynnig y potensial i nifer o fusnesau sicrhau twf. Yn ogystal, mae nifer y busnesau yng Nghanolbarth Cymru yn cynyddu'n raddol – yn 2020, roedd Canolbarth Cymru yn cynnwys 12,625 o fusnesau, cynnydd o 2.5% er 2010. Mae'r cyfraddau goroesi ar ôl 5 mlynedd ar gyfer busnesau newydd lawer yn well yng Nghanolbarth Cymru nag y maent ar draws Cymru a Lloegr, sy'n dynodi'r ffaith eu bod yn fusnesau cydnerth. Ceir cyfleoedd arwyddocaol o ran siapio cymorth busnes ac alinio argaeledd seilwaith (digidol, ffisegol, tir, a safleoedd) er mwyn cynorthwyo busnesau yn well ar draws Canolbarth Cymru. Bydd yn allweddol er mwyn meithrin amgylchedd am economi gadarn, cydnerth ac amrywiol yng Nghanolbarth Cymru sy'n galluogi mentrau i ddechrau, tyfu a ffynnu gyda'r cymorth a'r seilwaith cywir

### **Trafnidiaeth**

Mae cysylltedd trafndiaeth o fewn a thu allan Canolbarth Cymru yn hanfodol ar gyfer twf economaidd a thwf yn y dyfodol. Fodd bynnag, mae'r rhanbarth yn wynebu sawl her, gan gynnwys y ffaith bod gwasanaethau rheilffordd yn anfyfych, mae'r teithiau hyn ar y rheilffyrdd yn araf ac mae'r cysylltedd uniongyrchol gyda dinasoedd mawr y DU yn gyfyngedig, mae'r niferoedd sy'n manteisio ar drafnidiaeth gyhoeddus yn isel (<1% o ran defnydd bysiau yn y rhanbarth), a niferoedd isel sy'n defnyddio cerbydau trydan o ganlyniad i'r diffyg seilwaith. Mae angen buddsoddiad er mwyn gwella rhwydweithiau strategol i gadw gwasanaethau llafur a nwyddau i symud yn rhydd. Ar ben hynny, gellir cefnogi'r economi carbon isel trwy wella diogelwch a chydnerthedd rhwydwaith y rheilffyrdd, a fydd yn arwain at deithiau cyflymach ac a fydd yn cynyddu capasiti. Bydd datblygu cysylltiadau'r rhanbarth sy'n bodoli eisoes yn helpu i ddarparu'r rhwydwaith trafndiaeth sy'n ofynnol er mwyn helpu i dyfu'r economi a gwella cynhyrchiant.

### **Sgiliau a Chyflogaeth**

Mae'r rhanbarth yn fan lle y mae'r addysg yn dda ac mae cyrhaeddiad plant oed ysgol yng Nghanolbarth Cymru yn rhagori ar y cyfartaledd yng Nghymru, ac mae cyfran uwch o bobl oedran gweithio wedi sicrhau cymhwyster ar lefel gradd o'i gymharu â'r cyfartaledd cenedlaethol. Mae prifysgolion y rhanbarth yn darparu cyflenwad o bobl ifanc talentog a medrus, ond ceir cyfleoedd i gynyddu nifer y graddedigion sy'n llwyddo i sicrhau cyflogaeth yng Nghanolbarth Cymru ar ôl eu hastudiaethau. Mae'r Bartneriaeth Sgiliau Rhanbarthol sy'n datblygu yn cynnig cyfle i nodi a chydlynu cynllun i alinio'r cyflenwad sgiliau a'r galw am sgiliau yng Nghanolbarth Cymru. Trwy sicrhau bod cyflenwad priodol o sgiliau a bod gweithlu galluog yn bodoli, gellir bodloni anghenion busnesau a diwydiant fel rhan o farchnad lafur weithredol er mwyn cynnig sylfaen ar gyfer twf economaidd yn y dyfodol.

## ***Effaith Economaidd COVID-19***

Mae COVID-19 wedi cael effaith economaidd anferthol ar Ganolbarth Cymru fel y mae wedi'i chael yn rhannau eraill o'r DU ac ar draws y byd. Bydd Bwrdd Tyfu Canolbarth Cymru yn cydweithio'n agos gyda'r ddau awdurdod lleol, Llywodraeth y DU a Llywodraeth Cymru a chynrychiolwyr o'r sector preifat er mwyn cydlynu'r ymateb rhanbarthol i adferiad economaidd.

Nid yw effaith economaidd hirdymor cyfyngiadau a'r amhariad ar fusnesau sy'n gysylltiedig â COVID-19 wedi cael ei sylweddoli'n llawn eto, ac fe allai effeithio ar fusnesau lleol, awdurdodau lleol a darparwyr addysg yn yr un modd. Mae'n aneglur hefyd sut y mae'r pandemig wedi effeithio ar hyder buddsoddwyr, a bydd y goblygiadau yn amrywio fesul sector.

Mae amhariad parhaus trwy brinder llafur oherwydd hunanynysu/salwch, ynghyd ag amhariad ar ddatblygiad cadwyni cyflenwi/hyfforddiant wedi creu prinder o ran deunyddiau adeiladu, a gwelir chwyddiant mewn prisiau, yn enwedig ar fewnforion.

Cynlluniwyd Blaenoriaethau Twf Strategol y Fargen Twf i fod yn gadarn ac yn berthnasol er mwyn sicrhau twf economaidd hirdymor ar gyfer y rhanbarth. Er gwaethaf sialensiau COVID-19, mae'r Blaenoriaethau Twf Strategol y rhoddir sylw iddynt yn dangos sut y maent yn cynnig gwerth er mwyn gwrthsefyll effeithiau pandemig COVID-19.

**Ymchwil ac Arloesi Cymhwysol** – Mae diwydiannau allweddol megis gweithgynhyrchu uwch a thechnoleg amaethyddol wedi cael eu heffeithio'n sylweddol gan bandemig y coronafeirws. Fodd bynnag, mae'r pandemig wedi dangos yr angen hefyd am arloesedd a thwf yn y sectorau hyn yn y dyfodol er mwyn ymdopi â sialensiau yn y dyfodol. Bydd yr adferiad ar ôl y pandemig yn cynnig cyfleoedd i arloesi yn y sectorau hyn er mwyn annog twf glân a digido y diwydiannau.

**Amaethyddiaeth, Bwyd a Diod** – Mae cyfyngiadau ar symudedd pobl ar draws ffiniau cenedlaethol a rhyngwladol yn ystod cyfnodau clo wedi cyfrannu at brinder llafur ar gyfer sectorau amaethyddol. Yn ogystal, roedd y ffaith bod manwerthwyr bwyd a diod nad ydynt yn cael eu hystyried yn rhai hanfodol wedi gorfod cau, wedi lleihau'r galw am rai sectorau o'r diwydiant.

**Cynnig Twristiaeth Cryfach** – Yn ystod y pandemig a chyfnodau clo cenedlaethol, effeithiwyd ar y sector twristiaeth yn arbennig o ganlyniad i'r symud cyfyngedig yng Nghymru a'r DU ehangach. Fodd bynnag, wrth godi'r cyfyngiadau yn y DU wrth i gyfyngiadau teithio i wledydd tramor barhau i fod yn gymhleth, gwelwyd cynnydd mewn 'gwyliau gartref' yn ystod yr haf 2021. Gallai hyn helpu i gryfhau'r galw am dwristiaeth 'gwyliau gartref' yn y dyfodol.

**Ynni** – Bydd sefydlu Canolbarth Cymru fel lleoliad allweddol yn y DU er mwyn cynhyrchu ynni carbon isel a buddsoddi yn y gadwyn gyflenwi yn sicrhau cannoedd o swyddi newydd ar gyfer cenedlaethau i ddod. Bydd hyn yn cyflawni rôl allweddol yng ngallu'r rhanbarth i roi sylw i'r newid yn yr hinsawdd a chyflawni yn erbyn meysydd polisi y llywodraeth, gan greu cymunedau mwy llewyrchus yn y rhanbarth a fydd yn helpu i oresgyn effeithiau'r pandemig.

**Digidol** – Yn ystod y pandemig, gwelwyd y galw am a'r ddibyniaeth ar gysylltedd digidol er mwyn galluogi pobl i weithio a dysgu gartref, cadw mewn cysylltiad â ffrindiau a theulu, rhedeg busnesau, a manteisio ar wasanaethau cyhoeddus hanfodol, yn tyfu mewn ffordd ddramatig ac mae hwn yn faes a fydd yn parhau i dyfu.

**Cefnogi Menter** – Mae'r pandemig wedi peri i fusnesau bychain a newydd niferus ddioddef oherwydd y bu llai o alw, ac mae diwydiannau fel y sectorau harddwch a thwristiaeth wedi cael anhawster arbennig. Fodd bynnag, mae wedi bod yn gyfle i fusnesau newydd gychwyn hefyd, a gwelwyd nifer uwch nag erioed o'r blaen o fusnesau newydd yn cael eu sefydlu yn 2020. Bydd hi'n allweddol cynorthwyo'r busnesau hyn mewn meysydd twf allweddol gyda'r cymorth a'r seilwaith cywir.

**Trafnidiaeth** – Roedd y cyfyngiadau ar symudedd pobl yn ystod cyfnodau clo cenedlaethol wedi peri i nifer o bobl deithio llai. Yn ogystal, gwelwyd newid o ran y mathau o drafnidiaeth a ddefnyddiwyd, wrth i fwy ddewis peidio defnyddio trafndiaeth gyhoeddus, o ganlyniad i bryderon ynghylch diogelwch, gan ddefnyddio cerbydau preifat yn lle hynny. Fodd bynnag, gwelwyd cynnydd yn y galw am ychydig ddefnydd o drafnidiaeth gyhoeddus unwaith eto, wrth i'r defnydd a wneir o fysiau (heb gynnwys Llundain) ddychwelyd i'r sefyllfa fel ag yr oedd cyn y pandemig. Mae defnydd o'r rheilffyrdd ar lefel genedlaethol yn adfer yn arafach, gyda'r

defnydd ym mis Medi 2021 yn ~67% o'r defnydd a welwyd cyn y pandemig.<sup>5</sup> Mae'r cyfnod ar ôl y pandemig yn cynnig cyfle i ddiwygio'r sector trafndiaeth gyhoeddus.

**Sgiliau a Chyflogaeth** – Mae cynlluniau gan Lywodraeth y DU a Llywodraeth Cymru, megis y Cynllun Cadw Swyddi a'r Gronfa Cadernid Economaidd, wedi helpu i leddfu effaith economaidd COVID-19. Fodd bynnag, teimlwyd effeithiau sylweddol o hyd, wrth i 16,000 o swyddi gael eu dileu yng Nghanolbarth Cymru yn ystod y tri mis tan fis Tachwedd 2020, y gyfradd uchaf yn ystod y cyfnod hwn er 2009. Mae menywod, lleiafrifoedd ethnig a phobl ifanc wedi cael eu heffeithio yn arbennig, wrth i gyfrannau uwch o'r rhai sy'n perthyn i'r ddemograffeg hon gael eu rhoi ar ffyrlo<sup>6</sup>. Yn ogystal, mae sectorau allweddol megis gweithgynhyrchu yng Nghymru wedi cael eu heffeithio gan y pandemig a chan ansicrwydd economaidd. Ceir cyfleoedd i arloesi'r sectorau hyn a chynorthwyo cyfleoedd i ailhyfforddi mewn sectorau y maent yn debygol o dyfu.

### **Buddsoddiad y Fargen Twf**

Bydd y buddsoddiad gan Lywodraeth y DU, Llywodraeth Cymru, Bwrdd Tyfu Canolbarth Cymru a'i bartneriaid rhanbarthol yn gweithredu fel catalydd er mwyn datgloi buddsoddiad a chynorthwyo adferiad economaidd yn y rhanbarth.

Mae Llywodraeth y DU a Llywodraeth Cymru wedi gwneud ymrwymiad ar y cyd i fuddsoddi £110 miliwn dros y 10/15 mlynedd nesaf<sup>7</sup>, yn unol â phroses flynyddol i gymeradwyo'r cyllid; yn ogystal, ymrwymodd Bwrdd Tyfu Canolbarth Cymru i sicrhau buddsoddiad pellach gan y sector cyhoeddus a'r sector preifat er mwyn darparu buddsoddiad cyffredinol o £280-400 miliwn. Datblygir strategaeth fuddsoddi ar gyfer y sector preifat er mwyn cynnig sicrwydd o ran sbardun a chyllid cyfatebol.

Trwy gyfrwng Bargen Twf Canolbarth Cymru, mae Llywodraeth Cymru a Llywodraeth y DU a phartneriaid yn cychwyn ar berthynas strategol newydd sy'n creu gwaddol a fydd yn trawsnewid y rhanbarth dros y tymor hir, gyda gweithgarwch cydlynu yn canolbwyntio ar Flaenoriaethau Twf Strategol.

Isod, cyflwynir dadansoddiad o'r cyllid dangosol ar gyfer Bargen Twf Canolbarth Cymru:

<b>Llywodraeth y DU</b>	<b>Llywodraeth Cymru</b>	<b>Sector Cyhoeddus Arall</b>	<b>Sector Preifat</b>	<b>CYFANSWM</b>
£55m	£55m	£75-£132m	£92-£157m	<b>£280-£400m</b>

*Nodyn: Rhoddir cap o £110 miliwn o ran uchafswm y cyfraniad gan y Fargen Twf. Mae'r amrediadau a gyflwynir yn seiliedig ar gyfanswm y costau cyfalaf a nodir mewn Ffurflenni Prosiectau ac Achosion Amlinellol Strategol a ddarparir fel rhan o broses ddatblygu SPBC (terfyn is) a gweithrediad tuedd optimistaeth ar 44% wedi'i ddosbarthu rhwng y cyfraniadau cyllid cyfatebol (terfyn uwch).*

<sup>5</sup> DfT Domestic Transport Use by Mode, Great Britain, since 1<sup>st</sup> March 2020

<sup>6</sup> <https://phw.nhs.wales/publications/publications1/covid-19-and-employment-changes-in-wales-what-we-know-about-current-and-future-impacts/>

<sup>7</sup> Nodyn: Roedd Llywodraeth y DU wedi cyfleu ei bwriad i gyflymu'r Fargen Twf i broffil 10 mlynedd fel rhan o Adolygiad Gwariant 2020. Ni chadarnhawyd safbwynt Llywodraeth Cymru, felly mae'n bosibl ei fod yn 15 mlynedd o hyd, fel y nodwyd yng nghytundeb Penawdau'r Telerau. Trafodir a chytunir ar y cyfnod cyllid a chytunir arno cyn cyhoeddi llythyrau cynnig grant.

<b>Amcan Buddsoddi 1</b>	Creu rhwng 1,100 a 1,400 o swyddi newydd yng Nghanolbarth Cymru trwy gyfrwng y Fargen Twf erbyn 2032.
<b>Amcan Buddsoddi 2</b>	Cynorthwyo ymgodiad GYG ychwanegol net o rhwng £570 miliwn a £700 miliwn ar gyfer Economi Canolbarth Cymru trwy gyfrwng y Fargen Twf erbyn 2032 <sup>8</sup> .
<b>Amcan Buddsoddi 3</b>	Sicrhau cyfanswm o hyd at £400 miliwn ar ffurf buddsoddiad yn Economi Canolbarth Cymru trwy gyfrwng y Fargen Twf erbyn 2032.

### ***Effaith y Fargen Twf***

Datblygwyd yr amcanion buddsoddi dangosol canlynol trwy greu Achos Busnes Portffolio Strategol er mwyn cynorthwyo'r rhanbarth i sicrhau Cytundeb y Fargen Derfynol gyda Llywodraeth Cymru a Llywodraeth y DU.

Bydd Portffolio y Fargen Twf yn cyfrannu at gyflawni'r amcanion buddsoddi uchod. Bydd y Portffolio yn creu set o fuddion a ddsbarthir yn fuddion uniongyrchol, anuniongyrchol ac ehangach. Bydd yn rhaid i Raglenni a Phrosiectau cyfansoddol y Portffolio ddangos yn eu datblygiad sut y byddant yn cyflawni'r amcanion hyn.

Dylid nodi hefyd y disgwylir i Adolygiad y Swyddog Cyfrifyddu (AOR) wneud argymhellion ynghylch sicrhau bod y Portffolio yn cyflawni ar sail ystod ehangach o ganlyniadau er mwyn cyflawni mewn perthynas â lles economaidd, cymdeithasol ac amgylcheddol. Enghraifft o hyn fydd datblygiad asesiad effaith carbon isel ar gyfer y Fargen a chynnwys hyn mewn achosion busnes prosiectau.

Yn ogystal, wrth i achosion busnes prosiectau esblygu, datblygir cyfres o ddangosyddion a mesurau sy'n adlewyrchu llwyddiant orau ar gyfer y Fargen a nodweddion rhanbarth Canolbarth Cymru.

Dylid nodi nad oes unrhyw raglenni a phrosiectau penodol ar gyfer Ynni, Trafnidiaeth a Sgiliau a Chyflogaeth wedi cael eu nodi yn Rhestr Fer gyfredol Portffolio y Fargen Twf.

O ganlyniad i'r broses hon o lunio rhestr fer, nid yw buddion sy'n gysylltiedig â'r Blaenoriaethau Twf Strategol hyn wedi cael eu meintoli ar yr adeg hon. Fodd bynnag, dylid nodi bod creu'r Achos Busnes Portffolio Strategol yn broses ailadroddol lle y gall rhaglenni a phrosiectau yn y Blaenoriaethau Twf Strategol hyn ddod ymlaen yn nes ymlaen yn ystod cyfnod y Fargen Twf.

Isod, rhoddir crynodeb o'r prif fathau o fuddion sy'n cael eu hystyried ar gyfer y Rhaglenni a'r Prosiectau yn y rhestr fer:

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<sup>8</sup> Nodyn: Gwerthoedd heb eu disgowntio.

Fframwaith Buddion					
	Ymchwil ac Arloesi Cymhwysol	Amaethyddiaeth, Bwyd a Diod	Cynnig Twristiaeth Cryfach	Digidol	Cefnogi Mentrau
<b>Buddion Uniongyrchol</b>	Swyddi a GYG	Swyddi a GYG	Swyddi a GYG	Heb ei feintioli	Swyddi a GYG
<b>Buddion Anuniongyrchol</b>	Swyddi Cadwyn Gyflenwi a GYG	Swyddi Cadwyn Gyflenwi a GYG	Swyddi Cadwyn Gyflenwi a GYG Gwariant Ymwelwr Gwerth Amwynder	Cynhyrchiant Busnes Arloesedd Busnes	Cynhyrchiant Busnes Arloesedd Busnes
<b>Buddion Ehangach</b>	Buddion Lles Cymdeithasol Buddion Amgylcheddol Mewnfuddso ddiad Argraffiadau Gwell Llai o Amddifadedd	Manteisio ar gryfderau diwydiannol ac ymchwil o arwyddocâd rhyngwladol Harneisio arbenigeddau sy'n dod i'r amlwg Gweithgarwch ymgysylltu cryfach gyda diwydiant	Datblygu'r sector i safon a gydnabyddir ar lefel genedlaethol a rhyngwladol	Manteisio ar asedau naturiol, treftadaeth a diwylliannol Ysgogi twf cynaliadwy a chydnerth mewn twristiaeth gan ganolbwyntio ar ansawdd	Hwyluso Arloesi Twf clystyrau Mewnfuddso ddiad

Ffynhonnell: Achos Busnes Portffolio Strategol Canolbarth Cymru



## 2. Y Fargen Twf– Cwmpas Cyfredol

Nod y Fargen Twf yw darparu rhanbarth llawn menter ac sy'n unigryw, gan sicrhau twf economaidd a ysgogir gan arloesi, sgiliau, cysylltedd, a swyddi mwy cynhyrchiol sy'n cynorthwyo cymunedau llewyrchus a dwyieithog. Y dull gweithredu yw hyrwyddo twf mewn ffordd gynaliadwy, cynhwysol a graddiadwy yn unol â *Deddf Llesiant Cenedlaethau'r Dyfodol (Cymru) 2015*.

Ar hyn o bryd, mae Portffolio y Fargen Twf yn seiliedig ar ddwy rhaglen a naw prosiect sy'n eistedd o fewn pump o'r wyth Blaenoriaeth Twf Strategol a nodwyd, fel a ganlyn:

Blaenoriaethau Twf Strategol	Prosiectau
Ymchwil ac Arloesi Cymhwysol	<ul style="list-style-type: none"> <li>• Parc Arloesi.</li> <li>• Canolfan Sbectrwm Genedlaethol.</li> <li>• Campws Gweithgynhyrchu Uwch Canolbarth Cymru.</li> </ul>
Amaethyddiaeth, Bwyd a Diod	<ul style="list-style-type: none"> <li>• Canolfan Arloesi Cynhyrchu Bwyd.</li> <li>• Prifysgol Gastronomeg.</li> </ul>
Cynnig Twristiaeth Cryfach	<ul style="list-style-type: none"> <li>• Cynefin – Calon Werdd Cymru.</li> <li>• Dŵr Cymru Cwm Elan.</li> <li>• Camlas Maldwyn Cymru – Adfer i Fordwyo.</li> <li>• Harbyrau Ceredigion.</li> </ul>
Ynni	<ul style="list-style-type: none"> <li>• Ni nodwyd prosiectau ar yr adeg hon.</li> </ul>
Digidol	<ul style="list-style-type: none"> <li>• Cysylltedd Safle Cyflogaeth Strategol.</li> </ul>
Cefnogi Menter	<ul style="list-style-type: none"> <li>• Safleoedd ac Adeiladau Canolbarth Cymru.</li> </ul>
Trafnidiaeth	<ul style="list-style-type: none"> <li>• Ni nodwyd prosiectau ar yr adeg hon.</li> </ul>
Sgiliau a Chyflogaeth	<ul style="list-style-type: none"> <li>• Ni nodwyd prosiectau ar yr adeg hon.</li> </ul>

Mae'r holl raglenni a phrosiectau presennol a gynigiwyd o fewn y Fargen Twf yn cyfrannu at gyflawni'r Weledigaeth Twf a chyflawni'r buddion ar gyfer Canolbarth Cymru. Bydd buddion y Fargen Twf yn cynorthwyo twf cynaliadwy a chynhwysol ar draws y rhanbarth – yn unol â'r Weledigaeth Twf, yn ogystal â blaenoriaethau *Deddf Llesiant Cenedlaethau'r Dyfodol (Cymru) 2015*.

Mae nodau strategol ac amcanion gwario y set o raglenni a phrosiectau yn y rhestr fer o fewn y 5 blaenoriaeth twf strategol hyn yn cyfateb â'r prif grynodebau canlynol:

## Ymchwil Gymhwysol ac Arloesi

### Nod Strategol:

Manteisio ar gryfderau diwydiannol a gwaith ymchwil o arwyddocâd rhyngwladol, gan harnesio arbenigeddau sy'n dod i'r amlwg, law yn law â gweithgarwch ymgysylltu a datblygu diwydiannol wedi'i gryfhau er mwyn cynyddu twf mewn cynhyrchiant rhanbarthol.

### Amcanion Gwario:



#### CREU SWYDDI

Creu rhwng 185 a 255 o swyddi dros gyfnod o 10 mlynedd.



#### GYG

Creu GYG ychwanegol net o £55-65 miliwn dros gyfnod o 10 mlynedd.



#### BUDDSODDI

Buddsoddi rhwng £86 a £95 miliwn dros gyfnod o 10 mlynedd.

## Amaethyddiaeth, Bwyd a Diod

### Nod Strategol:

Tyfu'r sylfaen economaidd a chyflogaeth yn sylweddol trwy ddatblygu bwyd gwerth uchel newydd a datblygu cynnyrch i safon gydnabyddedig ar lefel genedlaethol a rhyngwladol.

### Amcanion Gwario:



#### CREU SWYDDI

Creu rhwng 35 a 55 o swyddi dros gyfnod o 10 mlynedd.



#### GYG

Creu GYG ychwanegol net o £40-50 miliwn dros gyfnod o 10 mlynedd.



#### BUDDSODDI

Buddsoddi rhwng £12 ac £17 miliwn dros gyfnod o 10 mlynedd.



## Cynnig Twristaeth Cryfach

### Nod Strategol:

Manteisio ar gryfder ein hasedau a'n cynnig naturiol, treftadaeth a diwylliannol yn y rhanbarth, er mwyn ysgogi twf cynaliadwy a chydnerth ym maes twristiaeth sy'n canolbwyntio ar ansawdd a gwerth, nid cyfanswm.

### Amcanion Gwario:



#### CREU SWYDDI

Creu rhwng 200 a 245 o swyddi dros gyfnod o 10 mlynedd.



#### GYG

Creu GYG ychwanegol net o £120-145 miliwn dros gyfnod o 10 mlynedd.



#### BUDDSODDI

Buddsoddi rhwng £92 a £132 miliwn dros gyfnod o 10 mlynedd.

## Digidol

### Nod Strategol:

Manteisio ar y cyfleoedd economaidd y mae modd eu datgloi trwy fuddosodi yn ein seilwaith digidol.

### Amcanion Gwario:



#### CREU SWYDDI

Creu rhwng 370 a 450 o swyddi dros gyfnod o 10 mlynedd.



#### GYG

Creu GYG ychwanegol net o £95-115 miliwn dros gyfnod o 10 mlynedd.



#### BUDDSODDI

Buddsoddi rhwng £50 a £72 miliwn dros gyfnod o 10 mlynedd.

## Cefnogi Menter

### Nod Strategol:

Meithrin amgylchedd am economi gadarn, cydnerth ac amrywiol yng Nghanolbarth Cymru sy'n galluogi mentrau i ddechrau, tyfu, a ffynnu gyda'r cymorth a'r seilwaith cywir.

### Amcanion Gwario:



#### CREU SWYDDI

Creu rhwng 340 a 415 o swyddi dros gyfnod o 10 mlynedd.



#### GYG

Creu GYG ychwanegol net o £85-105 miliwn dros gyfnod o 10 mlynedd.



#### BUDDSODDI

Buddsoddi rhwng £56 ac £81 miliwn dros gyfnod o 10 mlynedd.

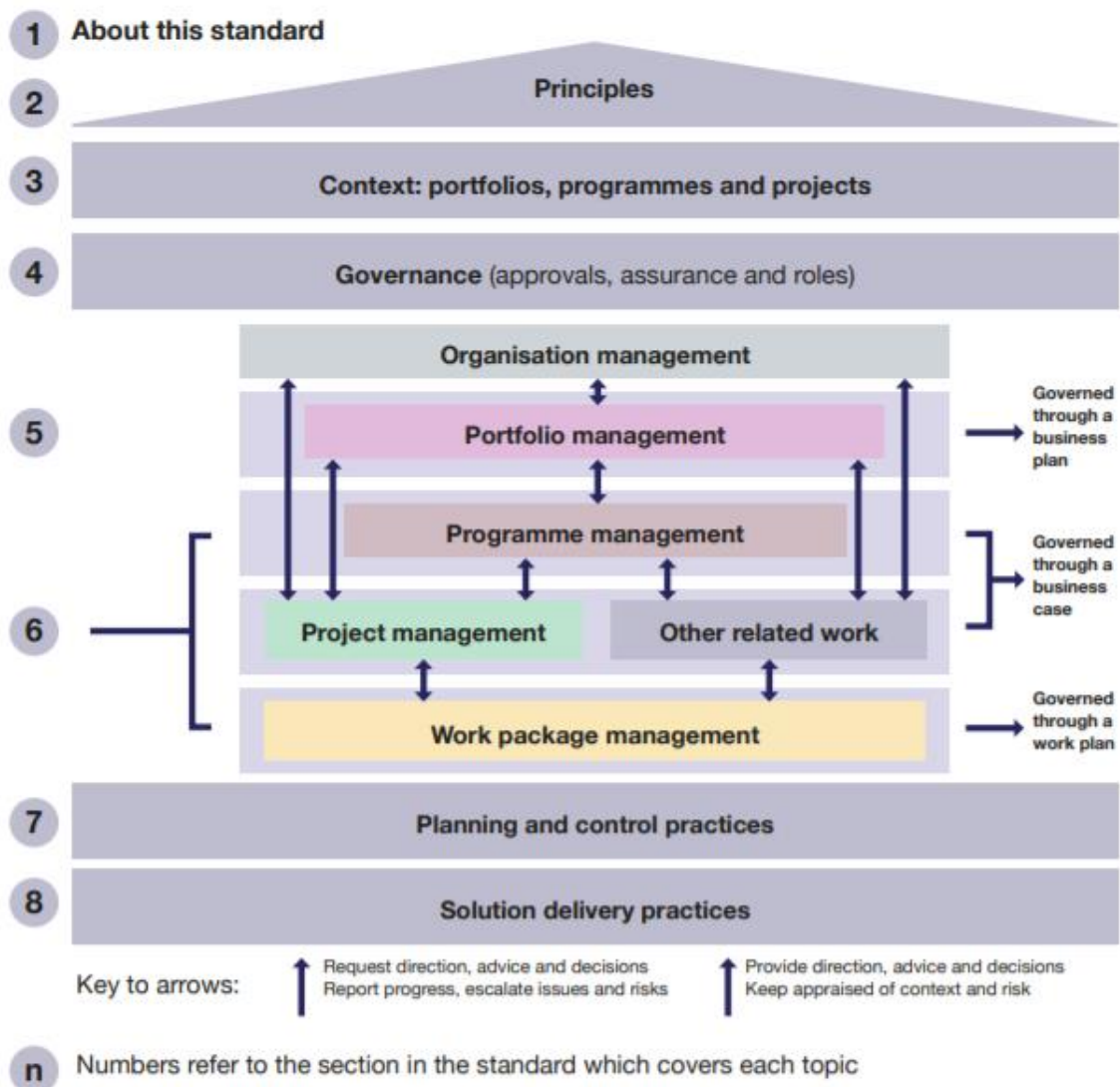
### 3. Strwythur Llywodraethu

Mae trefniadau llywodraethu y Fargen Twf yn galluogi i benderfyniadau gael eu gwneud mewn ffordd agored a thryloyw er budd y rhanbarth cyfan. Mae'r adran hon yn nodi manylion y trefniadau sy'n bodoli eisoes a sut y maent yn cyfrannu at reolaeth y rhaglen a'r risgiau cysylltiedig.

Bydd dogfennau llywodraethu ychwanegol yn berthnasol i gyflawniad y Fargen Twf dros y 10-15 mlynedd.

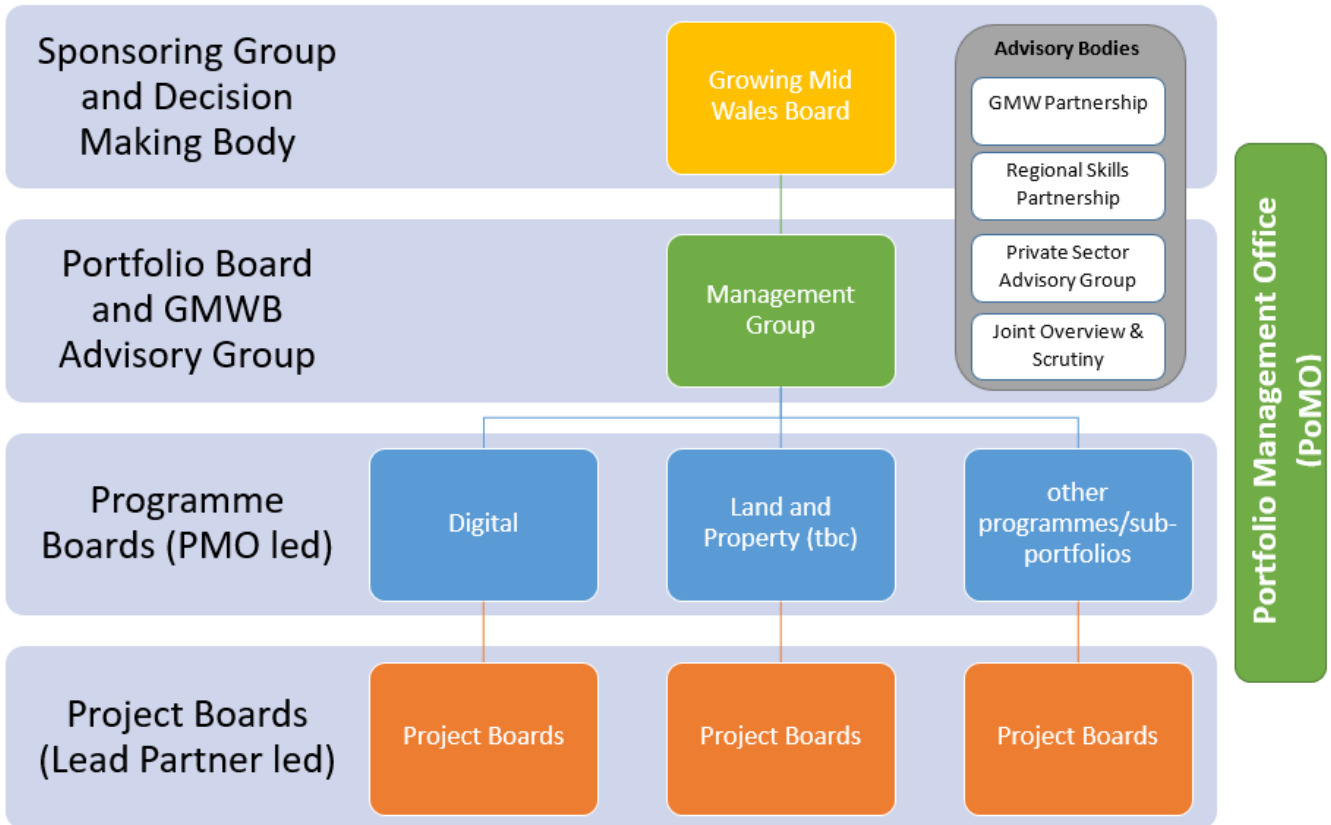
#### Strwythur Llywodraethu Bargen Twf Canolbarth Cymru

Mae Bwrdd Tyfu Canolbarth Cymru wedi mabwysiadu model cyflawni sy'n seiliedig ar ddull gweithredu arfer gorau tuag at reoli portffolios, rhaglenni a phrosiectau, fel y nodir yn 'Safon Gweithredol Llywodraethol GovS 002: Darparu Prosiect'. Mae rheoli portffolios, rhaglenni a phrosiectau yn ffordd integredig o gyflawni uchelgais sefydliad, ysgogi penderfyniadau gwell a chynyddu'r tebygolrwydd o sicrhau canlyniadau llwyddiannus. Mae'r strwythur cyflawni ar gyfer Bargen Twf Canolbarth Cymru yn dilyn y safonau isod yn fras:



Ffynhonnell: Llywodraeth EM, Safon Gweithredol Llywodraethol, GovS 002: Darparu Prosiect, 15 Gorffennaf 2021

Mae'r diagram isod yn nodi'r strwythur Llywodraethu ar gyfer Bargen Twf Canolbarth Cymru:



### **Lefel Strategol a Phortffolio**

**Bwrdd TCC (Grŵp sy'n Noddi)** – Arweinyddiaeth, gwneud penderfyniadau strategol, ac atebolwydd ar gyfer Bargen Twf Canolbarth Cymru. Caiff yr holl awdurdod dan y lefel hon ei ddirprwyo i bartion perthnasol fel sy'n ofynnol trwy gyfrwng penderfyniad ffurfiol gan BTCC. Bydd BTCC yn gyfrifol am ystyried a chymeradwyo achosion busnes prosiectau a rhaglenni o fewn y portffolio a bydd yn gyfrifol am weithredu a ddirprwywyd i'r byrddau rhaglen a phrosiect perthnasol.

**Grŵp Rheoli (Bwrdd Portffolio)** – Y grŵp hwn yw corff cynghorol BTCC ond mae'n gweithredu fel Bwrdd Portffolio y Fargen Twf hefyd er mwyn cynorthwyo a herio'r Rheolwr Gweithrediadau a'r Swyddfa Rheoli Portffolio (SRhP) er mwyn sicrhau cyflawniad. Mae'r grŵp rheoli yn cynnwys swyddogion uwch o'r Awdurdodau Lleol, a gadeirir gan Berchennog Cyfrifol Uwch (SRO) a benodir ar gyfer y Portffolio. Yn ogystal, penodir aelod o'r Grŵp Rheoli i fod yn Berchennog Cyfrifol Uwch (SRO) ar gyfer pob un o'r rhaglenni ac i arwain y Bwrdd Rhaglen perthnasol.

**Rheolwr Gweithrediadau** – Mae'r Rheolwr Gweithrediadau yn atebol i'r Grŵp Rheoli dros gyflawni Portffolio y Fargen Twf.

**Partneriaeth TCC (Cynghorol)** – Mae hwn yn gorff cyfansoddiadol ac mae ganddo ei Gylch Gorchwyl ei hun, mae'n cynnig cynrychiolaeth ehangach o randdeiliaid traws-sectorol er mwyn hysbysu, herio a chynnig cyngor am y Fargen Twf; ac er mwyn cynnig arweinyddiaeth ranbarthol o'r Weledigaeth ehangach ar gyfer Tyfu Canolbarth Cymru.

**Partneriaeth Sgiliau Rhanbarthol (Cynghorol)** – Grŵp rhanddeiliaid o'r sector cyhoeddus a phreifat i nodi a rhoi cyngor ynghylch cyflenwad a galw y farchnad lafur. Mae'n cydweithio'n agos gyda Grŵp Cynghorol y Sector Preifat.

**Grŵp Cyngorol y Sector Preifat (Cyngorol)** – Mekanwaith cyngorol, cymorth ac eiriolaeth er mwyn datblygu a chyflawni'r Fargen Twf, gan gynnig llais busnes sy'n berthnasol i economi Canolbarth Cymru.

**Is-Bwyllgor Trosolwg a Chraffu ar y Cyd (Cyngorol)** – Swyddogaeth fonitro a chraffu ar ran y Cyngorau, er mwyn craffu penderfyniadau a wneir neu gamau sy'n cael eu cymryd gan BTCC ar gyfer MWGD.

### ***Lefel Rhaglen a Phrosiect***

**Byrddau Rhaglen/Themtig** – Pan fydd rhaglen yn bodoli, bydd gan bob un Fwrdd ffurfiol a Pherchennog Cyfrifol Uwch (SRO) a benodwyd. Ar y dechrau, bydd y byrddau hyn yn canolbwyntio ar ddatblygu'r achosion busnes y cytunwyd arnynt ac wedi hyn, byddant yn goruchwyllo'r gwaith cyflawni, gan ganolbwyntio'n benodol ar y buddion a'r canlyniadau i'w sicrhau. Mae Byrddau Rhaglen/Themtig yn uwchgyfeirio i Fwrdd TCC trwy'r Rheolwr Gweithrediadau (Portffolio). Bydd Byrddau Rhaglen/Themtig yn cydymffurfio â'r fethodoleg a nodwyd yn MSP.

**Byrddau Prosiect** – Rheolir pob prosiect o fewn y Fargen Twf trwy Fwrdd Prosiect a bydd SROs a rheolwyr prosiect yn eu lle er mwyn sicrhau cyflawniad. Bydd Byrddau Prosiect yn cydymffurfio â'r fethodoleg a nodir yn PRINCE2. Bydd y byrddau hyn yn canolbwyntio ar ddatblygiad a chyflawniad yr achos busnes y cytunwyd arno, gan ganolbwyntio ar gyflawni allbynnau penodedig. Noddwr y Prosiect fydd yn gyfrifol am Brosiectau a Byrddau Prosiect a nodir trefniadau clir er mwyn cyflawni'r prosiectau yn unol ag arfer gorau ym mhob achos busnes. Bydd prosiectau yn adrodd i'r Bwrdd Themtig/Rhaglen perthnasol. Pan na fydd prosiect yn eistedd yn naturiol o fewn Rhaglen y Fargen Twf, bydd y Grŵp Rheoli yn ceisio sefydlu byrddau monitro prosiect/lefel themtig a fydd yn darparu mecanwaith er mwyn adrodd yn ôl i'r SRhP.

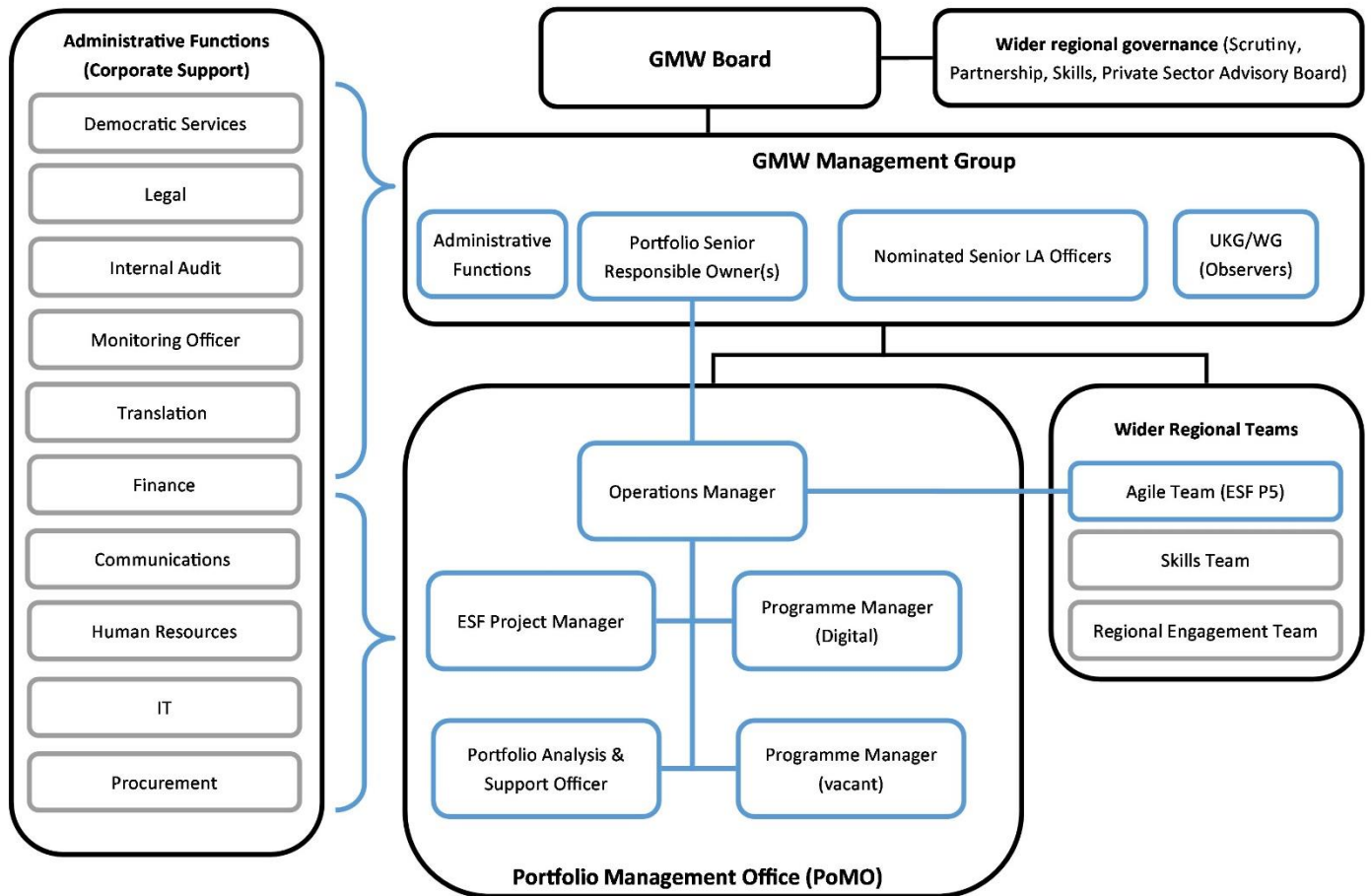
**Swyddfa Rheoli Portffolio (SRhP)** – Mae'r SRhP yn darparu tîm cymorth proffesiynol er mwyn cyflawni rhaglen waith y Bwrdd y cytunwyd arni. Mae'n cynorthwyo ac yn cydlynu gweithgarwch ar draws y portffolio, gan weithredu fel canolfan wybodaeth a chan sicrhau dull gweithredu cyson tuag at adrodd, rheoli risg a phroblemau. Yn ogystal, mae'n gweithredu fel swyddogaeth sicrwydd werthfawr, gan gynnig cyngor a her i raglenni a phrosiectau. Caiff Rheolwr Rhaglen o fewn yr SRhP eu neilltuo i bob rhaglen.

Mae ffurfio'r SRhP yn gam mawr ymlaen tuag at gyflawni'r Portffolio a'r Rhaglenni a'r Prosiectau dilynol. Gan eistedd law yn llaw â llywodraethu rhanbarthol, mae'r SRhP yn cyflawni rôl allweddol yn y meysydd canlynol:

- Cymorth Llywodraethu: Cydlynu a gwasanaethu anghenion busnes pwyllgorau rhanbarthol;
- Rheolaeth Weithredol: Pobl, Cyllideb, Risg a Phroblemau, Cynllunio Strategol ac Adrodd am Weithgarwch;
- Datblygiad Rhaglen / Prosiect: Trefnu a chydlynu ffrydiau gwaith, ymgysylltu â phrosiectau, a chymorth rhaglen / datblygu prosiect / noddwr;
- Cyfathrebu ac Ymgysylltu â Rhanddeiliaid: Cydlynu gweithgarwch cyfathrebu a negeseuon allweddol; a
- Chydlynu ar draws gweithgarwch rhanbarthol ehangach: cyllid UE (RET), Trafnidiaeth (TRaCC) a Chyllid Adfywio.

Nodir strwythur SRhP ar y dudalen ganlynol:

## Strwythur y Swyddfa Rheoli Portffolio



**Rheolwr Gweithrediadau (Portffolio)**– Rôl y Rheolwr Gweithrediadau (Portffolio) yw goruchwylio cyflawniad portffolio y Fargen Twf ac mae'n atebol i Grŵp Rheoli Tyfu Canolbarth Cymru.

**Rheolwr Rhaglen (Digidol)** – Datblygu, rheoli a chyflawni'r Rhaglen Digidol;

**Rheolwr Rhaglen (swydd wag)** – Datblygu, rheoli a chyflawni'r Rhaglen Safleoedd ac Adeiladau; a

**Swyddog Prosiect ESF**– Cynorthwyo rheolaeth weithredol y Swyddfa Cydweithio Rhanbarthol, galluogi datblygiad tîm ystwyth, cydymffurfiaeth a monitro.

**Swyddog Cymorth a Dadansoddi Portffolio** – Cymorth Gweithredol/Portffolio ar gyfer y tîm gan gynnwys cymorth rheoli a dadansoddi perfformiad, monitro, rheoli systemau a dogfennau.



## ***Rheolau Sefydlog, awdurdod dirprwyedig a chylch gorchwyl***

Cyflogir aelodau craidd SRhP gan y Corff Atebol ac maent yn gweithredu yn unol â'u safonau, eu gweithdrefnau a'u polisiau nhw. Gellir penodi aelodau eraill y tîm trwy'r trefniadau gyda'r Awdurdodau Lleol a Phrifysgol Aberystwyth er mwyn cael tîm ystwyth – sy'n cael eu dwyn i mewn yn ôl y gofyn ar sail 'secondiad' a ariannir gan yr Awdurdodau Lleol ac arian y Gronfa Gymdeithasol Ewropeaidd a ddarparir gan WEFO.

Ni fydd Cyngor Sir Ceredigion fel y Corff Atebol yn rhyddhau cyllid ar gyfer rhaglenni/prosiectau nes bydd Bwrdd Tyfu Canolbarth Cymru yn cymeradwyo achosion busnes rhaglenni/prosiectau ac ar sail y trefniant y bydd noddwyr y prosiect yn cyflwyno hawliadau chwarterol a bod y rhain yn cael eu dilysu.

Bydd y perthnasoedd cytundebol gofynnol rhwng Cyngor Sir Ceredigion fel y Corff Atebol dros Fargen Twf Canolbarth Cymru a'r Noddwyr Prosiect/Rhaglen perthnasol sy'n cyflawni'r cynlluniau. Yna, bydd Noddwyr y Prosiect / Rhaglen yn mynnu perthnasoedd cytundebol priodol gydag unrhyw gontractwyr neu gyflenwyr sy'n cael eu caffael i gyflawni'r cynlluniau.

Nodir natur y perthnasoedd cytundebol hyn yn achos masnachol achos busnes pob prosiect / rhaglen.

Bydd pob rhaglen neu brosiect yn adrodd yn ôl i Fwrdd Tyfu Canolbarth Cymru yn unol â'r dull gweithredu a nodir yn Achos Rheoli yr Achos Busnes Portffolio Strategol a'r Cynllun Cyflawni.

Cytunir ar Gylch Gorchwyl ar gyfer Byrddau Rhaglen a Phrosiect gyda Noddwyr Prosiect ac SROs i sicrhau bod y ddau barti yn deall y trefniadau adrodd a'r cysylltiadau priodol.

Nodir yr union ddarpariaethau a'r cylch gorchwyl ar gyfer llywodraethu a gweithrediad y Fargen yn y Cytundeb Rhyng-Awdurdod perthnasol.

## ***Adnoddau***

Sefydlwyd SRhP ym mis Gorffennaf 2021 a bydd yn cael ei hariannu tan fis Gorffennaf 2023 trwy gyfrwng cyfuniad o gyllid cyfatebol partner (Awdurdod Lleol) a grantiau'r Gronfa Gymdeithasol Ewropeaidd. Mae hyn yn darparu cyllid i gynorthwyo'r tîm sy'n bodoli eisoes, a rolau tîm ystwyth ehangach er mwyn cynorthwyo elfennau o'r weledigaeth ehangach a gwaith rhanbarthol. Mae SRhP yn adolygu ei gofynion o ran capasiti a neilltuo adnoddau ar hyn o bryd.

Mae'r Awdurdodau Lleol yn ymwybodol o'r gofyniad i barhau i gefnogi costau refereniw SRhP ar ôl mis Gorffennaf 2023. Caiff cyllideb refereniw ei phennu ar gyfer Bwrdd TCC maes o law – ac mae dewisiadau a chyllidebau yn cael eu hystyried. Rhagwelir y bydd y costau refereniw o gyflawni'r Fargen Twf a'r SRhP yn cael eu talu trwy gyfuniad o gyfraniadau parhaus gan bartneriaid a dewisiadau i dynnu haenen uchaf o grant blynyddol y Llywodraeth.

## ***Y Broses o wneud Penderfyniad***

### **Llywodraeth y DU a Llywodraeth Cymru**

Mae Llywodraeth y DU a Llywodraeth Cymru yn atebol dros sicrhau'r defnydd mwyaf priodol o gyllid y Llywodraeth ar gyfer y Fargen Twf.

Mae Llywodraeth y DU wedi neilltuo cyllid Bargeinion Dinesig a Thwf i Lywodraeth Cymru ei weinyddu, gan ganiatáu i gyllid gan y ddwy Lywodraeth i gael ei reoli a'i ryddhau trwy gyfrwng un proses gytunedig. Cyhoeddir Llythyr Dyfarnu Cyllid sy'n rhwymo mewn cyfraith gan Lywodraeth Cymru, a fydd yn nodi'r broses er mwyn rhyddhau Cronfeydd y Fargen Twf. Deallir y caiff y cyllid ei dalu i Gorff Atebol y Fargen Twf (Cyngor Sir Ceredigion) bob blwyddyn

dros gyfnod y Fargen Twf ar broffil wedi'i gadarnhau, a bydd y gallu i dynnu'r arian i lawr yn amodol ar gynnig sicrwydd parhaus.

Bydd monitro a gwerthuso cynnydd y Fargen Twf yn weithgarwch parhaus a bydd gofyn cynnal adolygiad blynyddol o'r cynnydd cyn y caiff cyllid blynyddol ei ryddhau. Bydd hyn ar ffurf asesiad o amrediad o ddogfennaeth a chyflwyniad i Fwrdd Gweithredu Dinasoedd a Thwf Cymru (WCGIB) gan SRhP, a fydd yn cynnwys Achos Busnes Portffolio Strategol a gaiff ei ddiweddarau bob blwyddyn ac a fydd yn cynnig mwy o fanylion am Raglenni a Phrosiectau. Bydd yr adolygiad sicrwydd nesaf a gynllunnir yn canolbwyntio'n benodol ar fod yn barod i gyflawni (PAR/Porth 0) gyda ffocws penodol ar sicrhau y caiff argymhellion AOR eu datrys.

Caiff penderfyniadau ynghylch rhyddhau cyllid i'r Fargen Twf eu cymryd gan Weinidogion Llywodraeth Cymru a Llywodraeth y DU bob blwyddyn. Hysbysir y penderfyniadau hyn gan argymhellion a wneir gan Fwrdd Gweithredu Dinasoedd a Thwf Cymru (WCGIB).

Nodir y broses flynyddol er mwyn cymeradwyo cyllid yn Atodiad B.

Er mai Ysgrifennydd Parhaol Llywodraeth Cymru sy'n meddu ar yr atebolrwydd cyffredinol dros weinyddu cyllid, mae angen i aelodau Bwrdd Gweithredu Dinasoedd a Thwf Cymru sicrhau eu bod yn gweithredu yn unol â'r egwyddorion yn Rheoli Arian Cyhoeddus Cymru<sup>9</sup> (yn achos swyddogion Llywodraeth Cymru) a Rheoli Arian Cyhoeddus HMT<sup>10</sup> (ar gyfer swyddogion Llywodraeth y DU). Mae hyn yn cynnwys yr angen i argyhoeddi eu hunain bod y defnydd a wneir o'r cyllid yn cynnig gwerth am arian da ac y caiff ei ddefnyddio mewn ffordd gyson a phriodol sy'n ofynnol.

Ar hyn o bryd, mae Llywodraeth Cymru yn pennu Cytundeb Amodau Cyffredin ar wahân, a fydd yn ymwneud ag agweddau penodol ar y Fargen Twf megis cyfrinachedd, diogelu data, datrys anghydfodau a sicrwydd rhwng Llywodraeth Cymru a'r partneriaid yn y rhanbarth.

### **Bwrdd Tyfu Canolbarth Cymru**

Mae partneriaid y Fargen Twf wedi ymrwmo i weithredu prosesau cadarn er mwyn gwneud penderfyniadau ac ar gyfer rheolaeth ariannol, er mwyn sicrhau y caiff arian cyhoeddus ei wario mewn ffordd gyfrifol ac y rhoddir cyfrif amdano. Mae Bwrdd Tyfu Canolbarth Cymru yn Gyd-Bwyllgor gweithredol Awdurdod Lleol, felly mae'n rhwym i ofynion sy'n ymwneud â thryloywder, atebolrwydd, safonau llywodraethu, gwneud penderfyniadau ac ymddygiad sy'n berthnasol i gorff o'r fath.

Bydd Bwrdd Tyfu Canolbarth Cymru yn gyfrifol am ystyried a chymeradwyo achosion busnes prosiectau a rhaglenni o fewn y portffolio, cyn iddynt gael eu hystyried gan Lywodraethau, fel y diffiniwyd yn Fframwaith Llywodraethu a Sicrwydd Bargeinion Dinesig a Thwf Cymru; a chaiff y cyfrifoldeb dros gyflawni ei ddirprwyo i'r byrddau rhaglen a phrosiect perthnasol. Bydd pob prosiect a rhaglen yn destun "archwiliad iechyd" gan aswirwyr lleol hefyd a bydd gofyn iddynt gael eu cymeradwyo trwy gyfrwng adolygiad Porth Prosiect 1.

Mae Bwrdd Tyfu Canolbarth Cymru yn gweithredu fel Cyd-Bwyllgor trwy Gytundeb Rhyng-Awdurdod sefydledig, a bydd yn ceisio sicrhau consensws ymhlith yr holl bartneriaid ynghylch pob penderfyniad sy'n ymwneud â'r Fargen Twf.

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<sup>9</sup> <https://gov.wales/managing-welsh-public-money>

<sup>10</sup> <https://www.gov.uk/government/publications/managing-public-money>  
[www.tyfucanolbarth.cymru](http://www.tyfucanolbarth.cymru)



Cydnabyddir bod pwerau a dyletswyddau Bwrdd Tyfu Canolbarth Cymru yn ymwneud â gweithgareddau a nodir yn y Fargen Twf. Ni fydd gweithgarwch penderfynu pob partner cyfansoddol mewn perthynas â'i ymrwymadau ariannol ei hun yn destun cymeradwyaeth Bwrdd Tyfu Canolbarth Cymru. Fodd bynnag, mae gan Fwrdd Tyfu Canolbarth Cymru sy'n gweithio gyda'r Corff Atebol rôl monitro a sicrwydd mewn perthynas â chyllid y Fargen Twf er mwyn sicrhau y caiff ei wario yn unol ag amcanion y Fargen Twf.

### ***Y broses o gymeradwyo prosiect***

Llofnodir Cytundeb Bargen Derfynol Bargen Twf Canolbarth Cymru ar sail Achos Busnes Portffolio Strategol cymeradwy a'r cynigion rhaglenni a phrosiect posibl sy'n cael eu hystyried ar yr adeg honno. Wrth bod gwaith yn mynd ymlaen yn y cefndir i ddatblygu Achosion Busnes Rhaglenni a Phrosiectau ymhellach, ar ôl cytuno ar y fargen derfynol, gellir cyflwyno achosion busnes rhaglenni a phrosiectau i'w hystyried gan Fwrdd Bargen Tyfu Canolbarth Cymru.

Datblygir achosion busnes ar gyfer pob rhaglen a phrosiect o fewn Bargen Twf Canolbarth Cymru yn unol ag arweiniad '*Achos Busnes Gwell*' a ddatblygwyd gan Lywodraeth Cymru a Thrysorlys EM.

Mae paratoi Achos Busnes gan ddefnyddio'r model pum Achos yn cynnig fframwaith sicr ar gyfer 'meddwl' strwythuredig a sicrwydd bod y cynllun yn cynnig ffit strategol, gan fanteisio i'r eithaf ar werth cyhoeddus, ei fod yn hyfyw ar lefel fasnachol, ei fod yn fforddiadwy a bod modd ei ariannu dros gyfnod o amser.

Dylid cynnal y broses o ddatblygu achosion busnes rhaglenni (PBC) a phrosiectau (SOC, OBC ac FBC) yn unol â'r Achos Busnes Portffolio / Rhaglen – Cam Datblygu ac Achos Busnes Prosiect.

Bydd gofyn i achosion busnes ddangos sut y maent yn cyflawni yn erbyn amcanion ac uchelgais Achos Busnes Portffolio Strategol Bargen Twf Canolbarth Cymru.

Yn unol â'r arweiniad, bydd yr SRhP yn pennu pa ddull gweithredu tuag at achosion busnes sydd fwyaf addas ar gyfer pob cynllun. Dylid ystyried cynhyrchu ailadroddol yr Achos Busnes (Achos Amlinellol Strategol SOC), Achos Busnes Amlinellol (OBC) ac Achos Busnes Llawn (FBC) ar gyfer prosiectau cymhleth a mwy o faint y bydd gofyn gweithredu trefniant caffael cystadleuol ar eu cyfer.

Gellir ystyried cyfuno'r SOC a'r OBC lle y gwnaethpwyd yr achos dros newid eisoes, a lle y cytunwyd arno fel rhan o Achos Busnes Rhaglen (PBC).

Efallai y gellir ystyried cyfuno'r OBC a'r FBC lle y mae'r llwybr caffael bwriadedig wedi cael ei gystadlu ymlaen llaw ac mae prisiau cadarn ar gael i gefnogi'r cynnig gwario.

Efallai y gellir ystyried Achos Cyfiawnhau Busnes (BJC) ar gyfer eitemau gwariant llai, NAD YDYNT yn newydd neu'n ddadleuol; o fewn y cyfyngiad sefydliadol y cytunwyd arno er mwyn defnyddio achosion busnes unigol (BJC); a gellir eu caffael o gytundeb y cystadlwyd ymlaen llaw ar ei gyfer ac sy'n bodoli eisoes.

Bydd pob achos busnes prosiect neu raglen yn destun adolygiadau porth fel y nodir yn y Cynllun Sicrwydd a Chymeradwyo Integredig (IAAP).

Ystyrir achosion busnes prosiect / rhaglen gan y Bwrdd Rhaglen/Thematiig perthnasol yn y lle cyntaf. Dim ond ar ôl i'r bwrdd Rhaglen/Thematiig perthnasol eu cymeradwyo ac ar ôl cwblhau adolygiadau porth gofynnol y caiff achosion busnes eu cyflwyno i Fwrdd Tyfu Canolbarth Cymru. Mae SRhP yn cadw'r hawl i gomisiynu adolygiadau allanol o achosion busnes yn ôl y gofyn.

Bydd gofyn i bob achos busnes prosiect / rhaglen lenwi asesiad o'r effaith ar yr Iaith Gymraeg ac asesiad effaith Llesiant Cenedlaethau'r Dyfodol cyn iddynt gael eu hystyried gan Fwrdd Tyfu Canolbarth Cymru.

## **Sicrwydd**

Mae sicrwydd yn rhan annatod o ddatblygiad Portffolio y Fargen Twf ac mae Adolygiad y Swyddog Cyfrifyddu yn bwynt hollbwysig, a chaiff y cynnydd yn erbyn yr argymhellion o hwn ei adolygu fel rhan o'r adolygiad sicrwydd nesaf a gynllunnir yn ystod y Gwanwyn 2022.

Ar ôl cymeradwyo IAAP y Portffolio, datblygir IAAPs manwl ar gyfer pob rhaglen a phrosiect o fewn y Fargen Twf. Bydd union amseriad adolygiadau sicrwydd yn rhywbeth i SRhP gytuno arno gyda Llywodraeth Cymru a'r Byrddau Rhaglen a Phrosiect perthnasol.

Er na chytunwyd ar union amseriad adolygiadau eto, gweithredir yr egwyddorion canlynol:

- Cynhelir adolygiadau sicrwydd portffolio mawr o bryd i'w gilydd ar adegau cytunedig oni bai y bydd Bwrdd Tyfu Canolbarth Cymru, Llywodraeth y DU neu Lywodraeth Cymru yn gofyn amdanynt yn gynt;
- Cynhelir adolygiadau sicrhau ansawdd o bryd i'w gilydd ar adegau cytunedig oni bai y bydd Bwrdd Tyfu Canolbarth Cymru, Llywodraeth y DU neu Lywodraeth Cymru yn gofyn amdanynt yn gynt;
- Cynhelir adolygiadau sicrwydd prosiect trwy gydol cyfnod y prosiect ar gamau y cytunir arnynt ymlaen llaw. Gallai lefel y sicrwydd amrywio fesul prosiect, ond byddai'n cynnwys isafswm o ddau adolygiad Porth allanol fesul prosiect, gan gynnwys adolygiad cyn cyflawni ac adolygiad gwireddu buddion. Nodir y rhesymeg dros y dull gweithredu arfaethedig isod:
  - **Porth Prosiect 1 (SOC / PBC)** – Yn ofynnol ar gyfer prosiectau newydd yn unig neu'r rhai sydd yn eu cam cysyniad ar hyn o bryd o ganlyniad i'r Achos Busnes Rhaglen cymeradwy. Bydd gofyn i bob prosiect arall greu SOC/OBC cyfunol ar gyfer Porth 2;
  - **Porth Prosiect 2 (OBC)** – Yn ofynnol ar gyfer pob prosiect o fewn y Fargen Twf;
  - **Porth Prosiect 3 (FBC)** – Mae gofyn cael penderfyniad SRhP ynghylch a oes gofyn cael Porth 3 fesul prosiect;
  - **Porth Prosiect 4 (Gweithredu)** – Penderfyniad SRhP ynghylch a oes gofyn cael Porth 4 fesul prosiect; a
  - **Phorth Prosiect 5 (Gwireddu Buddion)** – Yn ofynnol ar gyfer pob prosiect o fewn y Fargen Twf.
- Dylid cyflawni'r Portffolio trwy gyfrwng rhaglenni a phrosiectau (Porth Prosiect 4 a 5) yn unol â siartiau llif y Portffolio / Rhaglen– Cam Cyflawni a Phrosiect – Cam Cyflawni.
- **Adolygiad Asesu Prosiect (PAR)** – gellir ei ddefnyddio yn lle Porth 1-5 lle y mae'r SRhP trwy ymgynghori gyda Chanolfan Sicrwydd LIC yn ystyried ei fod yn fecanwaith adolygu mwy priodol.

## **Rheoli Newid**

Datblygir Cynllun Rheoli Newid ar gyfer Bargen Twf Canolbarth Cymru.

Bydd y cynllun yn mabwysiadu egwyddor debyg i'r Fframwaith Rheoli Risg a Phroblemau, lle y rhoddir sylw i newidiadau ar y lefel briodol o fewn goddefiannau cytunedig. Cytunir ar y goddefiannau hyn ar gyfer pob achos busnes prosiect, a bydd proses uwchgyfeirio glir yn ei lle.

Asesir newidiadau o ran eu heffaith ariannol ond hefyd, eu heffaith ar y buddion i'w cyflawni trwy gyfrwng y rhaglen a phrosiectau.

Rheolir gweithgarwch rheoli newid ar gyfer y rhaglenni trwy gyfrwng y Bwrdd Rhaglen/Thematis a'r Bwrdd Prosiect perthnasol yn bennaf o fewn goddefiannau a gaiff eu dirprwyo gan Fwrdd Tyfu Canolbarth wrth ystyried achos busnes y prosiect.

Byddai angen uwchgyfeirio newidiadau arwyddocaol y tu hwnt i'r goddefiannau hyn i Grŵp Rheoli TCC neu i Fwrdd Tyfu Canolbarth Cymru ac efallai y bydd gofyn diweddarau'r achos busnes neu gynnal gweithgareddau sicrwydd ychwanegol.

Rhaid i unrhyw brosiectau newydd neu amnewid a gyflwynir i'w hystyried ddangos cyflawni yn erbyn yr achos busnes rhaglen perthnasol ac amcanion yr Achos Busnes Portffolio Strategol. Pan fo'r prosiectau hynny o fewn yr amlen ariannol gytunedig sy'n bodoli eisoes ar gyfer y Bwrdd, dylai'r prosiectau hynny fod yn fater i Fwrdd Tyfu Canolbarth Cymru benderfynu yn ei gylch.

Byddai prosiectau nad ydynt yn dod o fewn cylch gwaith achos busnes rhaglen cytunedig neu'r rhai y byddent yn mynd y tu hwnt i'r amlen ariannol gytunedig yn cael eu hystyried fel 'mater neilltuol' ar gyfer partneriaid Bwrdd Tyfu Canolbarth Cymru.

Caiff cymeradwyaeth ei geisio gan WCGIB ynghylch unrhyw newidiadau arwyddocaol, y gallent newid cwmplas gwreiddiol y Fargen a'r canlyniadau gwreiddiol bwriadedig, a rhoddir sicrwydd ynghylch sut y rheolir y newidiadau hyn. Mae hyn yn cyd-fynd â'r Fframwaith Llywodraethu a Sicrwydd, a chaiff ei gasglu fel rhan o waith monitro ac adrodd rheolaidd hefyd.

### ***Rôl aelodau/atebolrwydd***

Mae'n ddyletswydd ar holl aelodau Bwrdd Tyfu Canolbarth Cymru i weithredu er budd pennaf rhanbarth y Fargen Twf. Yn ogystal, bydd gofyn i bob aelod o'r sector preifat a'r trydydd sector weithredu er budd rhanbarth y Fargen Twf; gan ildio unrhyw fudd (os o gwbl) y gallai fod gan eu sefydliad nhw yn y Fargen Twf ac unrhyw brosiectau cysylltiedig.

Disgwylir i bob aelod gydymffurfio â chod ymddygiad eu sefydliadau priodol, y polisiau a'r gweithdrefnau priodol a bennir gan Fwrdd Tyfu Canolbarth Cymru a gwerthoedd ac uchelgais y Fargen Twf.

Gall cynrychiolwyr y Llywodraeth fynychu fel arsylwyr/cynghorwyr ac nid ydynt yn rhwym i'r gofynion ar aelodau Bwrdd Tyfu Canolbarth Cymru.

Nodir materion sy'n ymwneud â llywodraethu'r Fargen yn y Cytundeb Rhyng-Awdurdod (IAA3).

## 4. Rôl y Corff Atebol

Yn ystod cyfnod y Fargen Twf, bydd y corff atebol yn gyfrifol am gael a neilltuo cronfeydd dros ac ar ran Bwrdd Tyfu Canolbarth Cymru. Bydd Cyngor Sir Ceredigion, fel y Corff Atebol, yn:

- gweithredu mewn ffordd ddiwyd a gydag ewyllys da yn ei holl gyswllt gyda'r Cyngor arall a bydd yn gwneud ymdrechion rhesymol i gyflawni rhwymedigaethau'r Cynghorau mewn perthynas â'r MWGD, yn unol â'r Cytundeb hwn a'r holl ddeddfwriaeth berthnasol, ond heb ei gyfyngu i:-
  - Ddeddf Llesiant Cenedlaethau'r Dyfodol (Cymru) 2015;
  - Mesur yr Iaith Gymraeg (Cymru) 2011; a
  - Safonau'r Gymraeg
- gweithredu fel y prif ryngwyneb (ar ran ei hun a'r Cyngor arall) gyda LIC, Llywodraeth y DU ac unrhyw gorff arall sy'n angenrheidiol er mwyn cyflawni rhwymedigaethau'r Cyngor mewn perthynas â MWGD;
- gweithredu fel y Corff Atebol ac ymrwmo i a chyflawni'r holl gontractau a gymeradwywyd gan BTCC neu'r Cynghorau (os ceir "Mater wedi'i Neilltuo i'r Cynghorau) ar ran MWGD; a
- gweithredu fel y Corff Atebol er mwyn dal unrhyw gronfeydd a geir yn uniongyrchol gan LIC, Llywodraeth y DU (os o gwbl), y Cynghorau (os o gwbl) a/neu unrhyw ffynonellau eraill (os o gwbl) mewn perthynas â'r MWGD a defnyddio a rhyddhau cronfeydd o'r fath fel y cytunir yn unol ag amodau cyllid o'r fath a'r Cytundeb hwn yn unig.

Nodyn: nodir y darpariaethau a'r cylch gorchwyl ar gyfer rôl (a phenodi) y Corff Atebol, yn y Cytundeb Rhyng-Awdurdod mwyaf diweddar y cytunwyd arno gan Fwrdd TCC a'i Awdurdodau Lleol cyfansoddol.

## 5. Monitro a Gwerthuso

Bydd rheoli ein dull gweithredu fel Portffolio yn gofyn am ddolenni adborth parhaus sy'n cysylltu agweddau ar sicrwydd rhaglen, effaith economaidd wedi'i modelu, monitro a gwerthuso er mwyn sicrhau bod gweithgarwch a gynlluniwyd, sy'n datblygu ac sy'n cyflawni yn parhau i fodloni'r anghenion busnes a nodwyd yn yr Achos Busnes Portffolio.

Sefydlwyd ein strwythurau llywodraethu a rheoli er mwyn delio â ffordd o weithio a dull gweithredu sy'n galluogi cylch sicrwydd ac adolygu parhaus, trwy gyfrwng:

- SRhP wedi'i diffinio mewn ffordd glir
- Cynllun Sicrwydd a Chymeradwyo Integredig (IAAP) a fydd yn pennu prosesau clir
- Cynllun Gweithredu ar gyfer y Portffolio
- Gweithgarwch monitro a gwerthuso cadarn a pharhaus a fydd yn parhau i gyfrannu at a siapio cyfeiriad y Portffolio.

## 6. Protocol Cyfathrebu

Datblygwyd Fframwaith Cyfathrebu Strategol sy'n darparu fframwaith cyffredinol ar gyfer llywodraethu a chyfeirio'r holl weithgarwch cyfathrebu strategol sy'n ymwneud â gwaith Tyfu Canolbarth Cymru a chyflawni'r uchelgais a amlinellwyd yn Y Weledigaeth ar gyfer Tyfu Canolbarth Cymru. Bydd y fframwaith strategol hwn yn berthnasol i'r rhanbarth ehangach yn ogystal ag i'r Fargen Twf. Dan y fframwaith strategol, bydd y swyddogaethau rhanbarthol unigol yn paratoi eu cynlluniau cyfathrebu priodol eu hunain.

Bydd SRhP yn gyfrifol am reoli cyfathrebu ynghylch y Fargen Twf a bydd yn cyfathrebu mewn ffordd briodol gyda phartneriaid a rhanddeiliaid perthnasol. SRhP fydd y prif bwynt cyswllt ar gyfer Llywodraeth Cymru a Llywodraeth y DU o ran y Fargen Twf a bydd yn sicrhau yr ymgynghorir â'r ddwy Lywodraeth ynghylch unrhyw ddogfennau neu ddeunydd cyfathrebu y bydd y cyhoedd yn eu gweld, a'i fod yn cael ei frandio mewn ffordd briodol. Cynrychiolir y Gymraeg a'r Saesneg mewn ffordd gyfartal ym mhob cyhoeddiad digidol ac ysgrifenedig.

## **7. ar gyfer Canolbarth Cymru**

Bydd y Fargen Twf yn parhau i esblygu yn ystod ei chyfnod ac mae Cytundeb y Fargen Derfynol hwn yn nodi'r egwyddorion a'r prosesau ynghylch llywodraethu a sicrwydd y maent wedi neu y byddant yn cael eu rhoi yn eu lle er mwyn sicrhau bod y Fargen Twf yn parhau i fod yn berthnasol ac yn gyflawnadwy.

Mae'r holl lofnodwyr yn edrych ymlaen i gydweithio er lles pobl a busnesau Canolbarth Cymru.

## Atodiad A – Prosiectau / Rhaglenni yn y Rhestr Fer ar gyfer Tranche 1 Bargen Twf Canolbarth Cymru\*

Prosiectau / Rhaglenni yn y Rhestr Fer ar gyfer Tranche 1 Bargen Twf Canolbarth Cymru*			
Blaenoriaethau Twf Strategol	Prosiect / Rhaglen	Crynodeb	Mynegai Aeddfedrwydd yr Achos Busnes
Ymchwil ac Arloesi Cymhwysol	Parc Arloesi	Dan arweiniad Prifysgol Aberystwyth, bydd y Parc Arloesi yn galluogi diwydiant ac academia i ddatblygu gwaith AberInnovation, gyda'r nod o nodi, datblygu a dangos y prosesau a'r technolegau galluogi sy'n angenrheidiol er mwyn sicrhau, ehangu a manteisio i'r eithaf ar y gwerth a sicrhawyd ar gyfer y rhanbarth. Mae'r prosiect £30 miliwn yn ceisio darparu gwerth tua 10,000m <sup>2</sup> o le swyddfa wedi'i wasanaethu'n llawn, cyfleusterau a rennir a lle Ymchwil a Datblygu.	SOC (cychwynnol)
	Canolfan Sbectrwm Genedlaethol	Dan arweiniad Prifysgol Aberystwyth, mae'r Ganolfan Sbectrwm Genedlaethol yn ceisio sefydlu ased allweddol a weithredir trwy gyfrwng model prif ganolfan a lloerennau a fydd yn cael budd gan amgylcheddau amrywiol y rhanbarth (arfordirol, ucheldiroedd, gwledig ac ati), gan ddwyn swyddi o ansawdd uchel a mwy o dwf i'r rhanbarth. Mae'r SOC yn ceisio cymeradwyaeth i fuddsoddi swm amcangyfrifedig o £17 miliwn yng Ngham 2 datblygiad y Ganolfan Sbectrwm Genedlaethol.	SOC (cychwynnol)
	Campws Gweithgynhyrchu Uwch Canolbarth Cymru	Nodwyd trwy gyfrwng Adroddiad Ymchwil ac Arloesi Cymhwysol SQW a gynhaliwyd yn ddiweddar, roedd y prosiect hwn yn ymyrraeth a argymhellwyd er mwyn darparu Campws Arloesi/Gweithgynhyrchu Uwch ar gyfer Canolbarth Cymru, gyda'r nod o wella cyflenwad sgiliau ar gyfer diwydiant a chynnig canolfan ar gyfer cydweithio/gweithgarwch Ymchwil ac Arloesi. Ni nodwyd arweinydd ar gyfer y prosiect eto. Nid yw cyfanswm y costau cyfalaf yn hysbys.	Cysyniad
Amaethyddiaeth, Bwyd a Diod	Canolfan Arloesi Cynhyrchu Bwyd	Dan arweiniad Canolfan Bwyd Cymru (rhan o Gyngor Sir Ceredigion), mae'r Ganolfan Arloesi Cynhyrchu Bwyd yn brosiect £4.4 miliwn i ddarparu	SOC (cychwynnol)



Prosiectau / Rhaglenni yn y Rhestr Fer ar gyfer Tranche 1 Bargen Twf Canolbarth Cymru*			
Blaenoriaethau Twf Strategol	Prosiect / Rhaglen	Crynodeb	Mynegai Aeddfedwydd yr Achos Busnes
		canolfan arloesi cynhyrchu bwyd sy'n manteisio ar y dechnoleg ddiweddaraf yn Horeb, Llandysul, Ceredigion. Byddai'r prosiect yn darparu cyfleuster er mwyn galluogi cwmnïau i gymryd y camau nesaf o weithgarwch profi a dadansoddi cynnyrch ar sail ymchwil ar raddfa fach, i gynyddu'r gweithgarwch cynhyrchu er mwyn galluogi profi hyfywedd masnachol a marchnad lawn.	
	Canolfan Tir Glas / Prifysgol Gastronomeg	Mae Prifysgol y Drindod Dewi Sant yn dymuno sefydlu Canolfan ar gyfer Menter Gwledig (Canolfan Tir Glas), endid a fydd yn hyrwyddo'r diwydiant bwyd lleol, cynaladwyedd, cydnerthedd ac entrepreneuriaeth wledig. Bydd y Ganolfan yn ceisio cyflawni ei rhan wrth gryfhau seilwaith economaidd yr economi bwyd-amaeth ehangach yng Nghanolbarth Cymru o'r ganolfan a'i gwaith allgymorth, gan ganolbwyntio'n arbennig ar ddatblygu gyrfa a sgiliau yn y sector lletygarwch ac mewn sectorau arallgyfeirio gwledig eraill. Amcangyfrifir mai cyfanswm y costau cyfalaf fydd £8 miliwn.	SOC (cychwynnol)
Cynnig Twristiaeth Cryfach	Cynefin – Calon Werdd Cymru	Dan arweiniad y Ganolfan y Dechnoleg Amgen, mae'n ceisio creu profiad dysgu pwerus ac ymdrochol, gan ddwyn buddion ymarferol enfawr wrth ddarparu Sgiliau ar gyfer y dyfodol ym maes ynni adnewyddadwy, ôl-osod ac adeiladu cynaliadwy, bwyd, defnydd tir a thwristiaeth gynaliadwy. Mae elfen twristiaeth y prosiect yn cynnwys: Canolfan Gyrraedd a Chroeso, Stryd Werdd, Llety Safle ac Elfennol. Amcangyfrifir mai cyfanswm y costau cyfalaf fydd £24.2 miliwn.	SOC (cychwynnol)
	Dŵr Cymru Cwm Elan	Dan arweiniad Dŵr Cymru, mae Prosiect Llynnoedd Cwm Elan yn ceisio sicrhau twf economaidd a chynaladwyedd trwy ychwanegu gweithgareddau antur, chwaraeon a natur priodol sy'n cynnig profiad ar lefel uchel a gwella'r ddarpariaeth llety dros nos. Y gobaith yw y bydd hyn yn cynyddu	SOC (cychwynnol)

Prosiectau / Rhaglenni yn y Rhestr Fer ar gyfer Tranche 1 Bargen Twf Canolbarth Cymru*			
Blaenoriaethau Twf Strategol	Prosiect / Rhaglen	Crynodeb	Mynegai Aeddfedwydd yr Achos Busnes
		gwariant ymwelwyr ac yn gwella ffrydiau incwm. Amcangyfrifir mai cyfanswm y gost cyfalaf fydd £12.7 miliwn.	
	Camlas Maldwyn Cymru – Adfer i Fordwyo	Dan arweiniad yr Ymddiriedolaeth Afonydd a Chamlesi / Glandwr Cymru, mae adfer Camlas Maldwyn yng Nghymru yn ceisio hwyluso cyswllt gyda rhwydwaith ehangach y Camlesi, sy'n 2000 milltir o hyd, a mynediad i gychod trwy Powys a thu hwnt i'r Trallwng. Trwy hyn, caiff y cyfleoedd ar gyfer amrediad o weithgareddau i ymwelwyr nad ydynt yn teithio ar gwch eu gwella, gyda'r holl gyfleoedd a'r gwariant cysylltiedig ar gyfer busnesau twristiaeth a hamdden. Amcangyfrifir mai cyfanswm y costau cyfalaf fydd £24.4 miliwn.	SOC (cychwynnol)
	Harbyrau Ceredigion	Dan arweiniad Cyngor Sir Ceredigion, mae Harbyrau Ceredigion yn gynnig amlinellol ar gyfer dau ddatblygiad marina/harbwr mawr (Aberystwyth ac Aberaeron). Yn y ddau achos, bydd yr asedau yn parhau i fod yn eiddo i'r cyhoedd a byddant yn cyfuno'r buddsoddiad a gynlluniwyd eisoes mewn amddiffynfeydd môr/lifogydd arfordirol, gan ychwanegu gwerth economaidd pellach trwy ad-drefnu a datblygu'r asedau er mwyn creu cyfleoedd economaidd newydd ym maes manwerthu, hamdden a thwristiaeth. Yn Aberystwyth, mae'r cynigion yn cynnwys cyfleusterau cryfach er mwyn cynorthwyo'r sector pysgodfeydd hefyd. Amcangyfrifir y bydd cyfanswm y costau cyfalaf rhwng £20 a £30 miliwn.	Cysyniad
Digidol	Rhaglen Ddigidol	Dan arweiniad Cyngor Sir Ceredigion a Chyngor Sir Powys ar y cyd, mae'r rhaglen hon yn ceisio cyflymu darpariaeth gwasanaethau cysylltedd i safleoedd cyflogaeth a phreswyl strategol yn rhanbarth Canolbarth Cymru, a thrwy wneud hynny, cynnig gwasanaethau gwell i fusnesau er mwyn hwyluso mwy o dwf economaidd. Mae cysylltedd yn rhan hanfodol o fywyd modern,	Achos Busnes Rhaglen (Cychwynnol)

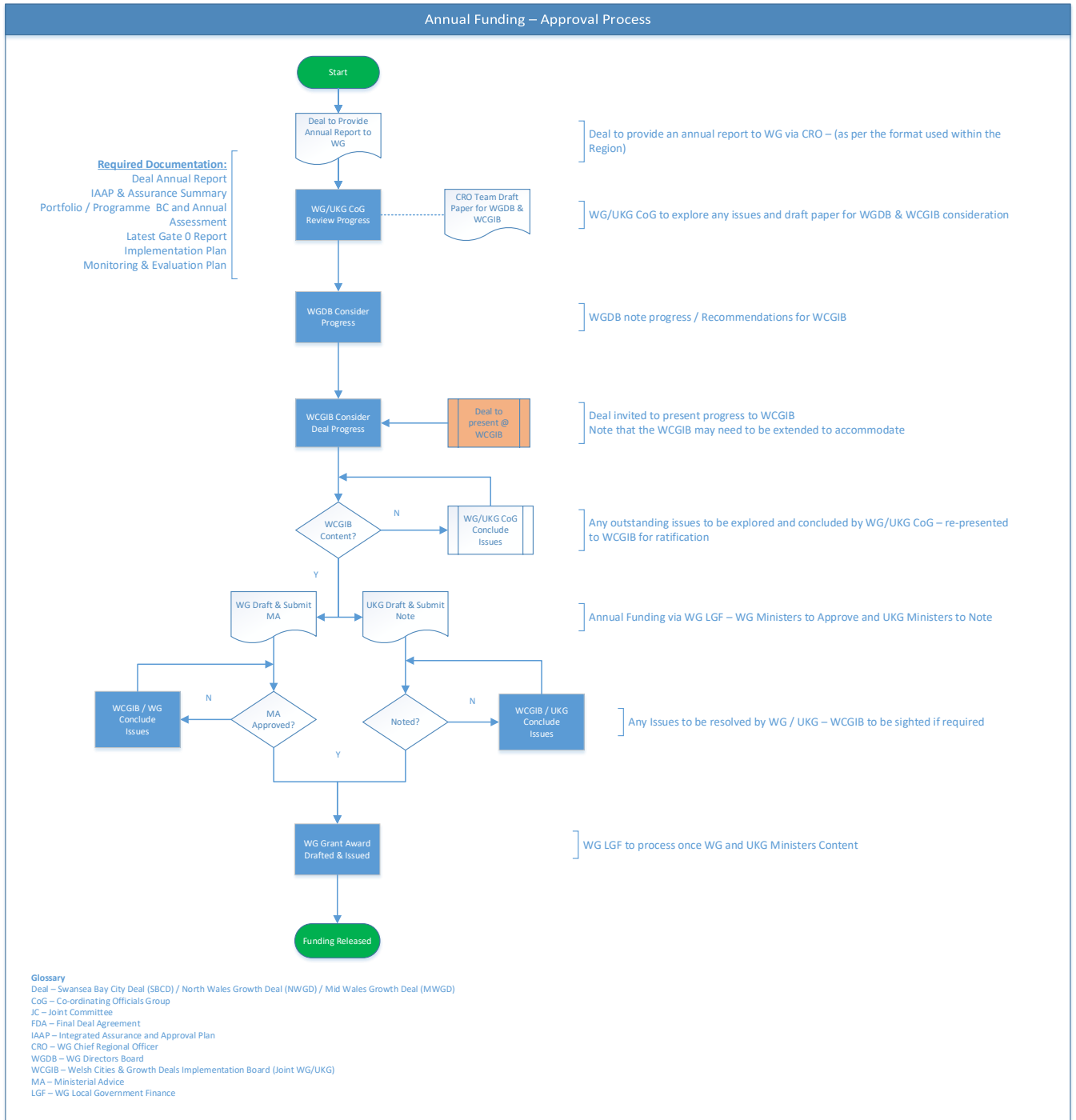


Prosiectau / Rhaglenni yn y Rhestr Fer ar gyfer Tranche 1 Bargen Twf Canolbarth Cymru*			
Blaenoriaethau Twf Strategol	Prosiect / Rhaglen	Crynodeb	Mynegai Aeddfedwydd yr Achos Busnes
		gan ddylanwadu ar y ffordd y mae unigolion yn gweithio, yn cyfathrebu ac yn manteisio ar wasanaethau. Mae modd datgloi cyfleoedd economaidd sylweddol trwy fuddsoddi mewn seilwaith digidol rhanbarthol. Amcangyfrifir mai cyfanswm y costau cyfalaf fydd £50 miliwn.	
Cefnogi Menter	Safleoedd ac Adeiladau Canolbarth Cymru.	Dan arweiniad Cyngor Sir Ceredigion a Chyngor Sir Powys ar y cyd, bydd yr ymyrraeth hon yn darparu rhaglen strategol o fuddsoddiad uniongyrchol ac wedi'i flaenoriaethu yn y sector cyhoeddus mewn safleoedd ac adeiladau cyflogaeth a seilwaith gysylltiedig ar draws Canolbarth Cymru er mwyn helpu i fodloni'r angen presennol ac ysgogi twf economaidd yn y dyfodol yn y rhanbarth. Byddai hyn yn cael ei gyflawni trwy gyfrwng Cronfa Buddsoddi mewn Seilwaith Eiddo Canolbarth Cymru. Byddai datblygiad cymhellion ariannol ehangach er mwyn helpu i ysgogi buddsoddiad gan y sector preifat mewn safleoedd ac adeiladau cyflogaeth, a buddsoddiadau wedi'u targedu mewn safleoedd cyflogaeth strategol, yn cyd-fynd â'r cynnig.	Achos Busnes Rhaglen (cychwynnol)

\*Y rhain yw'r rhaglenni a'r prosiectau a nodwyd ar hyn o bryd (Achos Busnes Portffolio Strategol f1) fel tranche 1 – cynigion yn y rhestr fer. Caiff hyn ei ddiffinio fel *“Rhestr fer ar gyfer datblygiad pellach, gydag amodau. Ymyriadau yw'r rhain sy'n perfformio'n dda yn erbyn yr amcanion gwario a Ffactorau Llwyddiant Hollbwysig, ac maent yn ddigon datblygedig ar yr adeg hon i fynnu datblygiad achos busnes manwl pellach ar eu cyfer. Yr ymyriadau hyn yw tranche cyntaf Portffolio y Fargen Twf.”*

Mae'r Achos Busnes Portffolio Strategol yn ddogfen fyw sy'n destun gweithgarwch adolygu a sicrwydd rheolaidd. Mae gofyn cael proses alinio barhaus er mwyn sicrhau bod y rhaglenni a'r prosiectau o fewn y portffolio strategol yn parhau i fod yn gysylltiedig ag amcanion strategol, oherwydd wrth i strategaethau gyflawni newidiadau a gwelliannau i weithrediadau busnes, efallai y bydd angen iddynt ymateb i newidiadau mewnol ac allanol ac ystyried mentrau a pholisïau newydd.

# Atodiad B – Proses Flynyddol er mwyn Cymeradwyo Cyllid



Nodyn: yn deillio o Fwrdd Gweithredu Bargeinion Dinesig a Thwf Cymru – Fframwaith Llywodraethu a Sicrwydd f1 Rhagfyr 2020.

## **Atodiad C – Dogfennau Llywodraethu Ychwanegol ar gyfer Cytundeb y Fargen Derfynol**

- Achos Busnes Portffolio Strategol TCC (f1)
- Cynllun Sicrwydd a Chymeradwyo Integredig TCC (Drafft f0.5)
- Cynllun Gweithredu TCC (Drafft f0.5)
- Cofrestr Risg TCC (f0.5)
- Strategaeth Gyfathrebu TCC (f7.3)
- Cytundeb Rhyng-Awdurdod TCC (f3 llofnodwyd)

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## Report to the Joint Overview and Scrutiny Sub-Committee

23 February 2022

TITLE:	Mid Wales Energy Strategy – Overview and Progress Update
AUTHOR:	Thomas Yeo, Business Change Officer. thomas.yeo@powys.gov.uk

### 1 Purpose of the Report

1.1. To provide Members of the Joint Overview and Scrutiny Sub Committee with an overview and update on progress of the Mid Wales Energy Strategy

### 2. Decision(s) Sought

2.1. To note progress to date.

### 3 Background

- 3.1** Welsh Government commissioned energy strategies to be developed for each of the Welsh regions including Mid Wales (Powys & Ceredigion). The Mid Wales Energy Strategy was developed with support by private, public, and third sector organisation across the Mid Wales region and the Welsh Government Energy Service.
- 3.2** The strategy and action plan will play an integral role for the region with the emphasis placed on working collaboratively with shared ownership to support the region in making the essential step change required to meet the net zero targets by 2050. The strategy sets a clear blueprint to both growing and maximising the potential of our economy whilst undertaking our social and environmental responsibilities, responding to the threat of climate change for future generations.
- 3.3** Engagement within the region over the course of the strategy development led to the creation of our vision which is underpinned by 6 priority areas. The vision and priority areas will form the basis of our focus for developing strategic actions to address challenges and maximise opportunities for the region.
- 3.4** The strategy sets the vision for mid Wales ***“To achieve a net zero-carbon energy system that delivers social and economic benefits, eliminates fuel poverty, better connects mid Wales to the rest of the UK, and contributes to wider UK decarbonisation.”***
- 3.5** The strategy sets out 6 Key Priorities to tackle energy issues in the region:

**Key Priority 1:** Drive forward the decarbonisation of the region's housing and building stock

**Key Priority 2:** Work proactively to ensure that electricity and gas grids in the region are suitable for a 100% decarbonised future

**Key Priority 3:** Boost the use of renewable energy through new generation and storage

**Key Priority 4:** Accelerate the shift to zero carbon transport and improve connectivity

**Key Priority 5:** Develop and harness the potential of agriculture to contribute to zero carbon goals

**Key Priority 6:** Harness innovation to support decarbonisation and clean growth



**3.6** The strategy will seek to deliver the following benefits to the economic region of mid Wales:

- Raise the level of ambition regionally on energy
- Secure cross-sector stakeholder support for a shared place-based energy system vision for the region
- Provide the evidence needed to demonstrate the economic benefit of investment in local energy systems
- Develop a regional pipeline of deliverable projects and programmes that will achieve the vision

**3.7** Appendix 2 provides the high-level overview of the Mid Wales Energy Strategy, extracting the key details from the strategy document into a digestible set of bilingual slides. The full strategy document with supporting technical energy and economic modelling annexes can be found on the Welsh Government website following this link [Regional energy strategy: mid Wales | GOV.WALES](#)

## 4 Mid Wales Energy Strategy Progress to Date

**4.1** The strategy has undergone a breadth of work since Welsh Governments commitment to work with Welsh regions to develop regional energy strategies. A summary of activity to date has been outlined for members information.

- The Mid Wales region held its initial Energy planning workshop as part of early growth deal development. The first workshop focused on developing a vision for the future energy system, which would form the basis for the strategy document moving forward.
- Using the workshop input, a vision statement was developed for the region. The vision statement was commented on by regional officers, and it was decided additional stakeholder feedback was needed.

- An Online survey was released for stakeholder consultation on the draft energy vision and strategy priorities, we also undertook a call for projects for the energy strategy. Using the survey feedback, we updated the vision statement accordingly.
- Energy modelling was undertaken to understand the level of effort required to achieve a zero-emission energy system by 2050 compared with a business-as-usual pathway.
- The second Energy workshop was held with a focus on developing an action plan. During this workshop we presented and received feedback on the vision statement, energy modelling results, intervention evaluation criteria, and undertook activities to get project ideas for the action plan.
- The Welsh Government Energy Service shared the Initial strategy and action plan with the region and Welsh Government
- An economic assessment was undertaken for the Mid Wales region, this looks at the economic impact in terms of jobs, GVA, and investment required to meet the energy system vision pathway defined in the energy modelling.
- Strategy was reviewed and updated to reflect considerations relating to Covid 19 impact with a section added at the head of the report.
- A new draft of the strategy including the economic assessment was produced. We consulted regional stakeholders and officers, comments were considered, and amendments made by Welsh Government Energy Service where appropriate
- The region held a Senior officer workshop, bringing together key officers across services in Powys and Ceredigion Local Authorities and Welsh Government Energy Division, regional team, and Welsh Government Energy Service.
- Mid Wales Energy Strategy signed off by Powys and Ceredigion Cabinets
- Press release [Ceredigion County Council](#)
- Mid Wales Energy Strategy Advisory group formed
- Strategy energy and economic modelling technical annexes produced
- A draft skeleton action plan framework was produced and agreed as an agreeable format by the advisory group

## 5 Developing the Strategy Action Plan

- 5.1 Recent focus since the strategy was signed off by the region has been on the development of a robust action plan which will identify strategic actions to address the key priority areas outlined within the strategy. The region has been working closely with the Welsh Government Energy Service to develop a three-step approach to define the framework for an action plan and the approach to engagement, to engage and hold focussed stakeholder sessions on strategy priority areas, and finally to validate and refine feedback into strategic actions for the Mid Wales region.



**5.2** A Mid Wales Energy Strategy Advisory Group was formed as a key governance arrangement acting as a senior regional body to oversee and steer the development of a strategic action plan. The Advisory Group membership includes senior directors and officers from Powys and Ceredigion Local Authorities, UK and Welsh Governments central and regional teams and Welsh Government Energy Service.

**5.3** The Welsh Government Energy Service produced a draft skeleton action plan and outlined a forward work programme which was discussed and agreed at the inaugural advisory group.

**5.4** Theme champions were identified for themed sessions, we worked closely with the champions to identify key stakeholder session attendees, and to shape the discussion topics and format of the sessions so they pinpointed discussion on the key areas to ensure the best feedback and suggested actions were identified.

**5.5** We held several engagement sessions over November through to January, the findings of which are being collated and refined to create a long list of actions. The engagement sessions held were as follows:

Session	Date
Power and Generation	17/11/2021
Agriculture	02/12/2021
Transport	10/12/2021
Domestic	19/01/2022

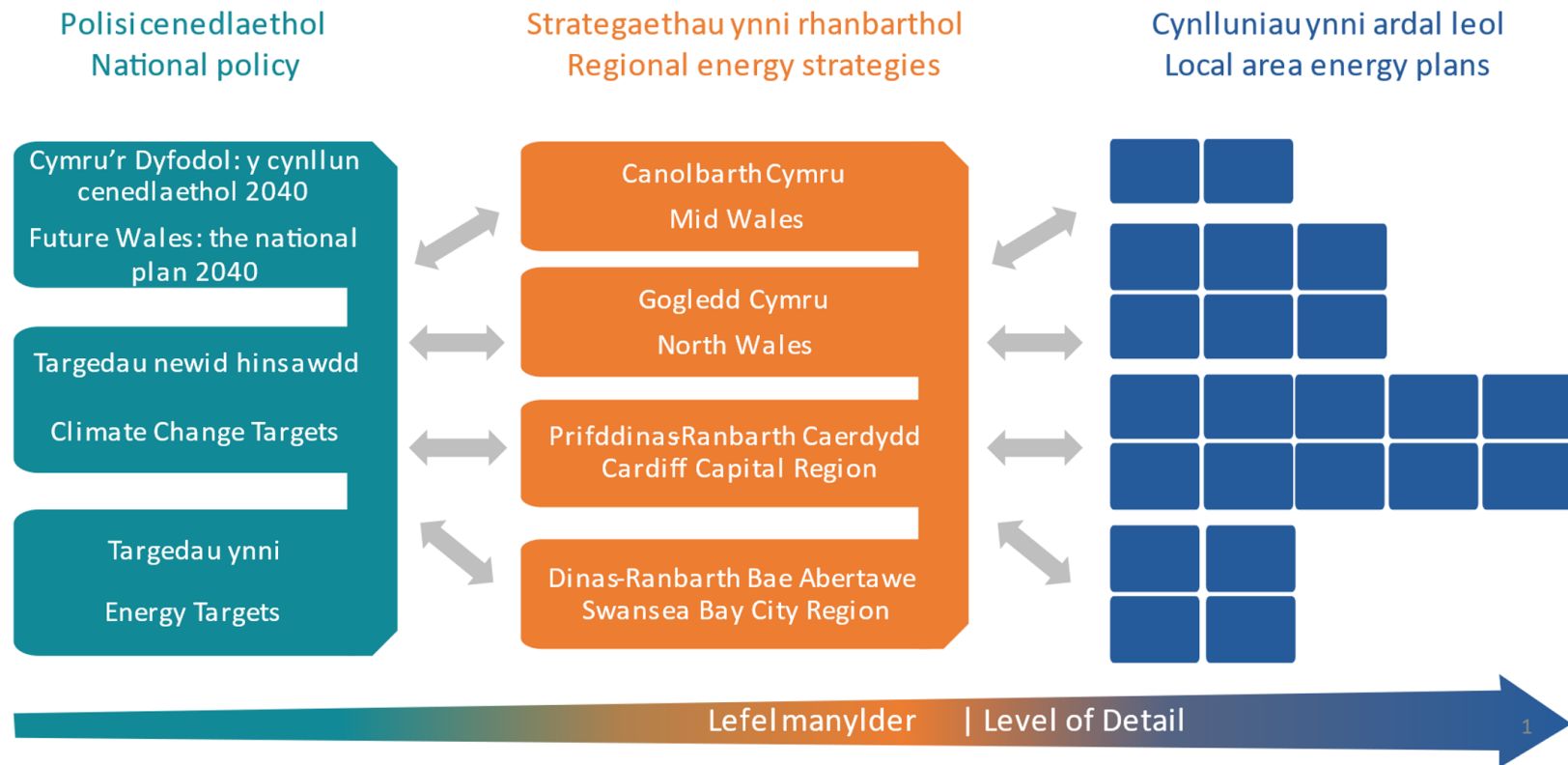


- 5.6** The actions will be reviewed by the champions, refined to a short list of actions by the advisory group then session attendees will have an opportunity to engage and endorse the short-listed actions.
- 5.7** A final action plan will be produced in Spring 2022 and will undergo formal sign off within the region by the advisory group and Local Authority Cabinets and Welsh Government
- 5.8** Throughout the development of the Mid Wales Energy Strategy and Action Plan there has been a conscious effort to ensure there is alignment with the key policy and strategy environment at a national, regional, and local level. Appendix 1 provides a high-level overview of how the regional energy strategies will compliment the national policy direction emerging from Welsh Government and more localised elements such as Local authority climate emergency strategies and action plans, Public Service board decarbonisation plans and emerging Local Area Energy Plans progressing this year in partnership with Welsh Government. The level of detail increases as you move from national to local level moving from strategic policy and strategy to a more place-based approach with a granular evidence base. In conjunction the collective pieces of work will form a blueprint to support the region and Welsh Government to progress towards an integrated low carbon energy system which moves us closer to net zero targets.

Appendix 1 – National to Local Energy System Planning

# Cynllunio argyfer system ynni carbon iselsy'n fwy integredig Planning for a more integrated low carbon energy system

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Appendix 2 – Mid Wales Energy Strategy Overview

# Strategaeth Ynni Canolbarth Cymru

## Ein gweledigaeth

*"I gyflawni system ynni ddi-garbon sy'n darparu manteision cymdeithasol ac economaidd, dileu tlodi tanwydd, cysylltu Canolbarth Cymru'n well â gweddill y DU a chyfrannu at ddatgareiddio ehangach yn y DU."*

## Ein blaenoriaethau

**Annog y broses o ddatgareiddio stoc tai ac adeiladau'r rhanbarth**

**Gweithio'n rhagweithiol i sicrhau bod gridiau trydan a nwy yn y rhanbarth yn addas ar gyfer dyfodol wedi'i ddatgareiddio 100%**

**Hybu y defnydd o ynni adnewyddadwy drwy ddulliau newydd o gynhyrchu a storio**

**Cyflymu'r newid i drafnidiaeth ddi-garbon wrth hefyd wella cysylltedd y rhanbarth**

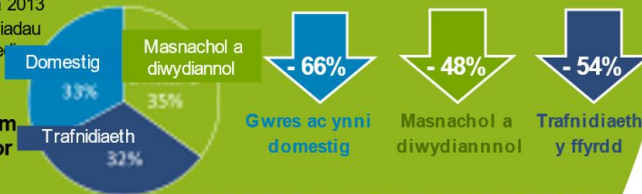
**Datblygu a manteisio ar botensial amaethyddiaeth i gyfrannu at ynni di-garbon**

**Manteisio ar arloesedd i gefnogi datgareiddio a thwf glân**

## Ein hasesiad ynni sylfaenol

- Rydym yn defnyddio **6%** o gyfanswm yr ynni a ddefnyddir yng Nghymru
- Rydym yn cynnal **25%** o allu gwynt ar y tir yng Nghymru
- Mae **2%** o'n cartrefi yn defnyddio boeler biomas neu bwmp gwres
- Mae gennym **412 MW** o ynni adnewyddadwy wedi'i osod yn y rhanbarth, ac mae **12%** ohono o dan berchnogaeth leol
- Gostyngodd cyfanswn yr ynni a ddefnyddir gennym **14%** rhwng 2005 a 2013
- Ers 1990 mae allyriadau nwyon tŷ gwyrwedd wedi gostwng **40%**

**Mae ein galw am ynni yn ôl sector wedi'i rannu:**



### Domestig

- 30,000 o gartrefi wedi'u hinswleiddio
- 26,000 o bympiau gwres wedi'u gosod
- Trydaneiddio systemau gwresogi mewn cartrefi oddi ar y grid
- Dim cysylltiadau nwy newydd o 2025

### Masnachol a diwydiannol

- Datgareiddio'r rhwydwaith trydan drwy ynni adnewyddadwy a chynhyrchu y tu ôl i'r mesurydd
- Newid i danwydd amgen a thrydaneiddio gwresogi
- Gostyngiad o **23%** yn y galw am ynni

### Trydan adnewyddadwy

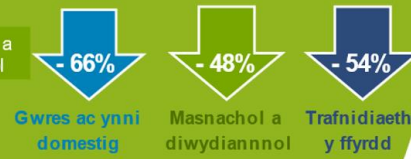
- Digon o hyblygrwydd, cyfleusterau storio ac uwchraddio seilwaith y rhwydwaith
- Rhanbarth yn cynhyrchu dwywaith yr ynni adnewyddadwy y mae'n ei ddefnyddio
- ~1GW** gwynt ar y tir a solar ffotofoltâig

### Trafnidiaeth ffyrdd

- 53% o gerbydau'n rhai trydan erbyn 2035
- 20% o ostyngiad mewn millitiroedd cerbydau preifat
- Trafnidiaeth gyhoeddus a theithio lleol wedi cynyddu

## Gwireddu ein gweledigaeth ynni

Er mwyn bod ar y trywydd cywir ar gyfer sero net erbyn 2050, mae angen i ni leihau allyriadau o'n system ynni gan **55% erbyn 2035**. Mae modelu ynni yn cyflawni'r gostyniadau hyn wedi'i rannu yn ôl y sector, felly:



Mae ein gweledigaeth ynni hefyd yn cefnogi uchelgeisiau Deddf Llesiant Cenedlaethau'r Dyfodol (Cymru) 2015.



## Amcangyfrif o effeithau economaidd cyflawni ein gweledigaeth ynni:



**Mae angen gwariant o £2.5 biliwn** i wireddu ein gwledigaeth ynni

Ni fydd trigolion rhanbarth Canolbarth Cymru yn cyflawni'r holl swyddi, bydd rhai swyddi yn cael eu cyflawni gan unigolion y tu allan i'r rhanbarth.

Bydd y swyddi ychwanegol sy'n gysylltiedig â'r weledigaeth hon yn gofyn am gryfhau a datblygu sgiliau newydd yn y rhanbarth.

\*maer holl ffigurau a ddangosir yn werthoedd bras



Appendix 2 – Mid Wales Energy Strategy Overview

# Mid Wales Energy Strategy

## Our vision

*“To achieve a zero carbon energy system that delivers social and economic benefits, eliminates fuel poverty, better connects Mid Wales to the rest of the UK, and contributes to wider UK decarbonisation.”*

## Our priorities

Drive forward the decarbonisation of the region's housing & building stock

Work proactively to ensure that electricity & gas grids in the region are suitable for a 100% decarbonised future

Boost the use of renewable energy through new generation and storage

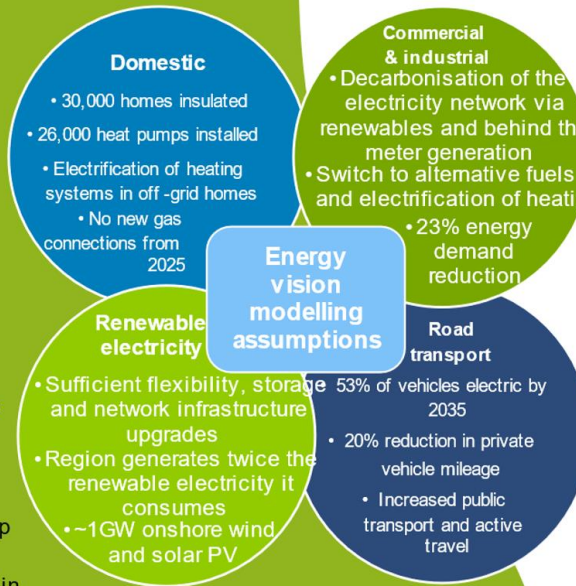
Accelerate the shift to zero carbon transport whilst also improving the region's connectivity

Develop & harness the potential of agriculture to contribute to zero carbon energy

Harness innovation to support decarbonisation and clean growth

## Our baseline energy assessment

- We consume **6%** of total energy consumed in Wales
- We host **25%** of Wales' onshore wind capacity
- 2%** of our homes use a biomass boiler or heat pump
- We have **412 MW** of renewable energy installed in the region, of which **12%** is locally owned
- Our total energy consumption fell by **14%** between 2005 and 2013
- Since 1990 greenhouse gas emissions from our energy system have fallen by **40%**
- Our sectoral energy demand split:



## Energy vision modelling assumptions

## Achieving our energy vision

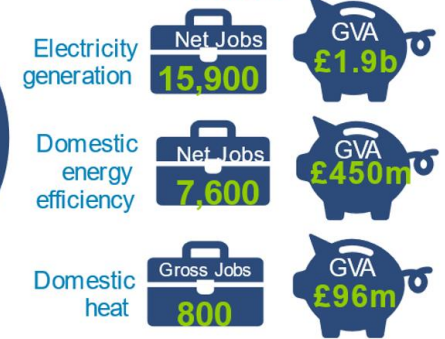
To be on track for net zero by 2050, we need to reduce emissions from our energy system by **55% by 2035**. Energy modelling achieves this reduction split by sector as follows:



Our energy vision is also supportive of the ambitions of the Wellbeing of Future Generations (Wales) Act 2015.



## Estimated economic impacts of achieving our energy vision:



**£2.5 billion spend required to achieve our energy vision**

Not all of the jobs will be held by Mid Wales Region residents; some jobs will be held by persons outside of the region

The additional jobs associated with this vision will require strengthening and building new skills within the region

\* all figures shown are approximate values

Appendix 2 – Mid Wales Energy Strategy Overview

# Strategaeth Ynni Canolbarth Cymru



# Mid Wales Energy Strategy

## Ein gweledigaeth

*"I gyflawni system ynni ddjarbon sy'n darparu manteision cymdeithasol ac economaidd, dileu tlodi tanwydd, cysylltu Canolbarth Cymru'n well â gweddill y DU a chyfrannu at ddatgarboneiddio ehangach yn y DU."*

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**Gweithio'n rhagweithiol i sicrhau bod gridiau trydan a nwy yn y rhanbarth yn addas ar gyfer dyfodol wedi'i ddatgarboneiddio 100%**

**Hybu y defnydd o ynni adnewyddadwy drwy ddulliau newydd o gynhyrchu a storio**

**Cyflymu'r newid i drafniadaeth ddi-garbon wrth hefyd wella cysylltedd y rhanbarth**

**Datblygu a manteisio ar potensial amaethyddiaeth i gyfrannu at ynni di-garbon**

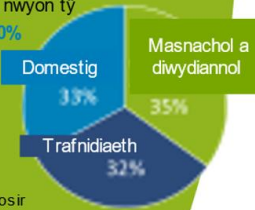
**Manteisio ar arloesedd i gefnogi datgarboneiddio a thwf glân**

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- Gostyngodd cyfanswm yr ynni a ddefnyddir gennym **14%** rhwng 2005 a 2013
- Ers 1990 mae allyriadau nwyon tŷ gwydr wedi gostwng **40%**

## Mae ein galw am ynni yn ôl sector wedi'i rannu:

\*mae'r holl figurau a ddangosir yn werthoedd bras



## Our priorities

**Drive forward the decarbonisation of the region's housing and building stock**

**Work proactively to ensure that electricity and gas grids in the region are suitable for a 100% decarbonised future**

**Boost the use of renewable energy through new generation and storage**

**Accelerate the shift to zero carbon transport whilst also improving the region's connectivity**

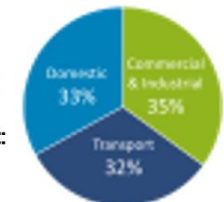
**Develop & harness the potential of agriculture to contribute to zero carbon energy**

**Harness innovation to support decarbonisation and clean growth**

## Our baseline energy assessment

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## Our sectoral energy demand split:




\* all figures shown are approximate values



Appendix 2 – Mid Wales Energy Strategy Overview

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## Strategaeth Ynni Canolbarth Cymru



**Rhagdybiaethau modelu gweledigaeth ynni**

**Domestig**

- 30,000 o gartrefi wedi'u hinswleiddio
- 26,000 o bympiau gwres wedi'u gosod
- Trydaneiddio systemau gwresogi mewn cartrefi oddi ar y grid
- Dim cysylltiadau nwy newydd o 2025

**Masnachol a diwydiannol**

- Datgarboneiddio'r rhwydwaith trydan drwy ynni adnewyddadwy a chynhyrchu y tu ôl i'r mesurydd
- Newid i danwydd amgen a thrydaneiddio gwresogi
- Gostyngiad o 23% yn y galw am ynni

**Trydan adnewyddadwy**


- Digon o hyblygrwydd, cyfleusterau storio ac uwchraddio seilwaith y rhwydwaith
- Rhanbarth yn cynhyrchu dwywaith yr ynni adnewyddadwy y mae'n ei ddefnyddio
- ~1GW gwynt ar y tir a solar ffotofoltäig

**Trafnidiaeth ffyrdd**

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- 20% o ostyngiad mewn millitiroedd cerbydau preifat
- Trafnidiaeth gyhoeddus a theithio llesol wedi cynyddu


**Gwreiddu ein gweledigaeth ynni**

Er mwyn bod ar y trywydd cywir ar gyfer sero net erbyn 2050, mae angen i ni leihau allyriadau o'n system ynni gan **55% erbyn 2035**. Mae modelu ynni yn cyflawni'r gostyngiadau hyn wedi'i rannu yn ôl y sector, felly:




**- 66%**

Gwres ac ynni domestig



**- 48%**

Masnachol a diwydiannol



**- 54%**

Trafnidiaeth y ffyrdd

Mae ein gweledigaeth ynni hefyd yn cefnogi uchelgeisiau Deddf Llesiant Cenedlaethau'r Dyfodol (Cymru) 2015.

## Mid Wales Energy Strategy

**Energy vision modelling assumptions**

**Domestic**

- 30,000 homes insulated
- 26,000 heat pumps installed
- Electrification of heating systems in off-grid homes
- No new gas connections from 2025

**Commercial & industrial**

- Decarbonisation of the electricity network via renewables and behind the meter generation
- Switch to alternative fuels and electrification of heating
- 23% energy demand reduction

**Renewable electricity**

- Sufficient flexibility, storage and network infrastructure upgrades
- Region generates twice the renewable electricity it consumes
- ~1GW onshore wind and solar PV

**Road transport**

- 53% of vehicles electric by 2035
- 20% reduction in private vehicle mileage
- Increased public transport and active travel

**Achieving our energy vision**

To be on track for net zero by 2050, we need to reduce emissions from our energy system by 55% by 2035. Energy modelling achieves this reduction split by sector as follows:



**- 66%**

Domestic heat & power



**- 48%**

Commercial & industrial



**- 54%**

Road transport

Our energy vision is also supportive of the ambitions of the Wellbeing of Future Generations (Wales) Act 2015.

Appendix 2 – Mid Wales Energy Strategy Overview

## Strategaeth Ynni Canolbarth Cymru



Amcangyfrif o effeithau economaidd cyflawni ein gwledigaeth ynni:



**Mae angen gwariant o £2.5 biliwn**  
i wireddu ein gwledigaeth ynni

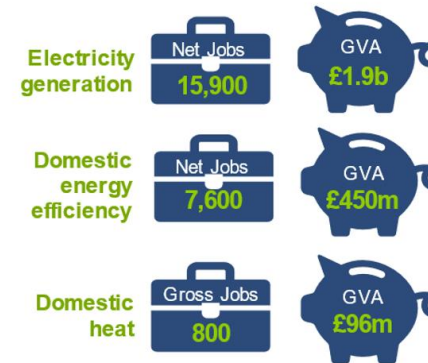
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Bydd y swyddi ychwanegol sy'n gysylltiedig â'r gwledigaeth hon yn gofyn am gryfhau a datblygu sgiliau newydd yn y rhanbarth.

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## Mid Wales Energy Strategy

Estimated economic impacts of achieving our energy vision:



**£2.5 billion spend required**  
to achieve our energy vision

Not all of the jobs will be held by Mid Wales Region residents; some jobs will be held by persons outside of the region.

The additional jobs associated with this vision will require strengthening and building new skills within the region.

\* all figures shown are approximate values

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# Mid Wales Energy Strategy

Summer 2020

Funded and supported by:



Llywodraeth Cymru  
Welsh Government

Supported by:



Cyngor Sir  
CEREDIGION  
County Council



Prepared by:



Gwasanaeth Ynni  
Energy Service

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# Executive summary

## Executive summary

This regional energy strategy for Mid Wales has been developed by the Growing Mid Wales Partnership, Powys County Council and Ceredigion County Council, with support from regional stakeholders and the Welsh Government Energy Service. The Energy Service coordinated the development and production of this strategy document, and completed the energy modelling and economic analysis.

**Our vision** for Mid Wales is:

**To achieve a net zero-carbon energy system that delivers social and economic benefits, eliminates fuel poverty, better connects Mid Wales to the rest of the UK, and contributes to wider UK decarbonisation.**

**Our priorities** for achieving this vision are to:

1. Drive forward the decarbonisation of the region's housing and building stock
2. Work proactively to ensure that electricity and gas grids in the region are suitable for a 100% decarbonised future
3. Boost the use of renewable energy through new generation and storage
4. Accelerate the shift to zero carbon transport and improve connectivity
5. Develop and harness the potential of agriculture to contribute to zero carbon goals
6. Harness innovation to support decarbonisation and clean growth



**The baseline energy assessment** sets out the current energy use and generation in the region:

- Mid Wales hosts 7% of Wales' population and consumes ~6% of Wales' energy consumption;
- Energy demand is split roughly equally between the commercial and industrial sector (35%), the domestic sector (33%) and the transport sector (32%);
- Mid Wales generates the equivalent of 97% of its electricity consumption from renewable energy sources;
- Mid Wales hosts ~25% of Wales' onshore wind capacity and has the highest deployment of renewable heat installations of all the Welsh regions, with nearly 2% of homes using a biomass boiler or heat pump;
- Of the 412MW of renewable energy installed capacity in the region, 51MW (12%) is locally owned;
- Since 2005, total energy consumption has fallen by ~14% and the associated greenhouse gas emissions have fallen by ~20%; since 1990, greenhouse gas emissions from the region's energy system have fallen by 40%.

**Note on scope:** this baseline assessment and strategy focusses on the energy system only, covering power, heat and transport. It does not include greenhouse gas emissions or sequestration from non-energy related activity such as land use.

**Achieving our energy vision for Mid Wales:** to meet Welsh Government targets, and to be on track for net zero by 2050, Mid Wales needs to reduce emissions from its energy system by 55% by 2035. Our energy modelling achieves this reduction, split by sector as follows:

- 66% reduction in domestic emissions;
- 48% reduction in commercial and industrial emissions;
- 54% reduction in road transport emissions.

Figure 1. Energy System Vision sectoral decarbonisation



**The energy vision scenario modelling** demonstrates a pathway to achieve these emissions reductions and assumes a significant shift away from business as usual. The actions to achieve the emissions reduction and the future vision have been modelled and include:

**Domestic:**

- 30,000 homes insulated;
- 26,000 heat pumps installed;
- Electrification of heating systems in off-grid homes which currently use oil, LPG and solid fuels;
- No new gas connections for homes from 2025.

**Commercial and industrial:**

- A significant energy efficiency programme to reduce energy demand by 23%;
- A switch to alternative fuels and electrification of heating;
- Behind the meter renewable generation.

**Road transport:**

- 53% of vehicles driven in Mid Wales in 2035 are electric, equivalent to 2,000 more electric vehicles per year by the mid-2020s, peaking at 10,000 per year in the 2030s;
- 20% reduction in private vehicle mileage in 2035;
- A slowing in the total number of vehicles on the road, facilitated by increased public transport and active travel.

## Electricity:

- Underpinning the changes in all of these sectors is the growing decarbonisation of electricity generation with emissions per consumed kWh falling to 30 gCO<sub>2</sub>/kWh by 2035 in line with the assumptions used by National Grid's 2019 Future Energy Scenarios.

These assumptions summarise the level of action required between 2020 and 2035 to be on track to achieve net zero by 2050. The energy modelling focuses on proven decarbonisation technologies and actions that could be implemented by 2035 in order to demonstrate a potential decarbonisation route. The scenario is not intended to be prescriptive. There are a number of potential pathways to achieve energy system transformation, including new opportunities from technology innovation that will certainly emerge as the transformation takes place. The rapid evolution of technologies and pathways means that there are some major uncertainties and varying opinions about the precise route forward. What is clear is that different pathways all must achieve significant decarbonisation; should less action be achieved in any of the areas summarized above, other sectors will need to compensate with higher action to achieve the same results.

The level of transformation described by the energy modelling actions is significant. More importantly, the modelling demonstrates the potential to be on a net zero pathway by using proven technologies and underscores the critical role of short- and medium-term action. Innovation will be essential to compliment this action and to develop technologies, skills, and practices that continue to achieve decarbonisation beyond 2035.

**The economic impacts** of achieving the energy vision have been assessed in terms of job creation, gross value added (GVA) and the investment (or spending) required for the energy transition, in comparison to business as usual. The economic analysis demonstrates that almost £1 billion of additional investment/spending is needed to achieve the energy efficiency, electricity generation, and heat aspirations described in the energy vision between now and 2035. This represents approximately £66 million per year and will need to be financed from a range of sources including the private sector, households, and national and local government. This investment is 60% more than is expected to be spent in the corresponding sectors under a business as usual scenario.

The energy vision scenario is estimated to result in approximately an additional 5,200 net direct jobs, with an associated increase in GVA of ~£429m, associated with the delivery of accelerated deployment of renewable electricity generation technologies and enhanced levels of energy efficiency. In addition, it is estimated that there will be over 530 more gross jobs associated with the provision of low-carbon heating technologies in the ESV scenario than the BAU scenario, associated with £72m of GVA.

When considering the job figures presented its important to reflect on where these jobs will be located. The methodology focuses on direct jobs, a greater proportion of which are considered likely to be located in the region than indirect or induced jobs<sup>1</sup>. However, we are unable to comment on the specific location of the jobs estimated; a portion of the jobs are likely to be located in Mid Wales and a portion may be held by persons residing outside of the region. The experience of Wales to date has been that many electricity generation jobs are held by those living outside of the region. This contrasts with energy efficiency jobs which are often held by local residents who provide services to the surrounding area. In order help Mid Wales benefit from jobs associated with future

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<sup>1</sup> Direct jobs are typically associated with the manufacture, construction, and installation of equipment. Indirect jobs arise in the supply chain of the energy technology. Induced jobs related to jobs generated as a result of spending incomes earned from direct employment.

local electricity generation it will be important to first understand the reasons for any lack in local jobs and then to develop a policy response. **Note:** please refer to the economic modelling chapter and technical annex for details on data sources, limitations and methodology.

Table 1. Estimated difference in jobs, GVA and investment between the energy vision scenario and business as usual, from 2020 to 2035

Energy vision scenario for:	Jobs**	GVA	Investment required
Electricity generation*	2,240 (net) <b>(+16%)</b>	£ 255m <b>(+15%)</b>	£ 205m <b>(+37%)</b>
Domestic heat	540 (gross) <b>(+243%)</b>	£72m <b>(+302%)</b>	£127m <b>(+213%)</b>
Domestic energy efficiency	3,000 (net) <b>(+63%)</b>	£174m <b>(+62%)</b>	£612m <b>(+64%)</b>
<b>Total additional investment required to achieve the energy vision scenario</b>			<b>£944m</b>

\*Electricity generation jobs figures were calculated using direct job intensity indicators. A reasonable proportion of direct jobs is likely to be held by residents local to an energy site. However, to date this has not always been the experience of Mid Wales. If business as usual policies continue, we expect that a potentially significant number of these jobs will be held by persons resident outside of the region.

\*\*Impact on jobs is presented as either net or gross jobs depending on the available data.

\*\*\*All figures are rounded. If figures do not sum it is due to rounding.

**Green recovery from the Covid-19 pandemic:** this strategy has been finalised in the midst of the COVID-19 pandemic. At the time of writing, the true economic and societal costs of the pandemic for Mid Wales are not fully clear.

As we move from the immediate emergency response to considering our options for economic recovery, this energy strategy has the potential to play a significant role in helping Mid Wales to recover and rebuild sustainably. It sets out a pathway for accelerating the shift to a decarbonised energy system in the region and demonstrates the potential for achieving far greater local economic benefits than could be achieved by returning to business as usual.

**Next steps:** There are three key next steps to help this strategy come to life and to create action: developing the governance structure, socialising the strategy throughout the region, and developing a delivery plan.

**Acknowledgement:** We would like to thank all of the stakeholders who made valuable contributions to this work through their participation in workshops, completing surveys, providing data, and additional communication on the phone and by e-mail.

## Acronyms and abbreviations

ASHP	Air Source Heat Pump
BAU	Business as Usual
BEIS	The Department for Business, Energy, and Industrial Strategy
bioSNG	Bio-synthetic natural gas
CCC	Committee on Climate Change
CHP	Combined Heat and Power
CO <sub>2</sub>	Carbon dioxide
CO <sub>2</sub> e	Carbon dioxide equivalent
CITB	Construction Industry Training Board
DNO	District Network Operator
DEFRA	Department for Environment, Food & Rural Affairs
DNS	Development of National Significance
ECO3	The Energy Company Obligation phase 3
EPC	Energy Performance Certificate
ESV	Energy System Vision
EV	Electric Vehicle
FES	Future Energy Scenarios
GSHP	Ground Source Heat Pump
GVA	Gross Value Added
GW	Gigawatt
GWh	Gigawatt hour
HGV	Heavy Goods Vehicle
HHP	Hybrid Heat Pump
kt	kiloton
kWh	Kilowatt hour
LPG	Liquid petroleum gas
MCS	Micro-generation Certification Scheme
MW	Megawatt
NAEI	National Atmospheric Emissions Inventory
NRW	Natural Resource Wales
PV	Photovoltaic
RHI	Renewable Heat Incentive
SME	Small and medium-sized enterprises
TWh	Terawatt hour
ULEV	Ultra-Low Emissions Vehicle
WGES	Welsh Government Energy Service
WHQS	Welsh Housing Quality Standard
WPD	Western Power Distribution
ZILF	Zero Interest Loan Finance



# Introduction

## Introduction

The Growing Mid Wales Partnership alongside Powys and Ceredigion County Councils, with support from the Welsh Government Energy Service, have undertaken a year-long project to develop a regional energy strategy for Mid Wales.

The energy transition and decarbonisation are priorities for the region; both Ceredigion and Powys County Councils have declared a climate emergency alongside a number of town councils including Aberystwyth, Machynlleth, Llanidloes, Newtown and Llanllwchaiarn, and Welshpool. The Welsh Government has also declared a climate emergency and set a target to reduce greenhouse gas emissions by 95% by 2050. Achieving this target will require substantial transformation of our energy system and will mean an evolution of the daily technologies that provide our heating, transportation, and power. Transitioning to a modern, place-based decarbonised energy system that is fit for the twenty-first century poses significant challenges, but it also has the potential to bring great benefit, both for the environment and for economic and social wellbeing of our communities.

This work seeks to provide a strategic direction for the future of a decarbonised energy system including heat, power and transport within Mid Wales. It will define steps to begin to overcome the challenges we face. Furthermore, while the energy transition has the potential to bring benefits to our communities, maximising this benefit requires a clear focus and action in order to ensure benefits are secured and retained within the region.

The work has been developed in support of tremendous efforts that are underway to develop a growth deal for the region. To be sustainable, economic growth in Mid Wales must be low carbon. This strategy provides a considered approach and an evidence base for the region to move forward collaboratively towards a future decarbonised energy system. In doing so, it seeks to help Mid Wales address the climate emergency. This strategy is presented in five chapters.

**Chapter 1: Vision** - The energy system vision that is presented in this strategy was developed with stakeholder contributions through the project's first workshop, survey feedback, and targeted stakeholder conversations. The vision describes the region's aspiration for what a future energy system will achieve and how it will function. Five core values have been defined that should be at the heart of future energy projects and decisions.

**Chapter 2: Priorities** - A literature review was undertaken combining key policy and evidence documents with expert interviews and workshop consultation to build a more comprehensive picture of the challenges and opportunities in Mid Wales. This includes available levers, barriers to development and key technologies. This research, and in particular the thoughts and ideas shared by stakeholders, informed the development of strategic priority areas. These priorities are central to achieving the region's decarbonisation goals and are important to its stakeholders.

**Chapter 3: Energy system, energy use & emissions** - A baseline study provides a portrait of the Mid Wales energy economy and landscape today. This chapter also summarises energy modelling that evaluates potential options for a pathway to a net zero energy system in the region.

**Chapter 4: The future of energy and the economy** - The fourth chapter considers the energy system pathways modelled and the economic impact of those pathways in terms of jobs, gross value added (GVA), and the investment required to make those pathways a reality.

**Chapter 5: Next Steps** – Outlining the three key next steps that we will take to translate the Mid Wales energy system vision into reality.

We would like to thank all of the stakeholders who made valuable contributions to this work through their participation in workshops, completing surveys, providing data, and additional communication on the phone and by e-mail.

## Impact of the Covid-19 pandemic

This strategy has been finalised in the midst of the COVID-19 pandemic, which is having a profound effect on the lives of millions of people around the world, bringing unprecedented challenges for our economy, our society and our communities. At the time of writing, the true economic and societal costs of the pandemic for Wales and the Mid Wales region are not fully clear, but the severity of the impacts on the global economy are forecast by many commentators to exceed that of the 2008 financial crisis.

The pandemic is also taking place against the backdrop of the ongoing climate emergency. And whilst the economic damage caused will undoubtedly result in a short-term reduction in greenhouse gas emissions, it is possible that emissions could rebound if climate positive solutions are not included as central elements in our economic stimulus packages.

As we move from the immediate emergency response to save lives, support the health sector, retain jobs and support our society and economy, we must recognise that our approach to the economic recovery that will follow provides us with a unique opportunity to sustainably rebuild our economy and make greener investments and climate positive decisions that set us on a pathway that aligns with the Welsh, UK and international climate targets.

In this context, it is essential to acknowledge that our economic recovery and growth plans need to be decoupled from greenhouse gas emissions. We need to recognise the significant economic potential that a green recovery can have to rebuilding a sustainable economy in Mid Wales.

The Committee for Climate Change (CCC)<sup>2</sup> has identified 6 key principles for a resilient recovery from the pandemic, and we must ensure that our strategy is underpinned by these cross-cutting principles to help put Mid Wales in a position to capitalise on opportunities that may arise from the recovery:

1. Use climate investments to support economic recovery and jobs
2. Lead a shift towards positive, long-term behaviors
3. Tackle the wider 'resilience deficit' on climate change
4. Embed fairness as a core principle
5. Ensure the recovery does not lock-in greenhouse gas emissions or increased risk
6. Strengthen incentives to reduce emissions when considering tax changes.

We must also learn from the pandemic, taking the lessons from our response and apply them to the climate emergency. This may include for example:

- the need for openness and transparency;
- the importance of good data;
- the speed with which people can change behaviours and industry re-purpose;
- the need to support individuals and businesses through economic transition; and
- the importance of global collaboration.

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<sup>2</sup> [Climate Change Committee: Take urgent action on six key principles for a resilient recovery](#)

Other lessons will undoubtedly emerge. But perhaps the biggest lesson from the COVID-19 pandemic is about the need for anticipation and preparedness in dealing with major societal issues, and the population's capacity and willingness to accept significant lifestyle changes if it is deemed necessary for the good of society. It teaches us anything it is that we cannot afford to ignore science or expert judgement about the risks faced by our societies or wait for problems to arrive before taking action. Learning lessons from the response to a global health emergency, and applying this to that of the global climate emergency could pave the way for the accelerated and sustained change that is so critical in solving the problem of climate change.

As the COVID-19 crisis is still ongoing at the time of writing, it is still somewhat unclear when and how Wales will emerge fully from the current lockdown, and the process and timeframe through which the lockdown and social distancing will be eased; or, indeed, whether we will encounter a subsequent lockdown in the future, whether at national or local levels. We must therefore acknowledge the significant uncertainties that exist around how the Mid Wales economy will emerge from the crisis as well as the uncertainties associated with the shape of the future economic growth and decarbonisation trajectories modelled in this strategy. As such, the economic and climate modelling that underpins this strategy will need to be kept under review and updated when, and how, our emergence from the COVID-19 crisis becomes clearer. Certain elements of the strategy, such as our understanding of what it means to make 'futureproof decisions', may also need to be revisited.

In addition, Mid Wales may be able to capitalise on the opportunity to sustain behaviours observed throughout the pandemic that have had a positive effect on reducing emissions, such as the increase in active travel, reduction in travel by private car, increased working from home practices and willingness to invest in domestic property improvements. Directing resources towards infrastructure that will support the embedding of such behaviours into business as usual for communities and businesses has the potential to drive lasting emissions reduction as we recover from the COVID-19 crisis.

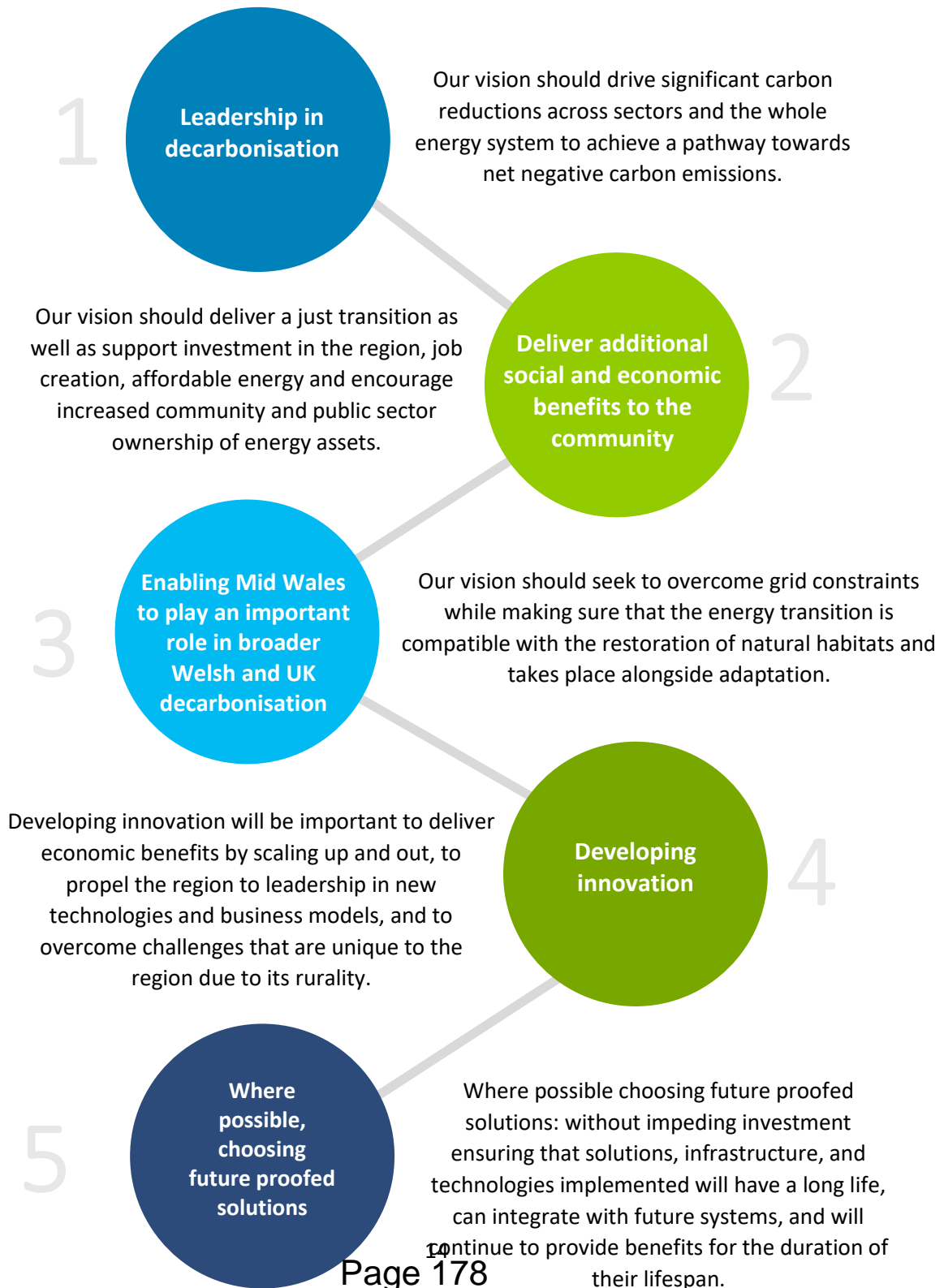
However, the fundamental principles of this strategy remain firmly relevant. With its focus on cleaner, fairer economic growth, this energy strategy has the potential to play a significant role in helping Mid Wales to recover and rebuild sustainably. It sets out a pathway for accelerating the shift to a decarbonised energy system in the region and demonstrates the potential for achieving far greater local economic benefits than could be achieved by returning to business as usual.

# Our energy vision

## Our energy vision:

**To achieve a net zero carbon energy system that delivers social and economic benefits, eliminates fuel poverty, better connects Mid Wales to the rest of the UK, and contributes to wider UK decarbonisation.**

Our vision is guided by five core principles:



# Our priorities

## Our priorities

To achieve our vision we have defined the following six priority areas:



**Drive forward the decarbonisation of the region's housing and building stock**

**Work proactively to ensure that electricity and gas grids in the region are suitable for a 100% decarbonised future**



**Boost the use of renewable energy through new generation and storage**

**Accelerate the shift to zero carbon transport and improve connectivity**



**Develop and harness the potential of agriculture to contribute to zero carbon goals**

**Harness innovation to support decarbonisation and clean growth**





## Understanding our priorities



### Drive forward the decarbonisation of the region's housing and building stock

- Prioritise increasing **energy efficiency of the current housing stock** to enable a significant reduction in domestic energy demand.
- **Combat fuel poverty** by driving forward energy efficiency, targeting low EPC rated homes, and reducing energy costs through appropriate heat technology choices.
- Decrease the number of properties using fossil fuels to heat their homes through the acceleration of **heat pump deployment**.
- **Support small businesses** to implement energy efficiency and to explore new tariffs that could drive savings.
- **Encourage commercial and industrial** businesses in the region to implement energy efficiency and onsite renewable energy generation to benefit from energy savings.
- Increase **acceptance of energy efficiency upgrades** in the older housing stock through encouraging solutions that are appropriate for the local architecture and by increasing the visibility of energy savings, health benefits, and house value.
- Work with local educational institutions to design training programmes that **upskill local trades people** in the building industry.
- Use building regulations to drive **energy efficiency and low carbon heat in new homes** and remove barriers to energy efficiency in existing homes.



### Work proactively to ensure that electricity and gas grids in the region are suitable for a 100% decarbonised future

- Facilitate collaboration between the planning authorities, Natural Resources Wales, developers, community energy groups, and the Distribution Network Operators in order to improve the current processes and to **overcome current and future grid capacity constraints** that will limit the uptake of low carbon heat, EV charging, and renewables.
- **Explore the use of smart solutions** to solve grid capacity issues.
- Additionally, review planning processes to ensure that communication and timing does not hinder development.



## Boost the use of renewable energy through new generation and storage

- Explore the use of **energy storage** to maximise the use of existing and new renewable energy generation.
- Explore significant scale **public and community ownership** of renewable projects.
- Facilitate the use of **small-scale generating technologies** in addition to large-scale renewables.
- Facilitate use of **roof mounted solar** on homes and businesses.
- **Optimise existing onshore wind** sites through repowering and on-site storage.
- Accelerate visually sympathetic **onshore wind deployment** and define how this can lead to local economic and social benefits and contribute to a vibrant low carbon economy.
- Drive **increased public understanding** of low carbon technologies and their potential community benefits and combat misconceptions surrounding these technologies.



## Accelerate the shift to zero carbon transport whilst also improving the region's connectivity

- Make **public transportation infrastructure** more connected and focus on strategic transport routes, making use of market towns as transport hubs that facilitate mixed modes of transport.
- Prioritise supporting the transition of private cars to low carbon forms of transport given the region's dependence on the private car. As a first step, the region should implement an effective **electric vehicle charging network**. In the longer term, prepare infrastructure for hydrogen fuelling for HGV vehicles.
- Collaborate with the Distribution Network Operators to ensure that appropriate, **future proof solutions** for EV charging are put in place and that network infrastructure is capable of dealing with a high roll-out of EVs.
- Improve **digital connectivity** to reduce the need for travel by facilitating alternatives such as remote working.
- Deploy more infrastructure to encourage **active travel**, including cycle spaces on trains, cycle lanes and urban cycle routes that are linked with transport hubs.
- Generate **behavioural change** to reduce private car use through carpooling and use of shared vehicles.



## Develop and harness the potential of agriculture to contribute to zero carbon energy

- Ensure that the **farming community is properly engaged** with respect to the low carbon transition.
- Explore **on-farm generation and battery storage** as a means of utilising more of the region's own renewable energy.
- Facilitate the sustainable use of **anaerobic digestion** and build the relevant supply chains to supply the region with power from generated low carbon gas.



## Harness innovation to support decarbonisation and clean growth

- **Collaborate with other regions** in Wales to maximise efforts and create synergies through sharing lessons learned and best practices.
- Engage with key industry stakeholders to understand the skills gap and support **training and skills development** to attract young graduates and fuel innovation. Increase apprenticeships and ensure that job opportunities in the industry exist for young people in the region.
- Encourage public bodies in Mid Wales to support the development of **circular economy businesses** within the region.
- Develop of an **understanding of the role hydrogen has to play** in decarbonising industry and transport in the region.
- Explore methods for **reducing tourism-related emissions**.
- Support organisations in the region to embrace **innovative financial models** for the deployment of low carbon technologies and business models.
- Support the **commercialisation of low carbon innovation** in order to create jobs and support the local economy.
- Support the use of **demand side response** and the **development of local energy markets**.

# Our energy system, energy use and emissions

## Modelling an 'Energy Vision' scenario

### Aims of undertaking scenario modelling

Scenario modelling has been undertaken to create two scenarios for future energy systems in Mid Wales. The first scenario is a business as usual (BAU) scenario. The second scenario is a 2035 Mid Wales energy vision scenario (ESV) that could deliver against the level of ambition set out in the Energy Vision statement. This chapter shares business as usual insights, but mainly focuses on presenting the actions in the energy system vision scenario. The modelling outcomes are unique to the region, taking advantage of local resources and opportunities.

The overall aim of the energy vision scenario is to set out a potential decarbonisation route that will put the region on a path consistent with achieving a net zero energy system by 2050. The scenario is not intended to be prescriptive. There are a number of potential pathways to achieve energy system transformation, including new opportunities from technology innovation and changes to energy demand that will certainly emerge as the transformation takes place.

The modelling presents a potential development scenario that is intended to:

- highlight the scale of the challenge
- identify existing opportunities and barriers
- point to new opportunities and key decisions
- provoke discussion and inspire action planning.

The scenario focuses on known decarbonisation solutions that could be implemented by 2035, which would put Mid Wales on a pathway consistent with achieving net zero emissions by 2050. The focus on known and proven technologies demonstrates that this pathway can be achieved and also removes uncertainty associated with more nascent technologies. Despite the focus on proven technologies innovation will undoubtedly play an important role in the energy transition and should be pursued. The modelling takes a multi-vector approach, considering the interactions between heat, transport and electricity demand. For example, the impact of decarbonising heat through electrification is reflected in increased annual electricity demand.

### Why does the scenario look to achieve zero emissions from energy in 2050 and not 95% decarbonisation?

*Box 1. Why does the scenario look to achieve zero emissions from energy in 2050 and not 95% decarbonisation?*

The Committee on Climate Change (CCC) has recommended that Wales adopts an overall decarbonisation target reduction of 95% against a 1990 baseline by 2050. This target, which is lower than the equivalent UK 2050 net zero decarbonisation target, recognises that Wales faces several additional challenges including higher greenhouse gas emission from its agriculture and parts of its heavy industry.

However, the Welsh Government has expressed an ambition to exceed this target and aim for 100% decarbonisation. Non-energy industrial, agriculture, waste, and land use change emissions are out of scope of this energy system study. Both a Welsh 95% and a 100% emissions reduction target require the energy system to maximise its decarbonisation, reserving any residual emissions for more difficult to decarbonise sectors such as agriculture and heavy industry. It is worth noting that during the course of our engagement, stakeholders in the region have expressed very strong support for ambitious decarbonisation.

## Methodology in brief

The modelling sets an indicative decarbonisation trajectory to 2035 that is consistent with achieving net zero emissions by 2050. The trajectory has been created using a methodology that reflects the high-level methodology used by the Committee on Climate Change in its 2019 Progress Report<sup>3</sup>. This absolute contraction methodology assumes a constant rate of decarbonisation is achieved between now and achieving net zero by 2050. This is used as a preliminary benchmark pending next year's more detailed assessment by the CCC which will set out more detailed carbon budgets consistent with the new net zero target.

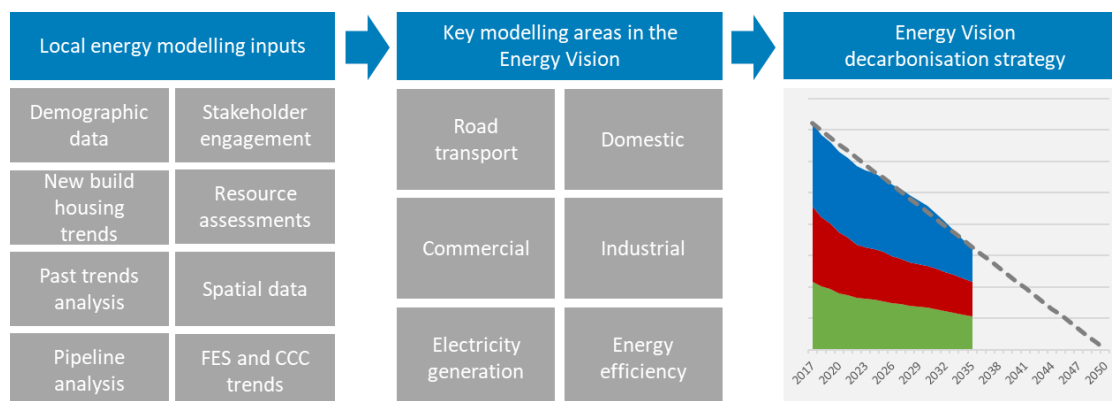
The baseline has been established by gathering and analysing national and local datasets of energy consumption, energy efficiency and generation. The model has been created through a bottom-up analysis of the potential level of uptake of measures/technologies that is possible by 2035.

Assumptions have been drawn from a range of sources including:

- The Committee on Climate Change reports<sup>4, 5</sup>;
- National Grid's Future Energy Scenarios<sup>6</sup>;
- The project team's past work on future energy scenarios for Wales & West Utilities and for Western Power Distribution (WPD)<sup>7</sup>; and
- Discussion with local, regional and national stakeholders;

## The methodology results in a bottom-up, stakeholder-informed Energy Vision for each unique Welsh region

Figure 2. Modelling methodology



## Worked example: The modelling approach for domestic heat

<sup>3</sup> [Committee on Climate Change \(2019\) 2019 Progress Report to Parliament](#)

<sup>4</sup> [Committee on Climate Change \(2019\) 2019 Progress Report to Parliament](#)

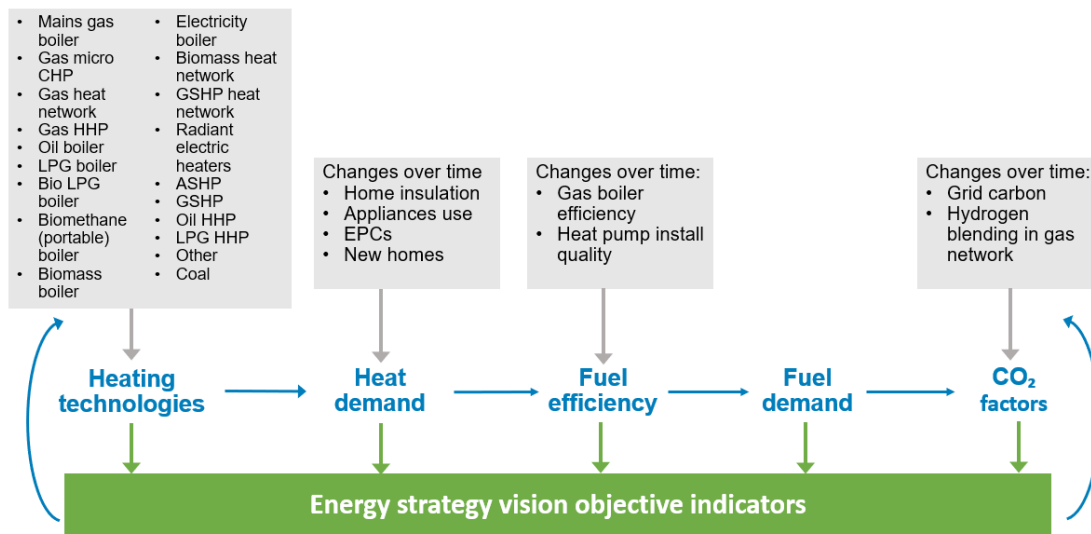
<sup>5</sup> [Committee on Climate Change \(2018\) Hydrogen in a low-carbon economy](#)

<sup>6</sup> [National Grid \(2019\) Future Energy Scenarios](#)

<sup>7</sup> [Regen: Local future energy scenarios](#)

[Regen: Wales and West Utilities - Regional growth scenarios for gas](#)

Figure 3. Modelling approach worked example



### A note on scope

Box 2. A note on the scope of emissions assessed

The strategy is focused on emissions associated with the energy system in Mid Wales. As a result, the scope of the modelling is limited to the energy system, which includes transport, power, and heat use. Emissions or sequestration from non-energy activity such as agriculture and land use are not considered in the model. Data limitations and issues around whether emissions are considered locally or nationally mean that some other emissions that are within the energy system are also not considered by the model. These include aviation, shipping, and some very large industrial energy users.

### A note on energy modelling and Covid-19

Box 3. A note on energy modelling and Covid-19

The energy modelling was undertaken pre-Covid-19. In terms of energy modelling, this means that the results presented here do not take into account energy consumption changes associated with Covid-19 impacts such as a switch to working from home. We are only beginning to understand the behavioural and economic impacts from Covid-19 and their knock-off effects on energy usage, as well as the extent to which any changes will persist into the future. As such, the energy modelling that underpins this strategy will need to be kept under review and updated when, and how, our emergence from the COVID-19 crisis becomes clearer.

## Baseline and modelling results

### Our energy consumption

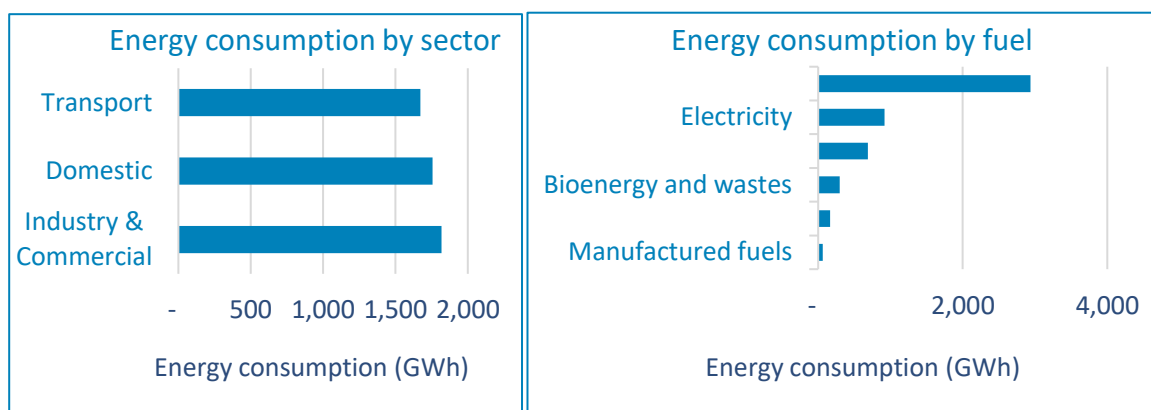
#### Baseline: energy consumption by sector

Mid Wales currently consumes around 6% of all energy consumed in Wales<sup>8</sup>, which is slightly lower than its 7% share of the Welsh population<sup>9</sup>.

The region's total energy demand is split broadly into three main areas, weighted towards commercial and industrial use, with:

- Transportation consuming 32%
- The domestic sector – household heat and power use - consuming 33%
- The commercial and industrial sector consuming 35%

Figure 4: Energy consumption trends in Mid Wales. Source: BEIS Sub national total final energy consumption, 2017.



Box 4. Definition and scope of transport, domestic, and commercial and industrial sectors

**Transport** –energy consumption and resulting emissions associated with road transport, including HGVs, vans, cars and buses.

**Domestic** –energy consumption and resulting emissions associated with all heating, lighting, cooking and appliance use in the home

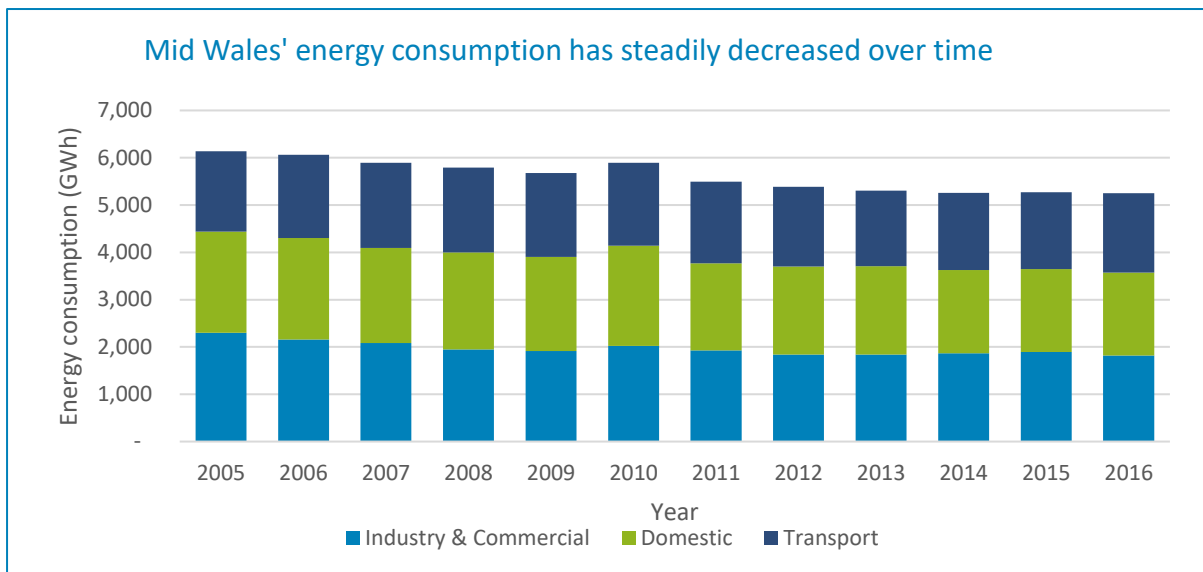
**Commercial and Industrial** – energy consumption and resulting emissions associated with all non-domestic activity, including business, the public and third sectors and industrial processes (some very large industrial users are excluded from the data due to issues around commercial sensitivity).

<sup>8</sup> BEIS: Regional and local authority electricity consumption statistics, 2019

<sup>9</sup> StatsWales: Population estimates by local authority and year



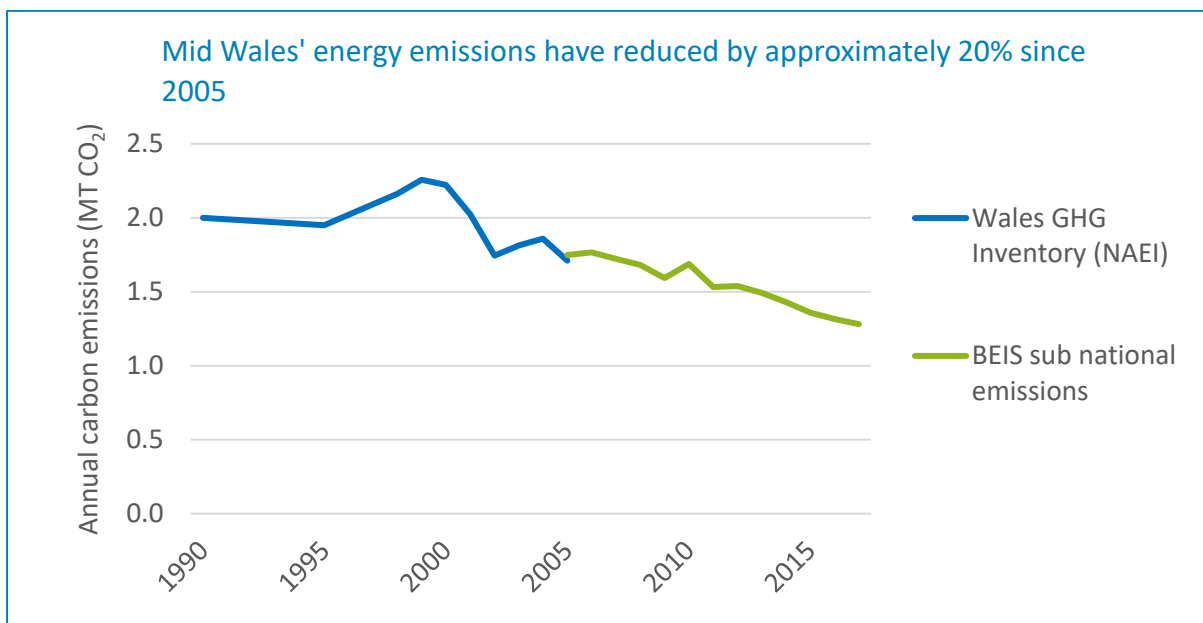
Figure 5. Energy consumption by sector in the Mid Wales Region. Source: BEIS total final energy consumption (2019)



Analysis of BEIS sub-regional data<sup>10</sup> shows that total energy consumption has fallen by 14% since 2005, an average rate of about 1% per year. This is less than the 20% reduction in energy demand experienced across Great Britain over the same period.

The emissions resulting from energy consumption have reduced by around 20% since 2005, and nearly 40% since 1990, with a larger proportional decrease in emissions than consumption, largely attributable to decarbonisation of the electricity grid.

Figure 6: Estimated historic emissions in Mid Wales. Source: BEIS sub-national emissions, Wales NAEI Greenhouse gas inventory



<sup>10</sup> BEIS: Regional and local authority energy consumption statistics, 2019

### Energy system vision: energy consumption by sector

To be on track for net zero by 2050, Mid Wales needs to achieve a 55% decarbonisation of its energy system by 2035. By reviewing the measures that could be implemented in Mid Wales by 2035, this 55% target decarbonisation can be split by sector into:

- 66% domestic emissions reduction;
- 48% commercial and industrial emissions reduction;
- 54% transport emissions reduction.

Figure 7. Mid Wales' Energy Vision decarbonisation trajectory by sector to meet net zero 2050 under an absolute contraction methodology Source: WGES analysis

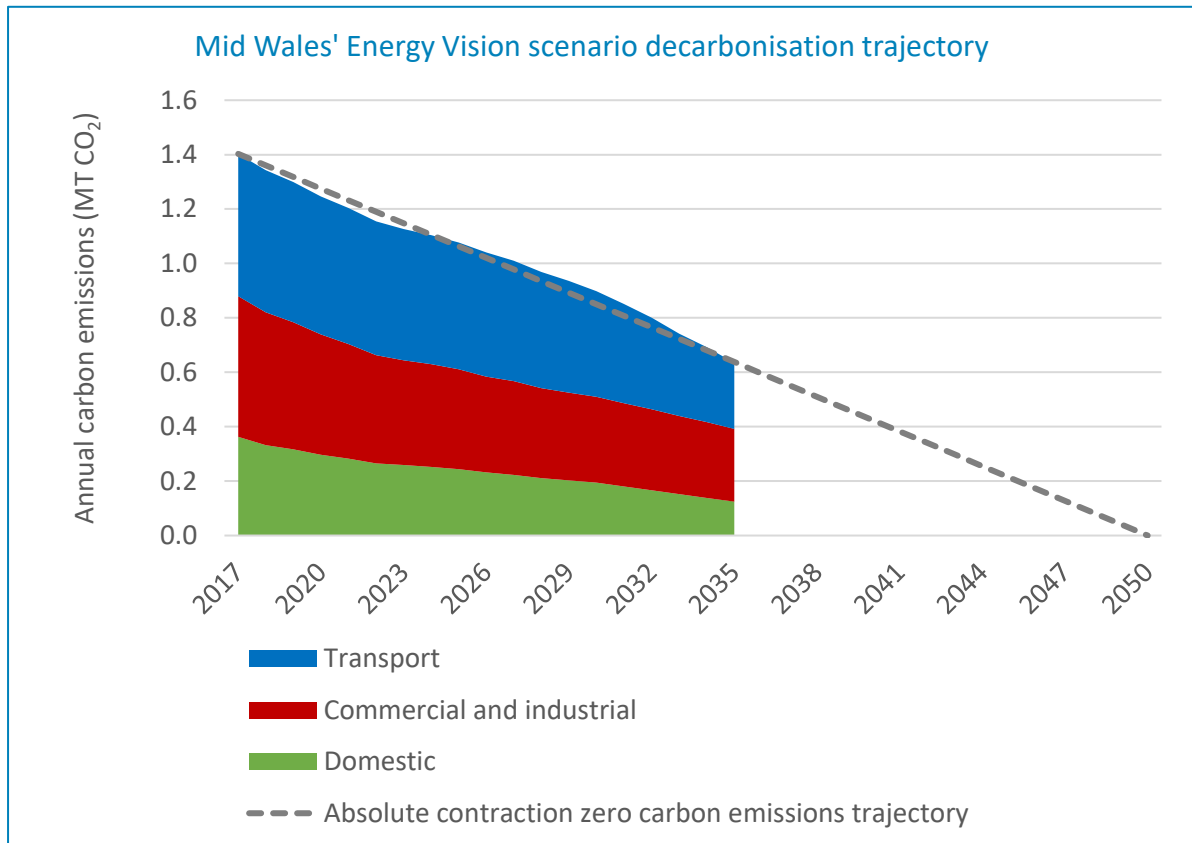


Figure 8. Sectoral summary of the Energy Vision's emission reductions

Source: WGES analysis

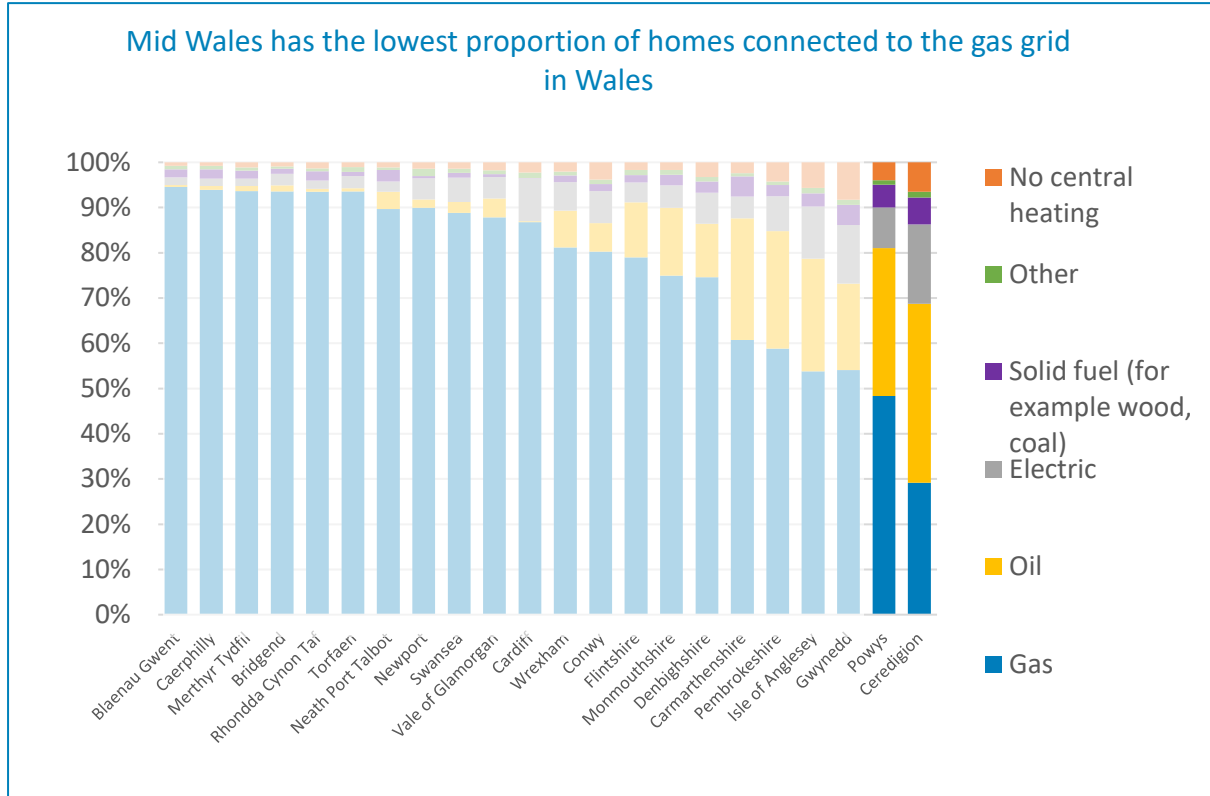


## Our domestic energy consumption

### Baseline: Domestic

As a largely rural region, energy demand is dispersed and the gas network does not reach many areas of Mid Wales. The region has the highest proportion of off gas grid properties in Wales with 52% of properties in Powys off gas grid and 72% in Ceredigion.

Figure 9: Percentage of homes heated by different heating fuels in each Welsh local authority. Source: Census, 2011. MHCLG, Energy Performance Certificates.



Mid Wales has the highest deployment of renewable heat installations in Wales, with nearly 2% of homes having a heat pump or biomass boiler.

Figure 10: Renewable heat projects by region in Wales. Source: Energy Generation in Wales, 2017

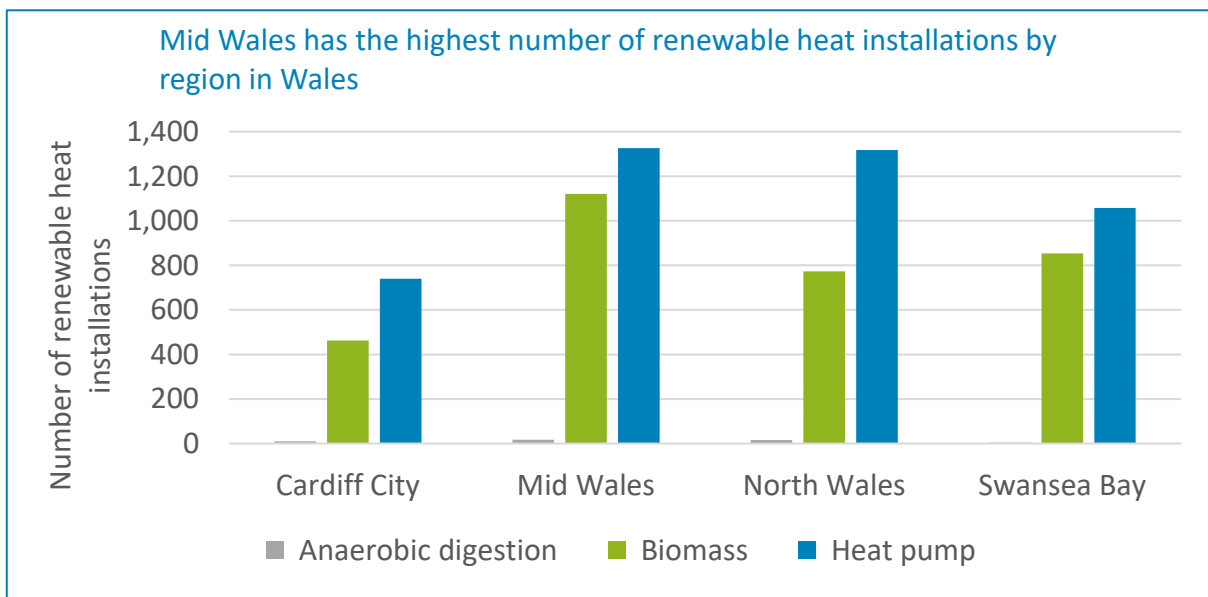
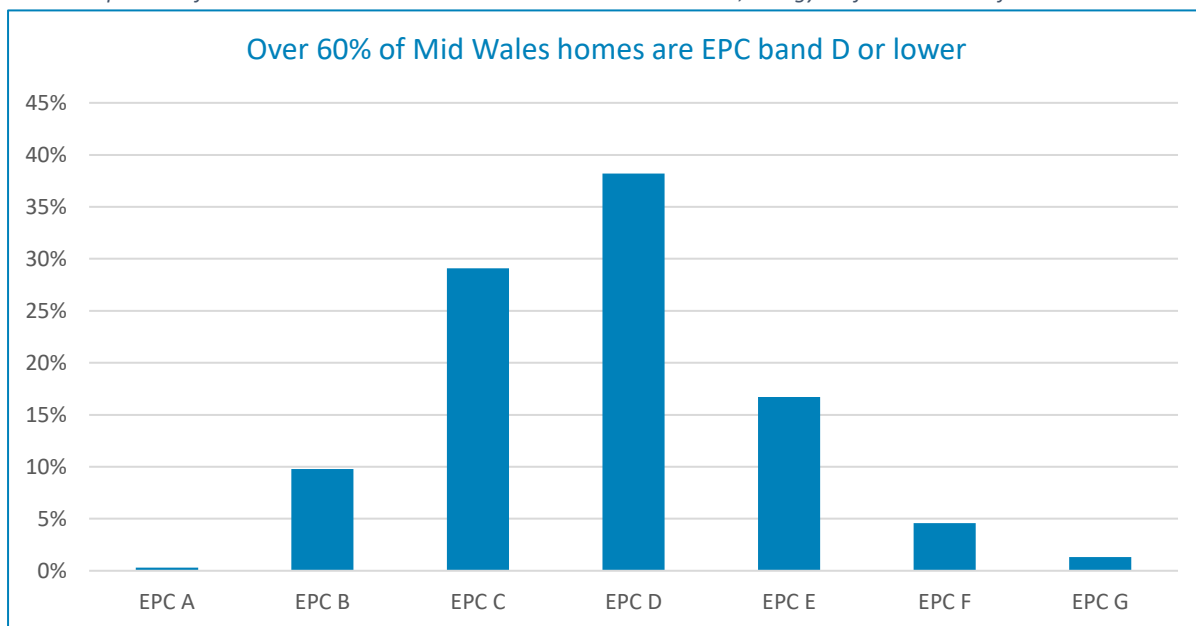


Figure 11: Proportion of homes in Mid Wales in each EPC band. Source: MHCLG, Energy Performance Certificates



Fuel poverty is relatively high in the region: approximately 17% of homes in Ceredigion and 14% of homes in Powys experience fuel poverty.

Domestic energy efficiency is relatively poor in Mid Wales, with an estimated 41 percent of homes rated as EPC band E, F or G, compared to 23% in Great Britain<sup>11</sup>. Rural homes tend to be older and harder to heat and are often more challenging to retrofit.

Despite this, domestic energy demand has fallen by 30% since 2005. Much of this decrease is due to boiler and appliance efficiency and use of condensing gas boilers.

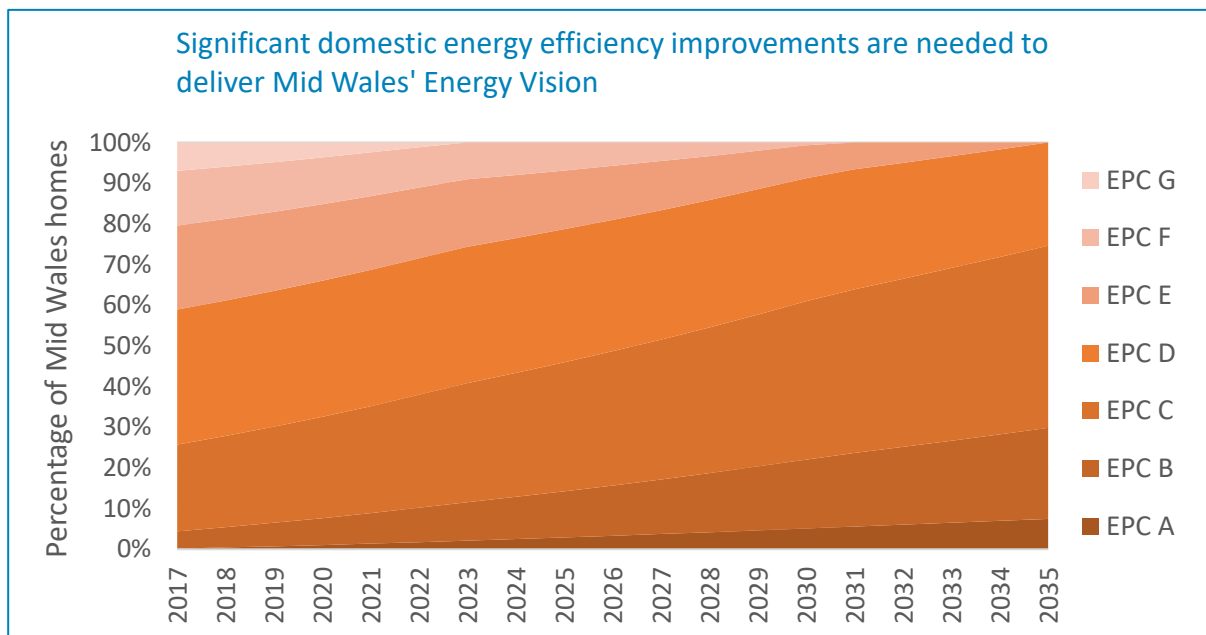
<sup>11</sup> Not all homes have a current EPC as these are only required when houses are advertised for sale or rent. As a result, the EPC figures are estimates based on extrapolating the known data.

## Energy Vision scenario: Domestic

Achieving a 66% reduction in domestic carbon emissions by 2035 requires a significant shift in the way homes are heated and their level of energy efficiency.

The energy modelling scenario achieves improved energy efficiency by installing a variety of energy efficiency measures. In terms of EPC ratings and focusing on improving the worst performing homes, these energy efficiency measures could eliminate all E, F and G rated homes by 2035, as well as some improvements to homes with higher ratings. Under the Energy Vision scenario, 41% of all homes move from G, F and E to D, C and B ratings.

Figure 12: Estimated domestic EPC band changes to deliver the Energy Vision scenario. Source: WGES analysis



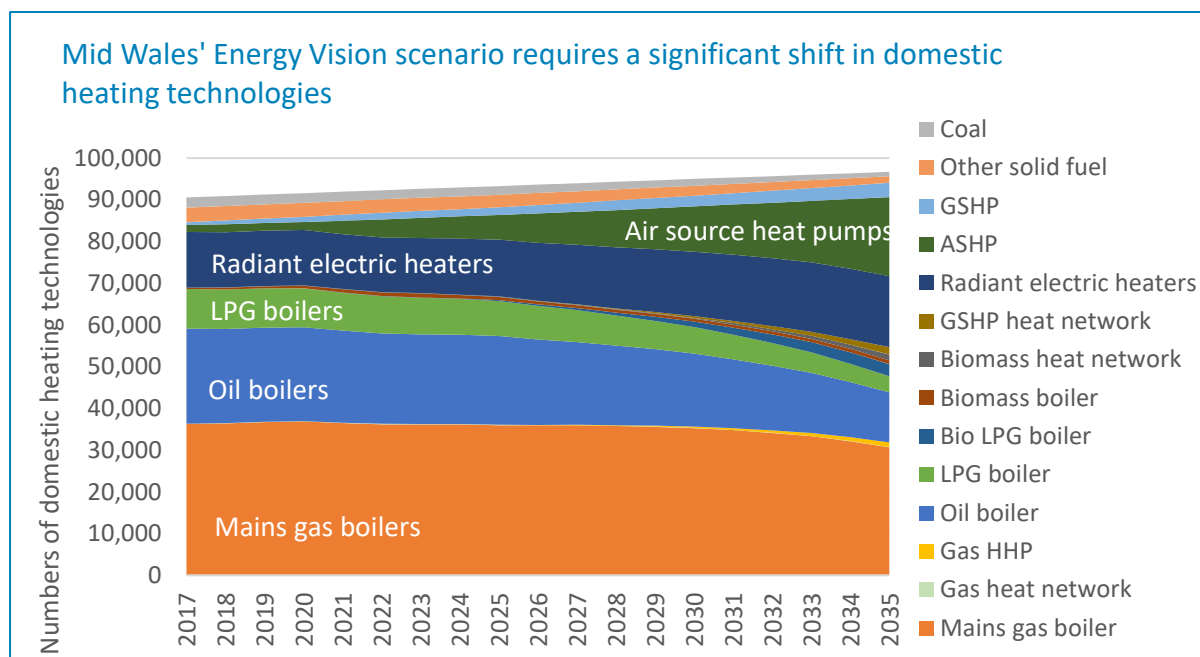
In terms of heating, the energy system vision scenario requires around 28,000 homes to move from oil or other fossil fuels to renewable heating. The scenario assumes this transition will be dominated by a shift to air source heat pumps, with a smaller role for ground source heat pumps, biomass and bio-LPG fuelled heating options as can be seen in Figure 13 below. By 2035, the scenario assumes over 26,000 heat pumps have been installed in Mid Wales. Heat networks have a limited role in Mid Wales due to the rurality of the area, with around 775 homes estimated to connect to a heat network by 2035.

The recent consultation from Welsh Government on Building Regulations Part L is looking to lay down the standards for housing construction for 2020 to 2025 and give industry notice by exploring the expected standards that will be in place from 2025. The current proposals for 2020 are to improve the target emissions rate for new build homes by raising the fabric standards and introducing renewable energy technology into the notional buildings that sets the target emission rate. To meet the new target, developers may, for example, choose to install low carbon heating, but if not, will be required to future proof so that low carbon heating can be easily retrofitted in the future. The target outcome is that homes built in 2025 will emit 75% to 80% less carbon than those built to the 2014 Part L requirements<sup>12</sup>. The challenge will be to close the remaining gap to true zero carbon development.

<sup>12</sup> [Welsh Government \(2019\) Welsh Government Consultation Document: Building Regulations Part L and F Review](#)

The energy vision scenario relies on new homes being built with low carbon heating and high standards of energy efficiency from 2025, rather than building properties that will need retrofitting at a later date. If Welsh Government or the local authorities in Mid Wales choose to bring this date forwards, there will be a benefit in that the number of homes needing retrofitted by 2050 would be reduced.

Figure 13: Energy Vision scenario domestic heating technology numbers, including existing and new build houses.  
Source: WGES analysis



### Scenario summary: domestic

Table 2. Domestic heat and energy efficiency energy vision scenario example outcomes

Sector	Example outcomes Energy Vision scenario	Energy prize	Carbon saving potential
Domestic heat and energy efficiency	5,500 houses fitted with internal or external wall insulation	20% reduction in thermal energy demand	236 kt CO <sub>2</sub> (68% reduction)
	24,500 homes fitted with other insulation measures		
	Over 26,000 heat pumps	39% net decrease in domestic heating energy consumption	
	Prioritisation of electrifying heat use in oil, LPG and solid fuel heated homes		
	No gas in new homes from 2025 to avoid retrofitting at a later date		

Additional detail regarding the assumptions behind the domestic heating energy modelling can be found in Box 5 and Table 3 below. It's worth noting that the Wales & West Utilities outlook regarding the potential for biomethane and hydrogen has evolved since the modelling was undertaken following the UK government evolution to a net zero target last year. Wales and West Utilities' net zero scenario shows higher potential for biomethane and hydrogen. For example, when incentivised, biomethane levels can exceed previous upper

limits and in some parts of the WWU network will reach over 20% by 2021. These ambitions are still complimented by high levels of insulation to reduce energy demand and will still require substantial changes to come to fruition.

*Box 5. Assumptions regarding the decarbonisation of domestic heating in Mid Wales*

The Mid Wales energy strategy modelling assumptions for domestic heating are based on input from regional stakeholders and the 2019 Wales & West Utilities Distribution Future Energy Scenario (DFES) project which explored potential future scenarios for the gas network in Mid Wales in 2035. Some of the key scenario highlights from the 2019 DFES included:

- Around 20% of homes could be heated by a heat pump by 2035, subject to being suitable for the property, predominantly air source or ground source heat pumps replacing more expensive oil, LPG or solid fuel heating.
- It is assumed in the Energy Vision and 2019 DFES that there is no injection of biomethane into the gas grid in Mid Wales by 2035. This is predominantly due to a geographical mismatch between biomethane resources and the gas grid, and the nature and scale of farming in Mid Wales.
- Consumption of natural gas energy in Wales could fall by over 20% between now and 2035.
- Projections on the uptake of heat pumps, including the proportion of hybrid heat pumps, were based on FES 2019 scenarios. Since then, the FES 2020 study has been published and includes a higher proportion of hybrid gas heat pumps, particularly under the Leading the Way scenario.

Table 3 Source: Regen (2019) Regional Growth Scenarios for Gas and Heat for Wales & West Utilities

Key assumptions for domestic heating fuels		2019 WWU DFES Study			WGES Energy Strategy Study
		Two Degrees Scenario	Community Renewables Scenario	Hybrid Accelerator scenario	
Heat pump deployment (% of houses with a HP by 2035)		15%	25%	19% (including significantly higher proportion of hybrid heat pumps)	26%
Biomethane and bioSNG energy	Biomethane and bioSNG heat energy for domestic and C&I heating in 2035	0 GWh	0 GWh	0 GWh	0 GWh
	Biomethane and bioSNG percentage of heat delivered by the gas network	0% of gas network energy	0% of gas network energy	0% of gas network energy	0% of gas network energy
Hydrogen use for domestic and commercial heating  (Hydrogen for industrial processes and transport is modelled separately)		None modelled before 2035	None modelled before 2035	None modelled before 2035	None modelled before 2035 although there is potential for some domestic heating associated with industrial clusters



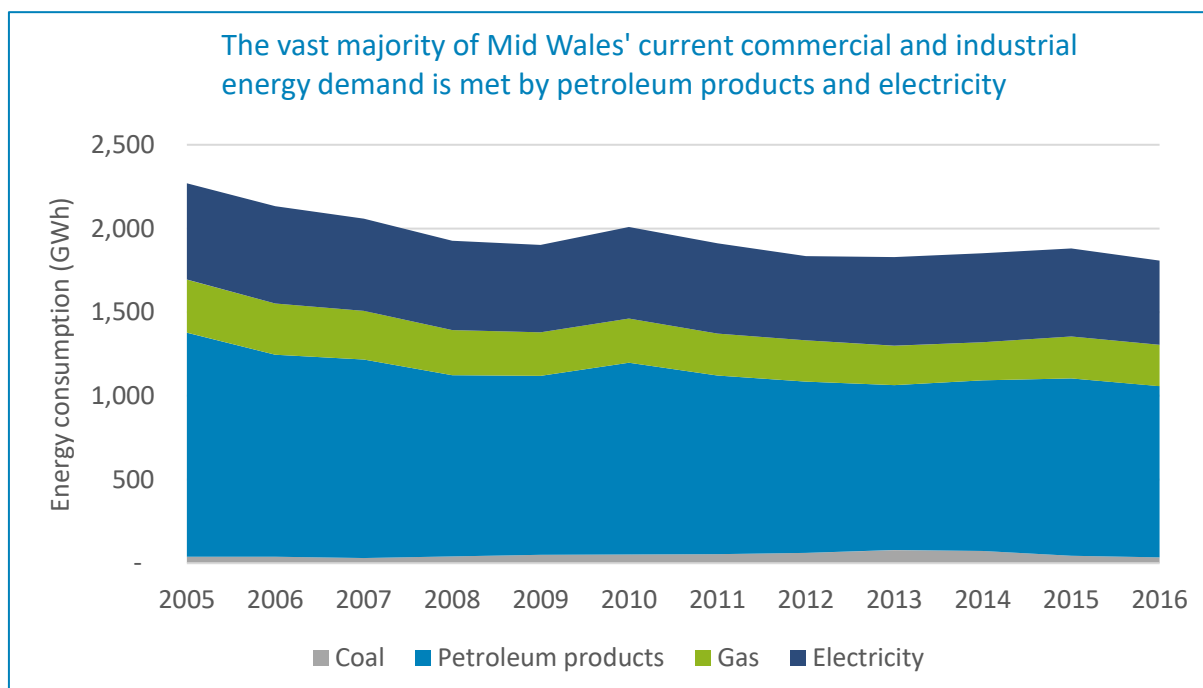
## Our commercial and industrial energy consumption

### Baseline: commercial and industrial

Only 12% of commercial and industrial demand is met by gas, reflecting the off-gas nature of the region.

Industrial demand has decreased by 10% since 2005 and emissions have decreased by 37%, in large part due to decarbonisation of the UK's electricity grid.

Figure 14: Mid Wales' baseline commercial and industrial energy consumption by fuel. Source: BEIS total final energy consumption (2019)



### Energy Vision scenario: commercial and industrial

Achieving 48% reduction in commercial and industrial emissions requires a 23% decrease in energy demand, plus significant further decarbonisation of our electricity network through renewable generation. Achieving a grid carbon factor of 30g/CO<sub>2</sub> per kWh<sup>13</sup> achieves on its own a 24% reduction in emissions in Mid Wales. This grid carbon factor would require significant investment in renewable generation in the region and across the UK. (See Box 6 for information about grid carbon factors).

<sup>13</sup>[Assumption based on Community Renewables and Two Degrees scenarios in National Grid \(2019\) Future Energy Scenarios](#)

Figure 15: Energy Vision scenario commercial and industrial energy consumption, by fuel. Source: WGES analysis

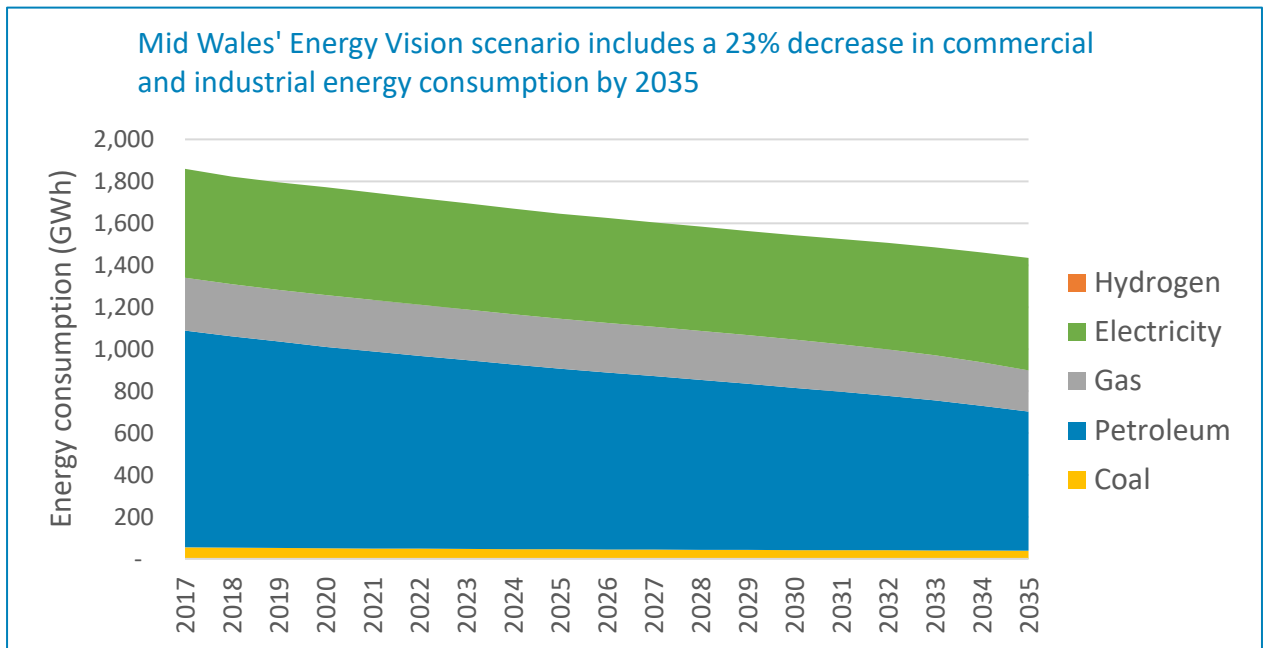
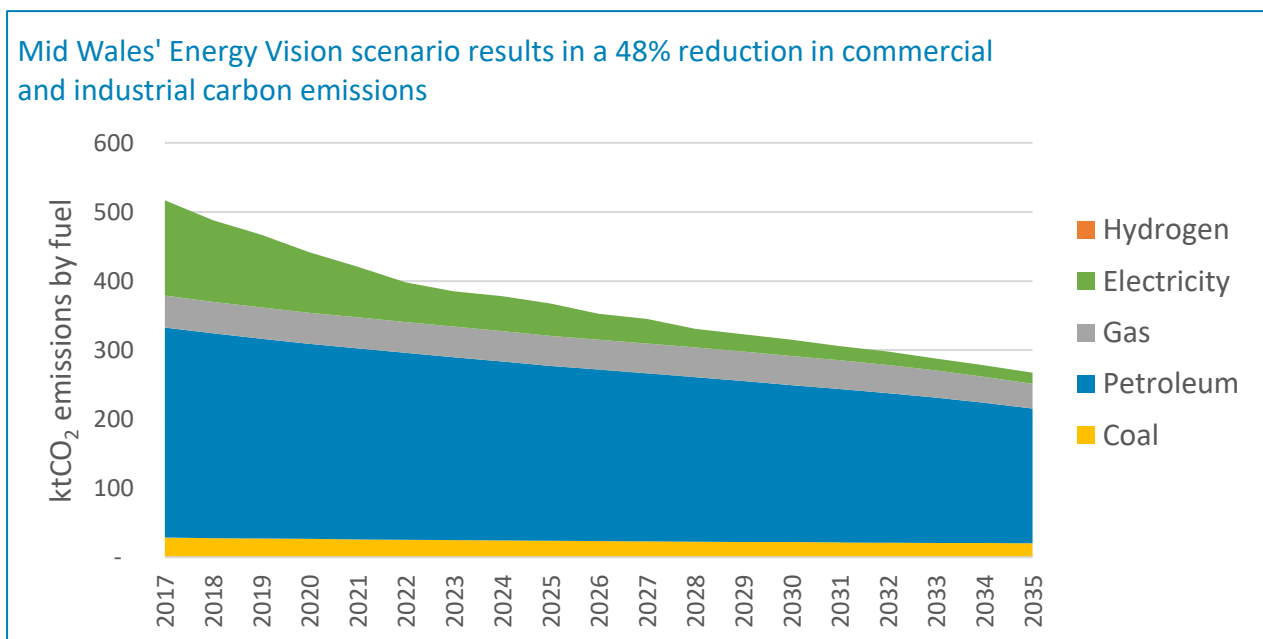


Figure 16: Energy Vision scenario commercial and industrial emissions estimates, by fuel. Source: WGES analysis



## Scenario summary: commercial and industrial

Table 4. Commercial and industrial energy demand energy vision scenario example outcomes

Sector	Example outcomes Energy Vision scenario	Energy prize	Carbon saving potential
<b>Commercial and industrial energy demand</b>	<p>Significant energy efficiency programme to exceed UK Clean Growth Strategy 20% target</p> <p>A switch to alternative fuels and electrification of heating</p> <p>Decarbonisation of electricity network through renewables and behind the meter renewable generation</p>	<p>35% reduction in coal and petroleum energy consumption</p> <p>11% reduction in gas consumption</p> <p>3% increase in electricity demand</p>	<p>250 kt CO<sub>2</sub> (48% reduction)</p>

## Our transport

### Baseline: transport

Mid Wales has a high dependence on private cars for transport. Less than 1% of road miles are driven by buses in Mid Wales, and there are nearly half the number of buses per capita than the more densely populated regions in South Wales. Mid Wales with its hilly terrain and dispersed settlements is assumed to follow Welsh trends for active travel in having the joint lowest percentage of all journeys taken by walking and cycling when compared to other regions in Great Britain.<sup>14</sup>

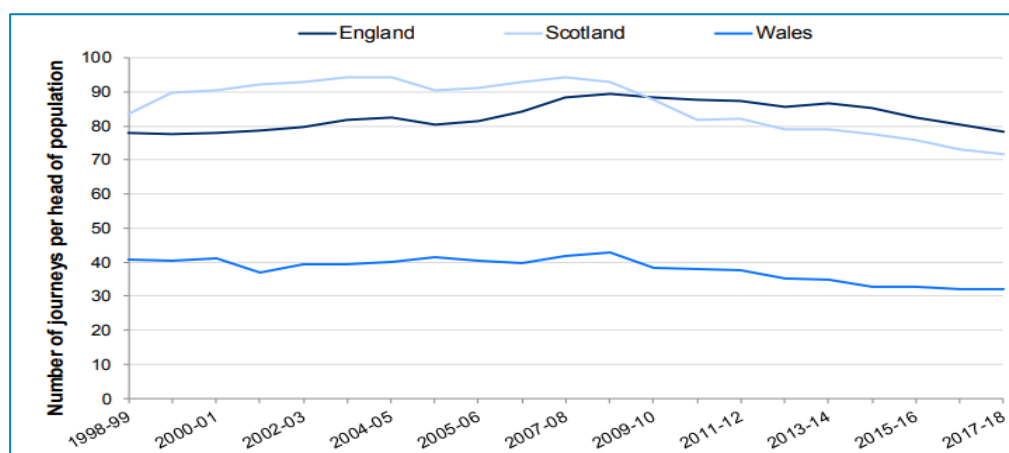
To date, Mid Wales has seen a slow uptake of electric vehicles. Approximately 0.2% of cars registered in the area are electric, meaning Mid Wales has below average uptake of EVs compared to Great Britain, where on average 0.5% of vehicles are now electric. Furthermore, the number of EV chargers in Mid Wales remains low, with just 88 public chargepoints including 3 rapid chargers installed by October 2019<sup>15</sup>. This reflects the relatively low deployment of public chargepoints across Wales to date, in which there are approximately half as many public chargepoints per head as in Scotland<sup>16</sup>.

Low uptake of EVs in Mid Wales is likely to be due to a range of factors, including the high cost of purchasing an EV, the distances between settlements in the area giving rise to range anxiety, and the lack of existing chargepoint infrastructure.

Average annual vehicle miles in Mid Wales are similar to those in other Welsh regions at 9,407 miles per car, which is only 1% higher than cars registered in North Wales and 2% higher than those registered in the Cardiff Capital Region<sup>17</sup>.

Figure 17: Passenger journeys per head on local bus services by country, 1998-2018. Source: Public service vehicles statistical bulletin (2019)

### Wales has far lower historic bus utilisation rates than England or Scotland



<sup>14</sup> Personal travel in Wales – 2012 statistical bulletin (2013)

<sup>15</sup> [DfT \(2019\) Electric Vehicle Charging Device Statistics](#)

<sup>16</sup> Ibid

<sup>17</sup> Regen analysis of DfT licencing statistics (2018) [DfT Vehicles statistics](#) and [Car vehicle traffic by local authority \(2018\)](#)

### Energy Vision scenario: transport

Achieving a 54% reduction in transport emissions by 2035 is a significant challenge for Mid Wales with its high dependency on private vehicles. The scenario assumes:

- 53% of vehicles driven in Mid Wales in 2035 are electric, with the ban on fossil fuel vehicle sales brought forward to 2030<sup>18</sup>.
- 20% reduction in private vehicle mileage in 2035, which rises from a 10% reduction in 2030
- A slowing in the total number of vehicles on the road, facilitated by increased public transport and active travel. In terms of overall vehicle numbers, this means a substantially reduced rate of increase so that between by 2035 the number of

Figure 18. Energy System Vision road vehicle emissions, by fuel. Source: WGES analysis

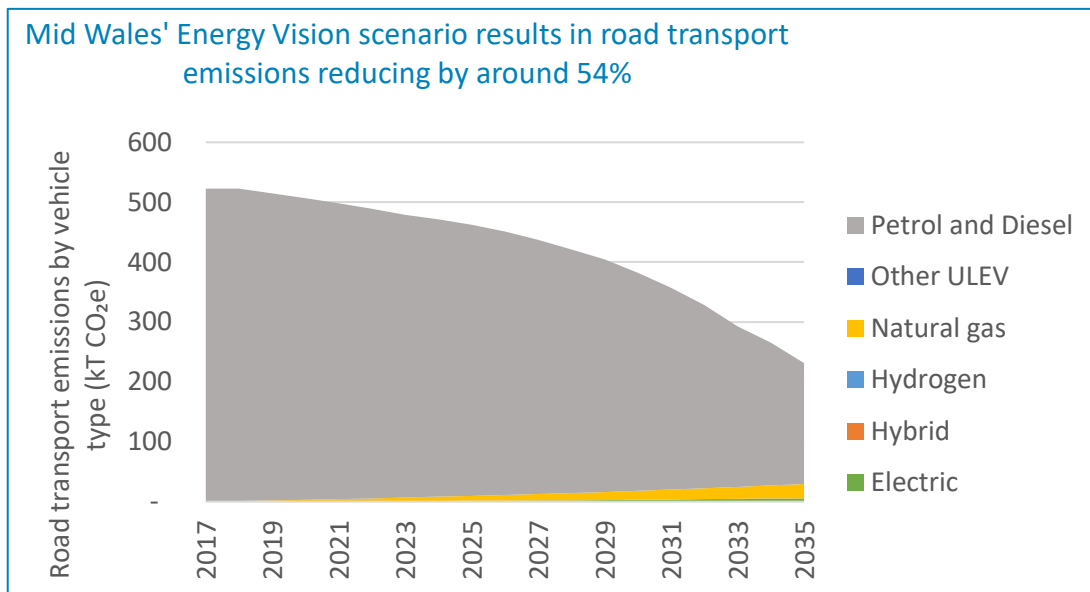
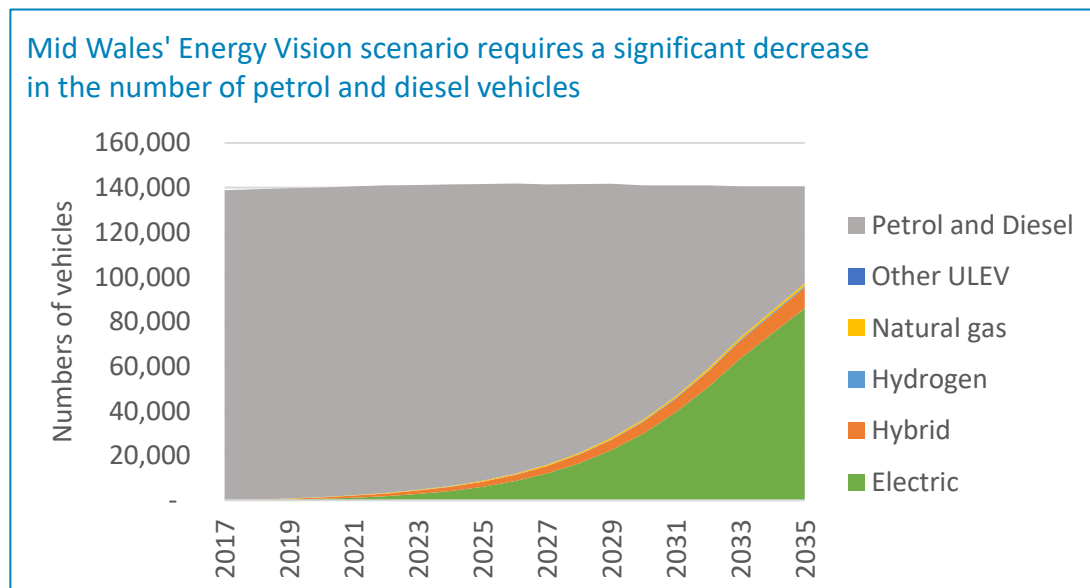


Figure 19. Energy vision scenario Road transportation vehicles by fuel. Source: WGES analysis



<sup>18</sup> The UK Government has committed to bringing the ban forward to 2035 subject to consultation. The consultation will also consider earlier dates. The scenario makes the assumption that 2030 has been agreed on.

vehicles has grown by less than 2,000 vehicles. This is reflected graphically in **Error! Reference source not found..**

## Summary: Transport

Table 5. Road transport energy vision scenario example outcomes

Sector	Example outcomes Energy Vision scenario	Energy prize	Carbon saving potential
Road transport	86,000 EVs 1,100 gas vehicles 700 hydrogen vehicles 1,500 public EV chargers 20% reduction in private vehicle mileage	1.1 TWh less petrol and diesel energy consumption  0.2 TWh increase in electricity consumption	263 kt CO <sub>2</sub>

Achieving these outcomes requires 2,000 EV sales per year by the mid-2020s, peaking briefly at 10,000 per year in the 2030s before reducing to 7,000 per year. Peak sales of fossil-fuelled cars in Mid Wales have historically reached 7,000 per annum<sup>1</sup>. Additional support, such as a scrappage scheme alongside a 2030 ban on new fossil-fuelled car sales, would be needed to retire some fossil-fuelled vehicles earlier than their average lifespan, in order to achieve a peak of 10,000 EV sales per year in the 2030s.

This level of EV sales will also require a supportive area-wide EV charging network, in turn supported by electricity network infrastructure capable of dealing with high roll-out of EVs. Similarly, the switch to gas powered HGVs is reliant on the fuelling infrastructure being in place. Reducing personal vehicle miles by 20% will require significant investment in public transport infrastructure.

## Our annual electricity demand

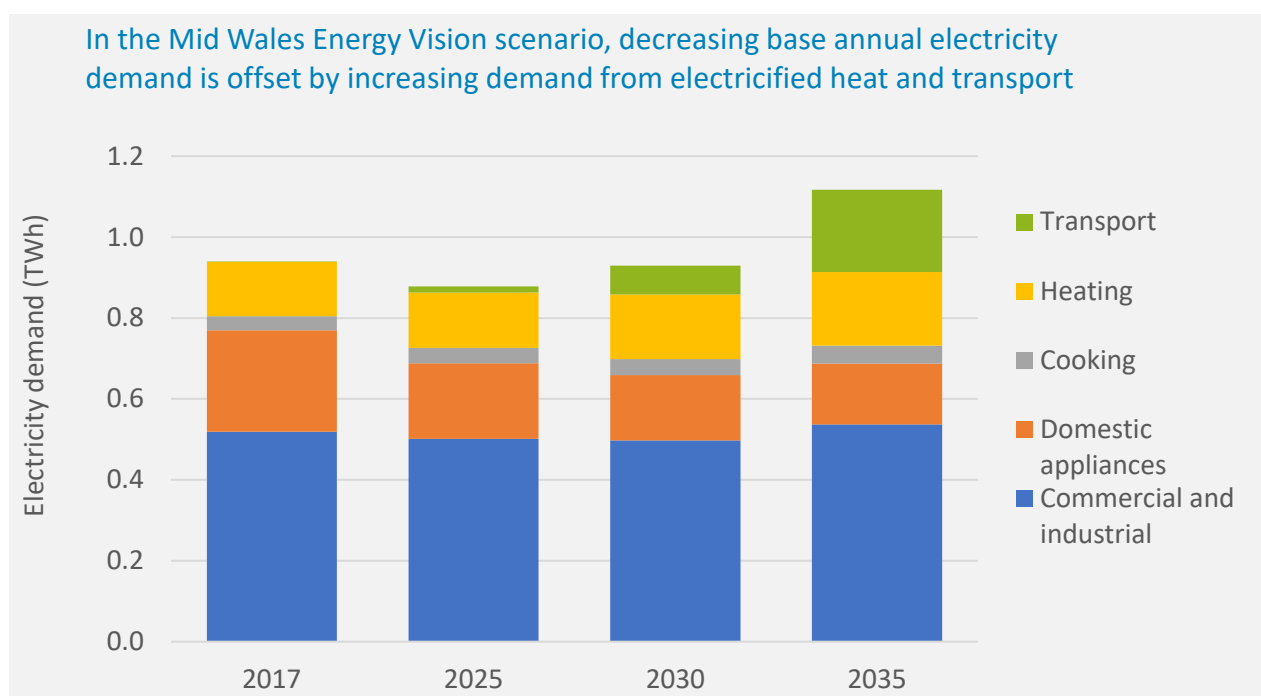
### Baseline: annual electricity demand

Annual electricity demand in Mid Wales is currently approximately 0.94 TWh. It has fallen steadily since at least 2005 when electricity demand was over 1 TWh. Over 50% of electricity in the region is consumed by the commercial and industrial sector.

### Energy Vision scenario: annual electricity demand

The scenario projects a 19% increase in annual electricity demand for Mid Wales by 2035 against 2017 figures. Increased energy efficiency measures and appliance efficiency lead to a decrease in the base electricity demand, with the increase resulting from the electrification of heating and transport.

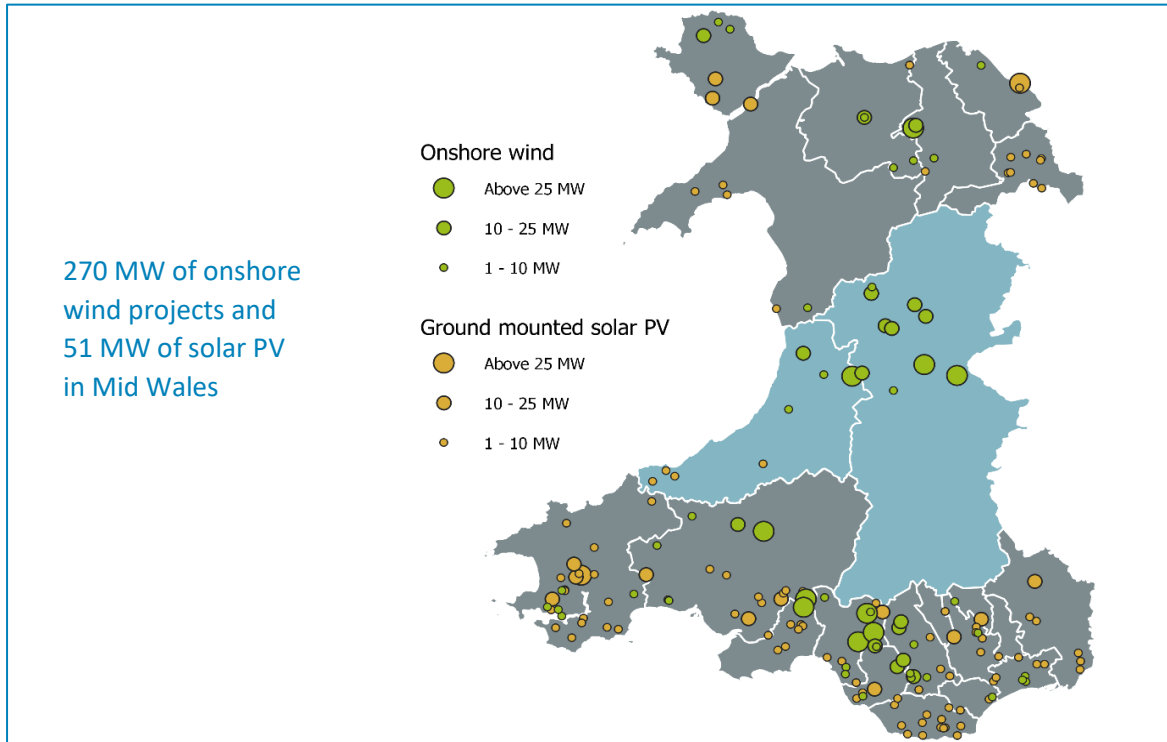
Figure 18: Mid Wales Energy Vision scenario demand by sector. Source: WGES analysis



## Our electricity generation

### Baseline: electricity generation

Figure 19: Solar PV and onshore wind projects (>1MW) currently generating in Wales Source: BEIS Renewable Energy Planning Database (2019)



Renewable energy generation in Mid Wales is predominantly from onshore wind, which makes up 72% of generation and 66% of capacity. Solar PV has a relatively high installed capacity, but, due to a lower capacity factor, supplies around 6% of renewable energy generation in the region. 51MW of 412MW of renewable capacity in the region is locally owned.

### Renewable electricity generation in Mid Wales has increased relatively slowly since 2004

Figure 20: Mid Wales renewable electricity generation trends 2000-2017. Source: WGES analysis, Welsh Government (2019) Energy Generation in Wales 2018

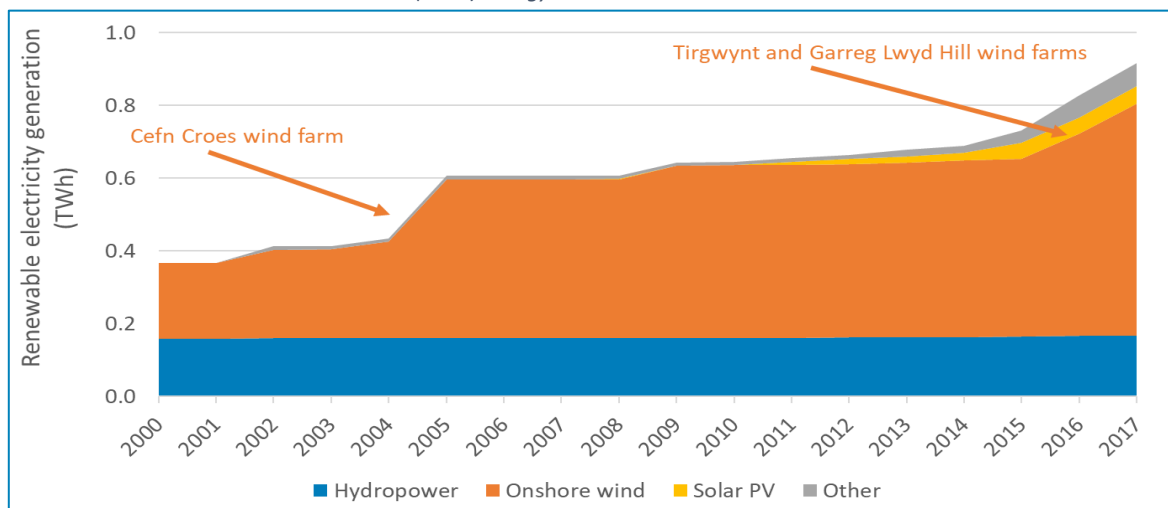
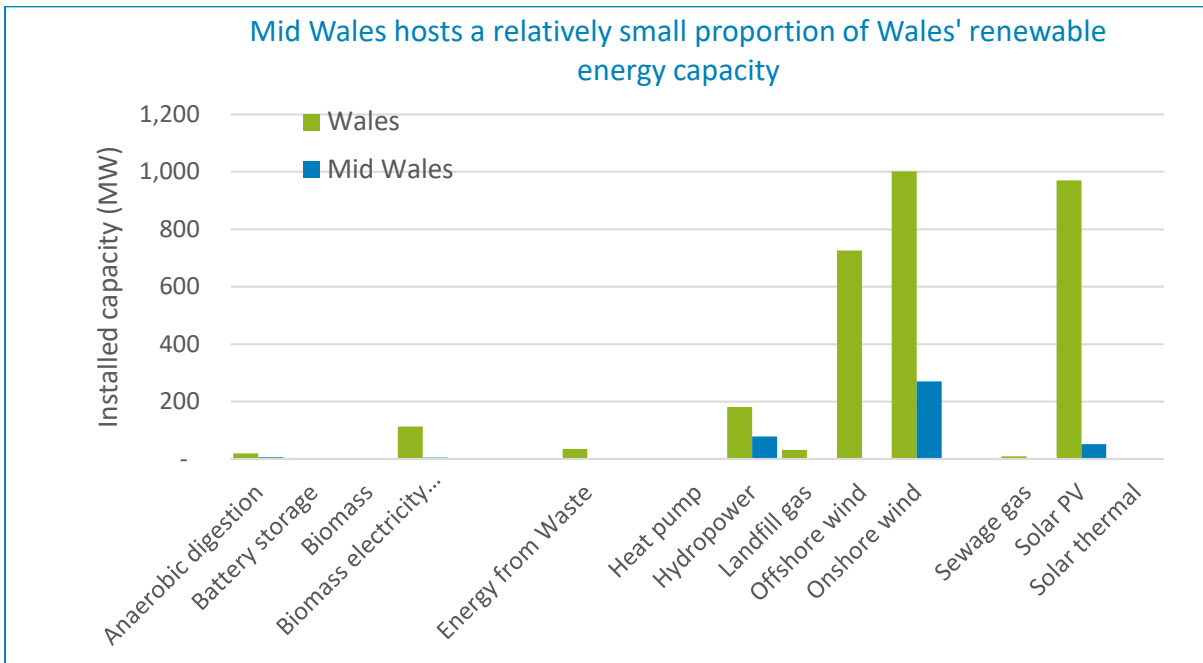




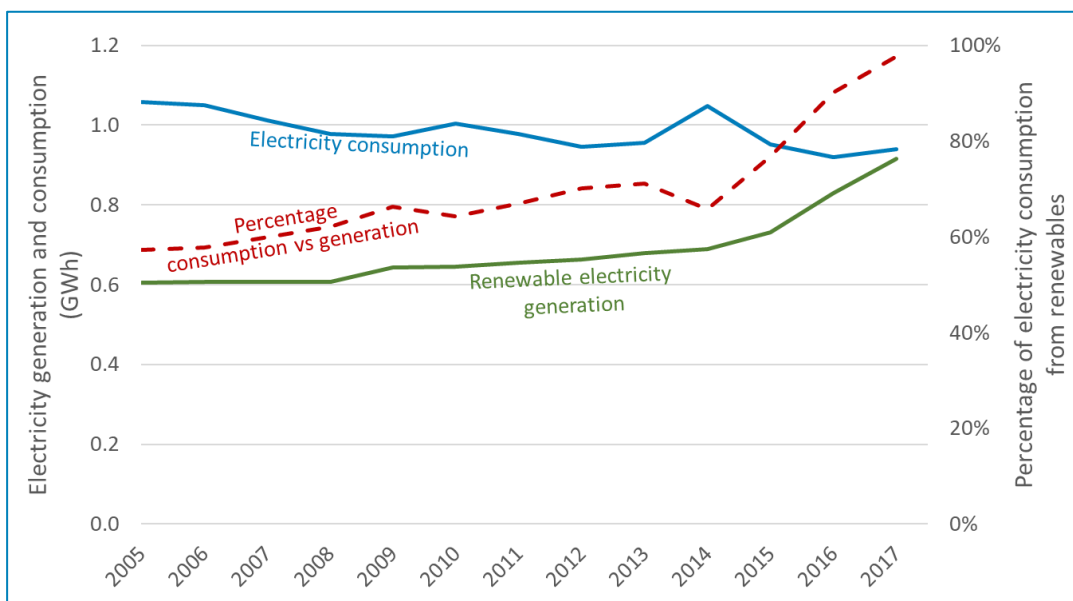
Figure 21: Renewable electricity capacity in Mid Wales region (2017). Source: WGES analysis, Welsh Government (2019) Energy Generation in Wales 2018



Mid Wales currently hosts 25% of Wales’ onshore wind capacity. Across all technologies, Mid Wales is home to a relatively small proportion of Wales’ renewable energy capacity. However, due to relatively low and reducing electricity demand in the region and some significant onshore wind projects, Mid Wales currently generates the equivalent of 97% of the electricity that it consumes, from local renewable sources.

Mid Wales currently generates the equivalent of 97% of its electricity consumption from local renewable sources

Figure 22: Percentage of electricity consumption from renewables in Mid Wales. Source: WGES analysis, Welsh Government (2019) Energy Generation in Wales 2018



## Energy Vision scenario: electricity generation

Box 6. Electricity decarbonisation assumptions

Achieving net zero carbon emissions across the UK requires the decarbonisation of the electricity grid. In line with industry best practice, the modelling for the Energy Vision scenario applies the UK grid carbon factor to electricity consumed in the region, rather than creating a regional factor based on electricity generated locally.

To be on track for net zero by 2050, the Energy Vision scenario assumes that an average UK grid carbon factor of 30 gCO<sub>2</sub>/kWh has been achieved by 2035, in line with the Two Degrees scenario assumption used in National Grid’s 2019 Future Energy Scenarios<sup>1</sup>. In order to achieve this level of grid decarbonisation, National Grid’s Two Degrees scenario requires a net increase of 74 GW of low carbon electricity capacity across the UK by 2035. Mid Wales has the natural resources and the ambition to play a significant role in delivering renewable energy deployment.

The Energy Vision scenario developed is based on the region generating twice the renewable electricity it consumes. This figure has been arrived at by balancing the region’s ambition against the available resources, investment requirement and potential grid capacity.

New electricity generation will also support the Welsh Government target that 70% of the electricity consumption in Wales come from Welsh renewables by 2030. We expect that new generation will also have elements of local ownership in support of Welsh Government targets that all new projects have an element of local ownership and that 1 GW of renewable energy is locally owned by 2030. Potential benefits to the region in addition to supporting decarbonisation would include investment opportunities, job creation, supply chain stimulation and community benefit funds. If projects are developed by or invested in by the public and community sector there are additional potential economic and social benefits that could result, enabling the region to retain a higher proportion of the value created. Figure 24 shows one pathway to achieving this level of electricity generation in the region.

Figure 23: Mid Wales Energy Vision scenario electricity consumption vs generation. Source: WGES analysis

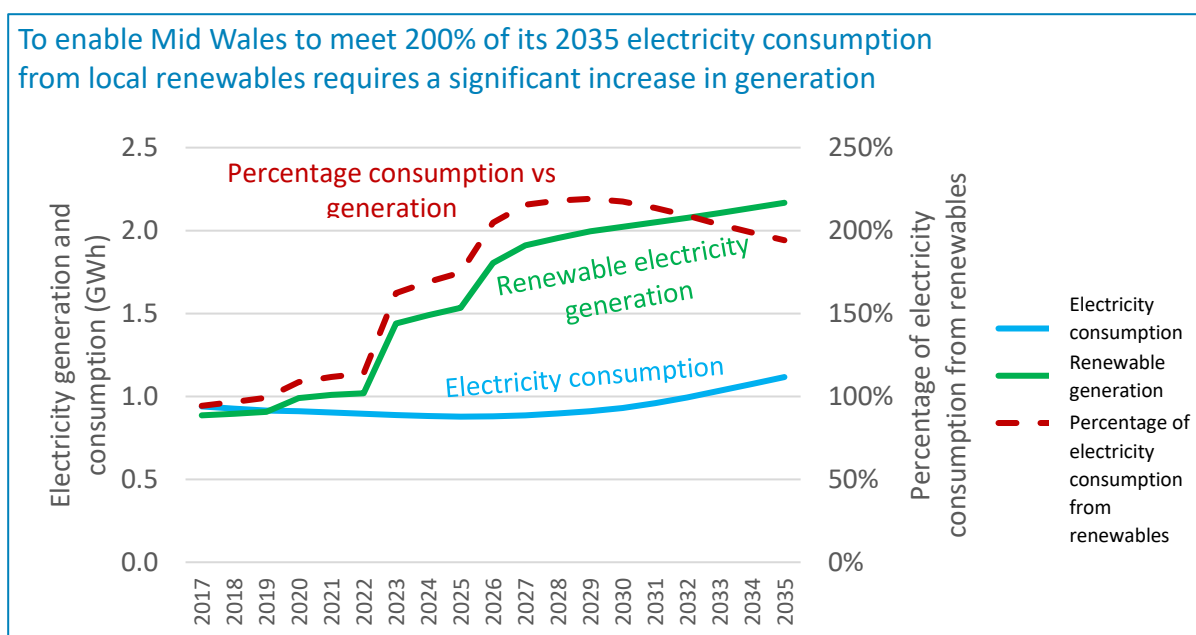
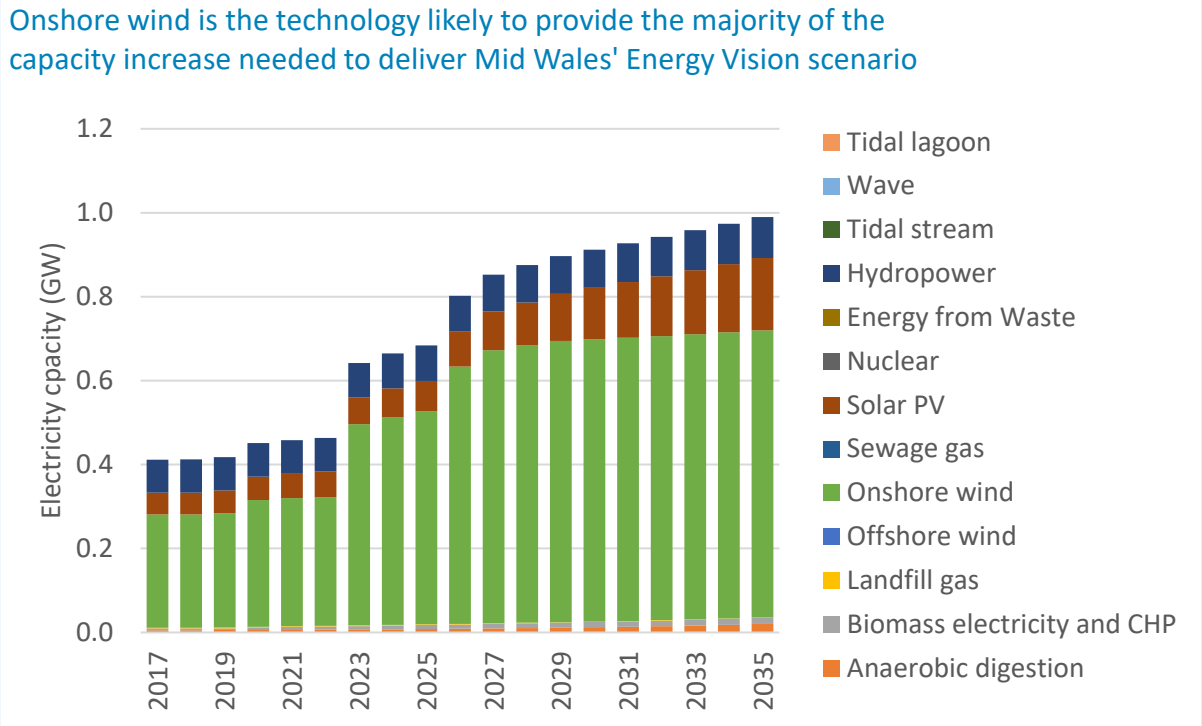


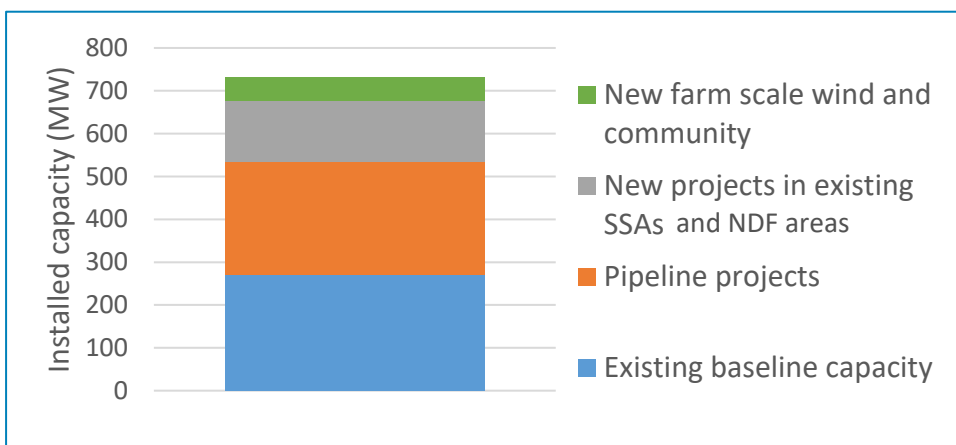
Figure 24: Renewable energy capacity increases under Mid Wales' Energy Vision scenario. Source: WGES analysis



### Onshore wind

There is currently 270MW of onshore wind in Mid Wales. The Energy Vision scenario includes a significant increase in onshore wind capacity in the near term as a result of projects currently under development being built out by 2025. This increase also takes into account new projects in the existing Strategic Search Area (SSA), a potential extension to the SSA and an area designated by the proposed National Development Framework. Falling technology costs mean that onshore wind projects in good locations can now be viable without any subsidy, although in Mid Wales connection costs are prohibitive in many areas due to both constraints on the network and longer connection distances.

Figure 25: Mid Wales' Energy Vision scenario for onshore wind. Source: WGES analysis



## Solar PV

The Mid Wales topography, access to grid capacity and irradiance levels are less suited to the very large-scale ground mounted solar farms which are becoming more common in other areas of the UK. Current deployment of solar PV is relatively low, with just 52MW installed. Around 30MW of this capacity is roof-mounted and 22MW is ground mounted.

The Energy System Vision includes a threefold increase in the installed capacity of solar PV by 2035. While solar PV projects are generally easier to deploy, solar PV has a lower capacity factor than onshore wind and as a result the required growth in capacity results in a lower impact on local renewable energy generation.

## Other renewables, storage and flexibility

The Energy Vision scenario includes some growth in the deployment of anaerobic digestion including biomethane producing sites, biomass electricity/CHP and hydropower. Each of these technologies could have a small but significant impact on local renewable energy generation with associated economic benefits. While onshore wind and solar PV make up the majority of the installed capacity in the Energy System Vision, anaerobic digestion and biomass electricity/CHP each see a fourfold increase in installed capacity between 2020 and 2035. Despite the high growth rate of these technologies, current deployment is low resulting in an increase of 14 MW and 9 MW respectively during this time period. The installed capacity of hydropower increases by 18MW representing a 1.2 fold increase compared with 2020 levels.

Storage and flexibility, such as demand side response provision or the creation of local energy markets, could support the decarbonisation of energy generation in Mid Wales by enabling more renewables to connect to the network in constrained areas and supporting the business case for investing in renewables.

## Summary: electricity generation

Table 6. Renewable energy generation energy vision scenario example outcomes

Sector	Example outcomes Energy Vision scenario	Energy prize	Carbon saving potential
<b>Renewable generation</b>	Nearly 1 GW of onshore wind and solar PV (1,939 GWhs of electricity generated from onshore wind and solar PV) by 2035	Generating the equivalent of nearly 200% of electricity consumption in 2035	Contribution towards significant reduction in UK grid carbon factor

## A note on nuclear

The energy modelling considers that, if small modular reactor technology becomes viable, this technology is most likely to be developed on the site of historic large-scale nuclear reactors in the near term. There are no existing nuclear sites, or any allocated for development, in Mid Wales. As a result, the development of nuclear power was not considered within the scenario to 2035. On a related note, if large scale nuclear sites across the UK currently under consideration/development fail to proceed, there will be increased need for renewable generation. With the right electricity grid infrastructure and economic

incentives, Mid Wales could contribute to an even greater extent to Welsh and UK renewable generation.

### A note on offshore wind

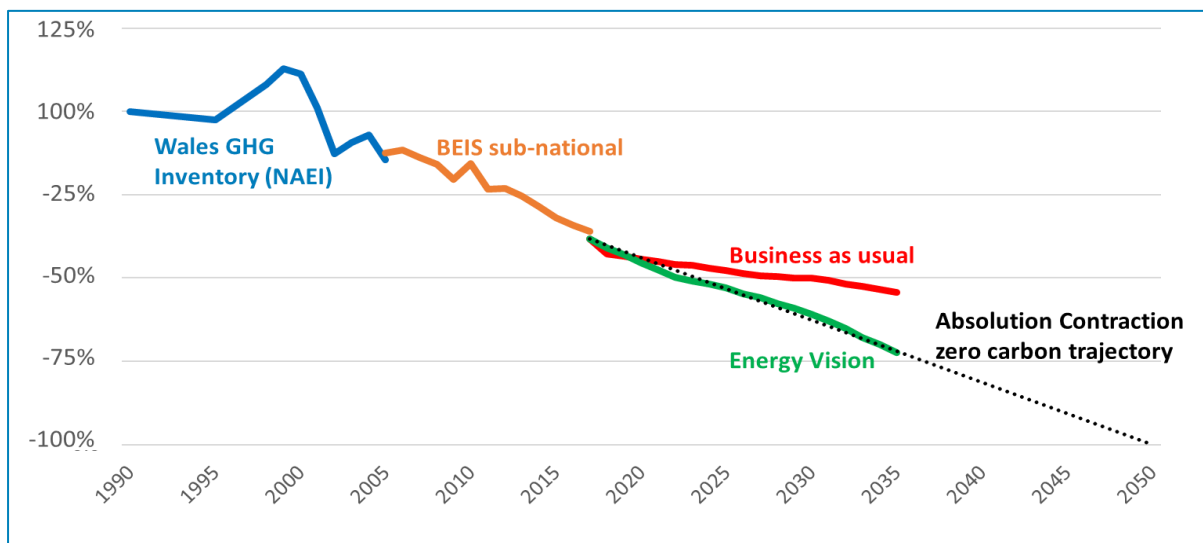
From a wind resource perspective, Cardigan Bay could potentially host offshore wind projects. However, to date no areas in Cardigan Bay have been identified by The Crown Estate for leasing in Round 4 or earlier rounds. Future floating wind and deeper water foundations could open up opportunities for further offshore wind projects in Wales, however, the focus at the moment is the Celtic Sea area off Pembrokeshire.

The Carbon Trust’s 2018 report for the Welsh Government on the Future Potential for Offshore Wind in Wales identified more significant barriers to development of offshore wind in Mid Wales compared with other areas of Wales<sup>19</sup>. Constraints identified included environmental impacts, existing leases and military presence, seascape and visual impact, port and transport infrastructure and more significantly lack of access to the transmission network. In the timescales of the strategy, offshore wind is unlikely to be developed in the region. Considerable investment in the region’s grid infrastructure would be needed to enable offshore wind to connect<sup>20</sup>.

## Future progress

### Potential Business as Usual and Energy Vision decarbonisation trajectories in Mid Wales

Figure 26: Decarbonisation trajectories in Mid Wales. Source: WGES analysis



Under a Business as Usual scenario, Mid Wales is expected to achieve only 23% decarbonisation by 2035 against a baseline year of 2017, approximately half of the 55% needed to be on track for net zero by 2050. Delivering the Energy System Vision scenario represents a very significant step up from a Business as Usual scenario and will only happen with significant local, regional and national commitment.

<sup>19</sup> [Carbon Trust for Welsh Government \(2018\) The Future Potential for Offshore Wind in Wales](#)

<sup>20</sup> [Carbon Trust for Welsh Government \(2018\) The Future Potential for Offshore Wind in Wales](#)

## The scale of the challenge identified through the Energy Vision scenario

The Energy Vision scenario is to 2035 and focuses on known deployable technology and behavioural change. Based on National Grid's 2019 Future Energy Scenarios<sup>21</sup> and the Committee on Climate Change<sup>22</sup>, the scenario prioritises "clear, urgent, no regrets" actions. The modelling sets out the following key challenges to be achieved by 2035:

- **Domestic:** how can Mid Wales achieve energy efficiency retrofits of more than 41% of its housing stock and install renewable heat technologies in 28,000 homes?
- **Non-domestic:** how can Mid Wales reduce energy demand from its commercial and industrial organisations by 23%?
- **Transport:** how can Mid Wales ramp up the rate of electric vehicle sales, install around 1,500 public EV chargers and invest in electrified public transport and low carbon HGV fuelling networks?
- **Renewable electricity generation:** how can Mid Wales unlock the grid, planning and business model challenges to enable the installation of nearly 1 GW of new renewable electricity capacity in the region? *A number of steps can be taken: Publicity campaign to shift public opinion to realise the need and benefit of renewable energy in Wales and the Region; lobby BEIS / Ofgem to relax constraints on DNOs and make speculative grid investment possible; seek to fund public ownership of capacity to drive efficient investment in grid; development of an energy innovation zone (EIZ) alongside use of smart grid solutions.*
- **Innovation:** post-2035 and to achieve net zero, further decarbonisation of all aspects of the energy system will be required. In some cases, this further decarbonisation is dependent on innovation and/or overcoming significant challenges. For example, issues such as the role of hydrogen and the role of the gas network will need to be explored.

## Post 2035 challenges and innovation

Post-2035 and to achieve net zero, further decarbonisation of all aspects of the energy system will be required. In some cases, this further decarbonisation is dependent on innovation, national policy and/or overcoming significant challenges. The following challenges were raised through the stakeholder survey and workshops

### Domestic decarbonisation

- What is the future role of the gas network and transition technologies such as hybrid heat pumps post-2035?

### Non-domestic decarbonisation

- Is there a role for hydrogen in industrial clusters and how could it be sustainably manufactured?
- What is the role for Carbon Capture and Storage technologies in supporting the decarbonisation of heavy industry?

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<sup>21</sup> [National Grid \(2019\) Future Energy Scenarios](#)

<sup>22</sup> [Committee on Climate Change \(2019\) 2019 Progress Report to Parliament](#)

## **Transport**

- What is the right low carbon transport fuel for use on farms?
- To what extent is hydrogen a potential substitute for electric vehicles in the rural context?

## **Low carbon generation**

- How can the region support the longer-term potential for offshore wind development in Cardigan Bay?
- Is there a role for small modular reactors in Mid Wales in the medium term?

# The future of energy and our economy



## Economic assessment

### Introduction

The changes required to develop a decarbonised future energy system have impacts that reach beyond reducing carbon emissions. Changing the technologies that we use to heat our homes, generate our electricity, and produce our energy will also affect the economic landscape. Examples of these effects include changes in:

- the geographic distribution of jobs as energy becomes less centralised,
- the job intensity required to produce electricity because this is unique to each generation technology,
- how expensive new technologies are to install, construct, and operate, and
- how income and spending circulates around local economies as a result of these changes.

We have built on the scenario modelling described in the previous chapter to try to better understand the impact on net job creation and gross value added. Additionally, we have estimated the level of investment required to achieve the scenarios. The impacts that we consider; job creation, gross value added, and investment required, are just some of the economic impacts related to the energy transition. Other impacts, such as the impact on the cost of supplying energy, and associated prices, are not included in analysis.

### Approach

We have used an indicator-based approach to estimate job creation, gross value added, and investment. This involves using literature reviews to identify the most appropriate estimates such as jobs/MW, or GVA/employee. Subsequently, these indicators are applied to the results of the energy modelling and allow us to estimate the economic impact of changes in electricity generation, energy efficiency, and domestic heating. A technical annex that accompanies this report provides additional detail on the calculations and sources used in our analysis.

In practice, this approach has an important limitation in relation to low carbon heating. There is significantly less data available to assess the number of jobs associated with the transition to low carbon heating than electricity generation or energy efficiency. This means that the low carbon heating jobs are not comparable with the electricity generation or energy efficiency jobs. We discuss this in more detail in the low carbon heating section below.

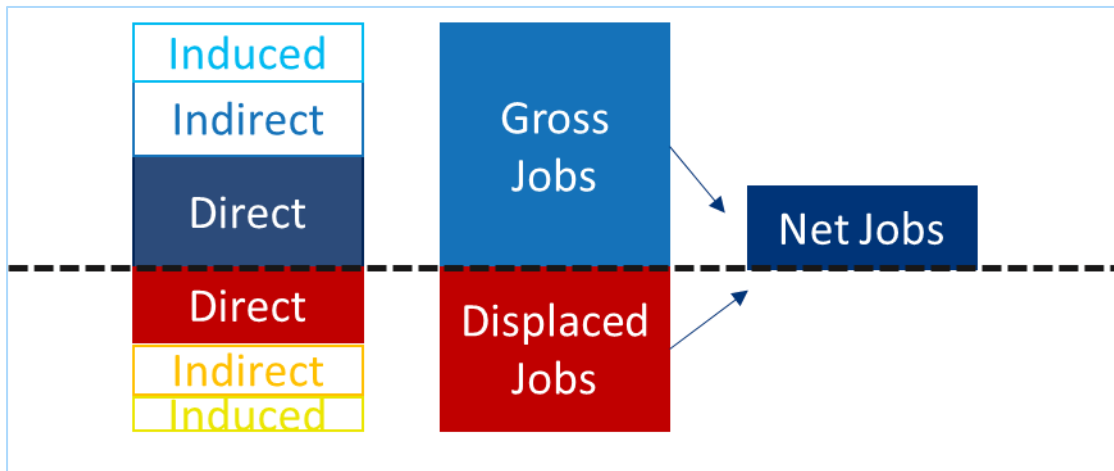
In terms of scope, the economic impact in terms of jobs, GVA and investment has not been calculated in relation to two sectors in the energy modelling: 1) transport and 2) commercial and industrial energy efficiency. The transport sector was excluded because the production and employment benefits associated with EV manufacture will not be strongly influenced by the speed of customer switching to EVs in the same region. It is also frequently assumed that there will be no net change in jobs from the transition to EV manufacturing and assembly. Commercial and industrial energy efficiency has not been assessed because the energy modelling inputs do not allow us to identify energy efficiency impacts from other factors influencing energy demand change, such as the macroeconomic assumptions underpinning the future energy scenarios.

Finally, it is important to provide clarity on the definition of the term “jobs” within the context of this analysis and how this applies to each technology area. Political and media commentary on “jobs” often refers to gross jobs, which are the direct jobs related to a specific project or intervention. In examining the economic impact of the energy transition the accepted standard is to calculate net

jobs – this considers the net impact of the job gains alongside the job losses associated with transitioning from one technology to another. Where data sources have made this possible, we have sought to present jobs estimates in net terms, in line with this best practice. We also define jobs in terms of Full Time Equivalents (FTE) wherever data allows.

Additionally, there is a difference between direct, indirect and induced jobs. In an energy context, direct jobs are typically associated with the manufacture, construction and installation of equipment. Indirect jobs arise in the supply chain of the energy technology. Induced jobs related to jobs generated as a result of spending incomes earned from direct employment. Figure 27 below visualises these concepts.

Figure 27. Shows the relationship between gross, displaced, and net jobs. Indirect direct and induced jobs are also shown. Indirect and induced jobs have not been filled with colour because these jobs are not taken into account in this analysis.<sup>23</sup>



Throughout this analysis we only calculate direct jobs as, depending on the area of decarbonisation, these are more likely to be local jobs than indirect or induced jobs. However, the analysis does not allow us to comment on the exact location of the job estimates. Some jobs are likely to be held by residents of Mid Wales; other jobs may be held by those who travel into the region to perform their roles.

### Electricity generation

The results from assessing the economic impact related to the change in electricity generation technologies show that achieving the energy system vision scenario will require approximately £200 million of additional spending/investment over the period 2020 to 2035, equivalent to approximately £13 million per year, compared against the business as usual scenario. This spending/investment will be made by a wide range of parties included businesses (and their investors), households as well as local and national government. The energy system vision scenario will also create an estimated 2,200 additional jobs and contribute £250 million more in GVA than the business as usual scenario. These jobs may be held by persons inside or outside of Mid Wales, with the experience of Wales to date being that many electricity generation jobs are held by persons resident outside of the region. In order help Mid Wales benefit from jobs associated with future local electricity generation it will be important to first understand the reasons for the lack of local jobs and then to develop a policy response.

<sup>23</sup> Adapted from UKERC. 2014. Low carbon jobs: The evidence from net job creation from policy support for energy efficiency and renewable energy.

Table 7 summarises the estimated economic impact of the business as usual and the energy system vision scenarios. The figures shown in the table represent the total value from all years from 2020 through to 2035. Similarly, Table 8 summarises the additional investment, jobs, and GVA associated with the Energy System Vision (ESV) scenario.

Table 7. BAU and ESV economic impact 2020- 2035<sup>24</sup>

Scenario	Gross Direct Jobs	Discounted GVA	Discounted Investment
Business as usual (BAU)	13,600	£1.7b	£555m
Energy system vision (ESV)	15,900	£1.9b	£760m
<p><i>*Gross direct job figures have been calculated based on UK or international direct job intensity indicators per technology. These full-time equivalent indicators include both short term (construction) and long term (operations and maintenance) jobs. However, short term jobs are weighted against the lifetime of the plant. A significant proportion of direct electricity generation could be taken by local residents. However, to date this has not been the experience of Wales. If business as usual policies continue, it may be that a potentially significant number of these jobs will be held by persons resident outside of the region.</i></p> <p><b>**All figures are rounded.</b></p>			

Table 8. Difference between the ESV and BAU scenarios 2020-2035<sup>25</sup>

Scenario	Net Jobs	Discounted GVA	Discounted Investment
Difference between ESV and BAU	2,240	£ 255m	£205m
Difference between ESV and BAU (percentage)	+16%	+15%	+37%

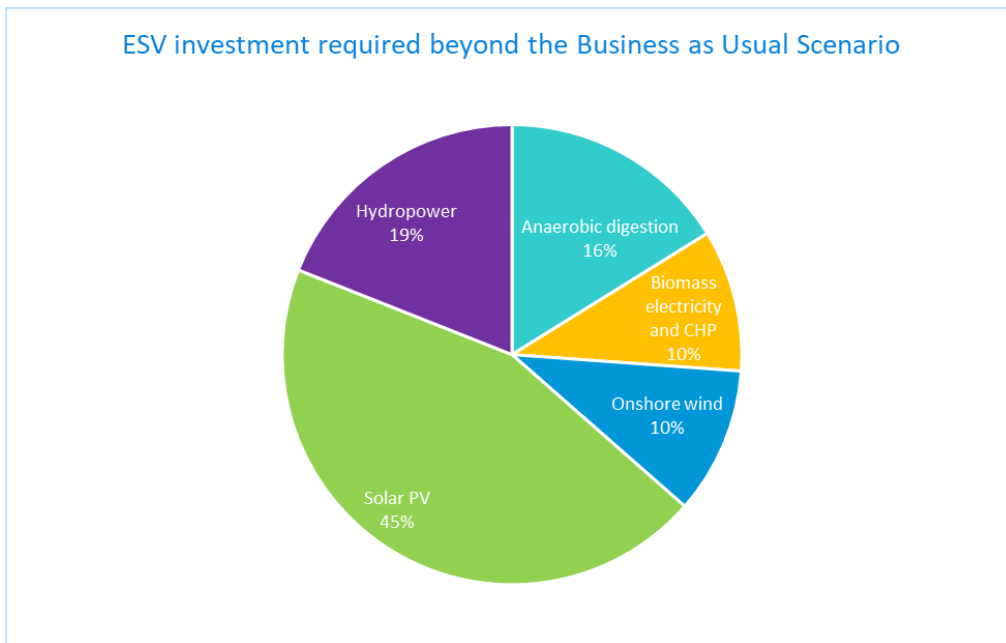
## Investment

The energy system vision scenario requires £205m of additional investment in new electricity generation. Figure 28 below shows the breakdown of this investment by technology. Solar PV requires the most additional investment at 45% of the £205m. This is followed by hydropower and anaerobic digestion. Onshore wind and biomass electricity and CHP are estimated to require 10% of the total investment each.

<sup>24</sup> A discount rate of 3.5% is applied to calculate investment and GVA over the 2020 – 2035 time period.

<sup>25</sup> A discount rate of 3.5% is applied to calculate investment and GVA over the 2020 – 2035 time period.

Figure 28. ESV investment required beyond the business as usual scenario.



### Jobs

The jobs figures presented include both the jobs associated with increases in capacity and output from some generation technologies (for example offshore wind) as well as jobs lost as the capacity and output from fossil-fuel based generation technologies falls. The jobs calculated are direct jobs which means that they relate to the manufacturing, construction, operation, and maintenance of the plant and equipment. A significant proportion of these jobs could be taken by residents that are local to energy generation sites, whereas indirect or induced jobs are expected to be more geographically diffuse. However, the experience of Mid Wales to date is that many renewable jobs are held by those living outside the region who commute to the region to undertake these jobs. The breakdown of jobs required in the energy system vision scenario is visualised on an annual basis in Figure 29 below.

It is estimated that in the energy system vision scenario electricity generation is responsible for just under 16,000 direct gross FTE jobs from 2020 to 2035.

Figure 29. ESV net jobs

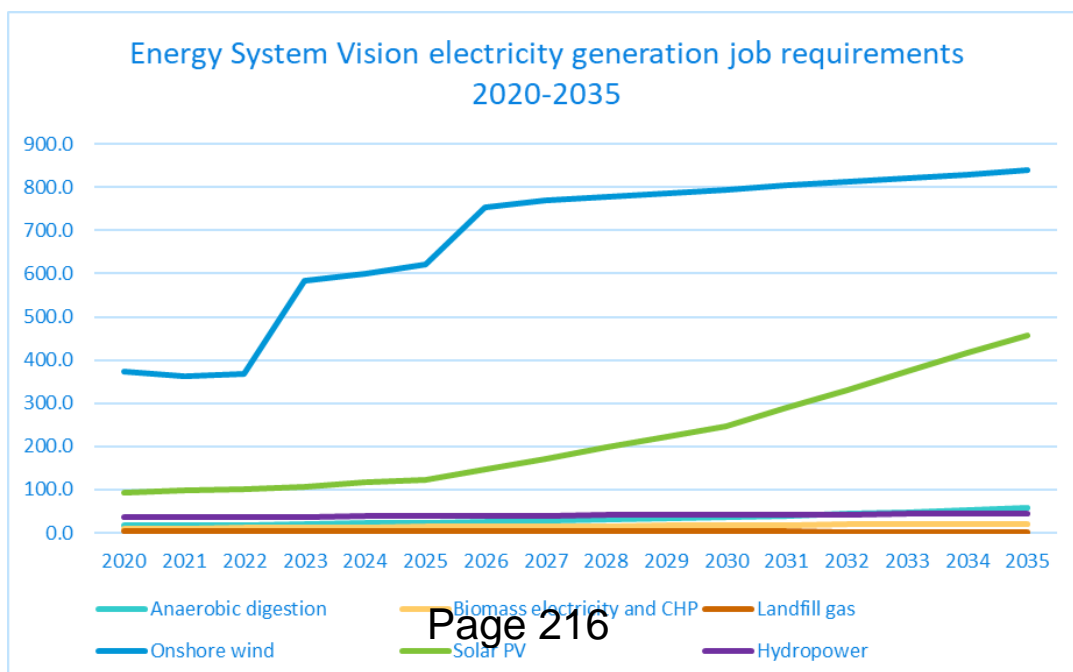


Figure 30. Additional Job distribution in the ESV scenario compared with the BAU scenario

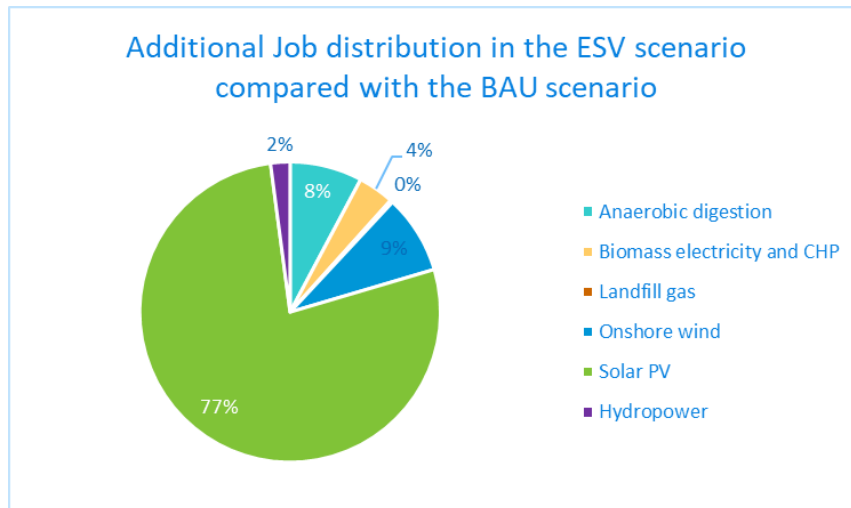


Figure 30 looks at which technologies in the energy vision scenario support additional jobs in comparison with the business as usual scenario. The difference between the two scenarios represents the net additional jobs supported by the energy system vision in comparison with the business as usual. Solar PV accounts for the largest difference in jobs between the two scenarios, followed by onshore wind and anaerobic digestion.

### Domestic energy efficiency

As with electricity generation, the increases in domestic energy efficiency associated with the Energy System Vision scenario relative to the BAU scenario require more investment, support more jobs, and lead to an enhanced contribution to GVA. This reflects that the energy system vision sees a more dramatic shift in the number of homes achieving higher EPC ratings and the larger number of energy efficiency improvements needed to achieve this outcome. These figures are presented in Table 9.

Table 9 shows that the energy system vision requires approximately 1.6 times the investment and jobs compared with the business as usual scenario. Additionally, it supports approximately 1.6 times the GVA associated with the business as usual scenario.

Table 9.. Domestic Energy Efficiency additional economic impact of the ESV scenario compared with the BAU scenario from 2020 -2035<sup>26</sup>

Scenario	Net jobs	Discounted GVA	Discounted Investment
Business as usual (BAU)	4,600	£277m	£976m
Energy system vision (ESV)	7,600	£450m	£1.6b
Difference between ESV and BAU	3,000	£174m	£612m
Difference between ESV and BAU (percentage)	+65%	+62%	+64%

\* Figures are rounded.

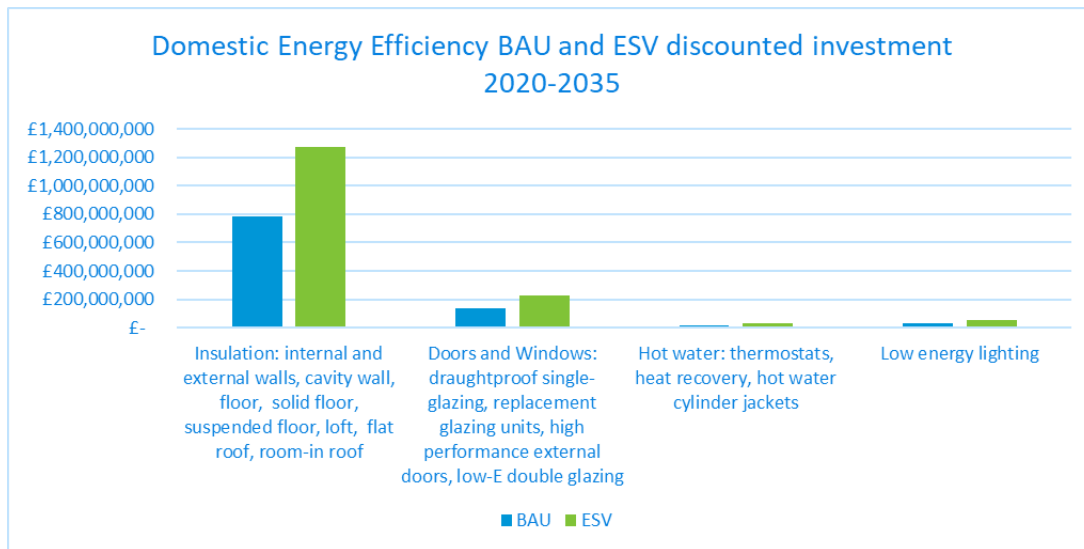
<sup>26</sup> A 3.5% discount rate was applied to calculate the GVA and Investment over the 2020 – 2035 time period.

\*\* Net jobs figures do not include estimations of operation and maintenance jobs associated with the energy efficiency improvements.

### Investment

The majority of investment required to install the energy efficiency measures described by the BAU and ESV scenarios is related to insulation measures. The investment requirements can be seen in Figure 31.

Figure 31. BAU and energy efficiency Investment requirements 2020- 2035

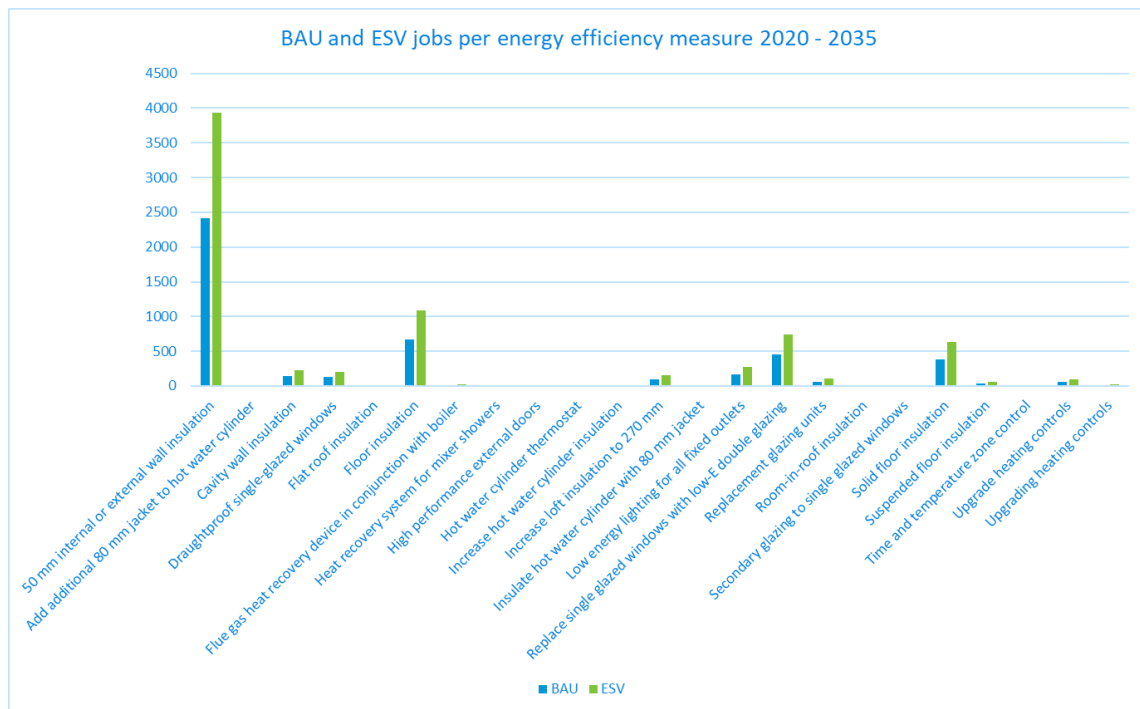


### Jobs

3,000 additional net jobs are related to the energy system vision scenario in comparison with the business as usual scenario between 2020 and 2035. These are net direct jobs and take account of the fact that energy efficiency requires additional jobs to deliver and install the relevant technologies, but could also reduce jobs associated with the reduced need for energy production and supply. Like electricity generation, some energy efficiency jobs may be held by those residing in the region and other jobs may be held by people who travel into the region to perform these jobs.

The majority (52%) of the additional jobs in the ESV scenario relate to installation of 50 mm internal or external wall insulation, 14% of jobs relating to floor insulation and 10% of jobs relate to the replacement of single glazed windows with low-E double glazing. Figure 32 below show the estimated jobs required to implement the energy efficiency measures that relate to the EPC shift in the BAU and ESV scenarios.

Figure 32. Net BAU and ESV jobs per energy efficiency measure 2020 – 2035.



## Domestic heat

The more intensive switch to low carbon heating in the energy system vision scenario requires additional investment, which increases the GVA associated with these activities. The GVA associated with heating technologies is 302% greater than in the business as usual scenario while the energy system vision scenario requires over triple the level of investment compared with the business as usual scenario. The ESV scenario also requires more jobs related to low carbon heating. However, a lack of data on jobs associated with traditional heating technologies means a comprehensive comparison in the jobs impacts from the switch to low-carbon heating technologies is not possible. Table 10 below summarises the economic impact of both scenarios and also shows the difference between the scenarios. A comparison of the investment required in the BAU scenario and the ESV scenario is presented in Figure 33.

Table 10. BAU and ESV economic impact as well the difference between ESV and BAU economic impact 2020- 2035<sup>27</sup>

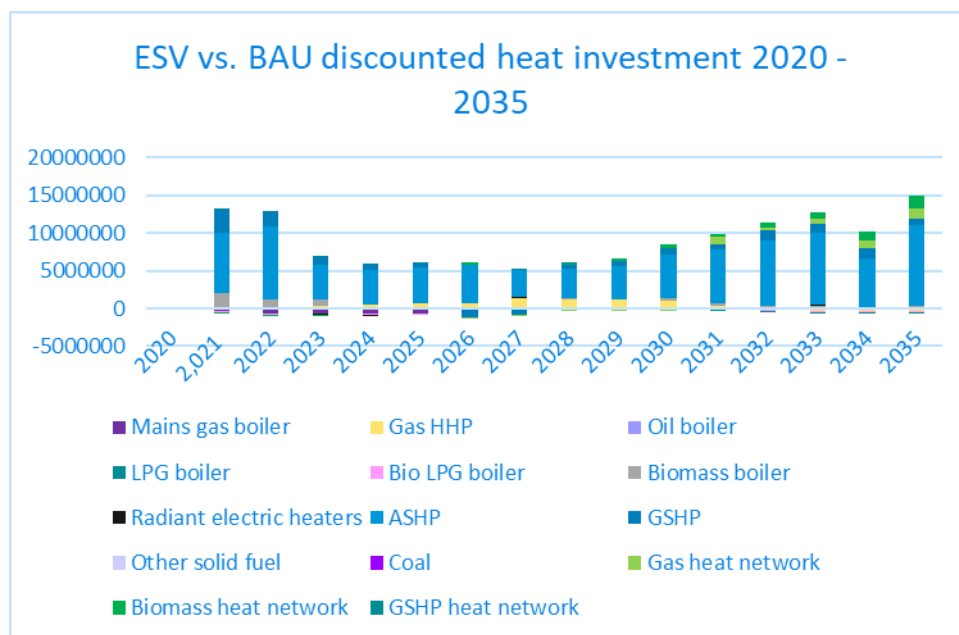
Scenario	Gross jobs associated with low carbon heating	Discounted GVA associated with all heating technologies	Discounted Investment associated with all heating technologies
Business as usual (BAU)	220	£ 24m	£ 60m
Energy system vision (ESV)	760	£ 96m	£ 187m
Difference between ESV and BAU	537	£72m	£ 127m
Difference between ESV and BAU (percentage)	+243%	+302%	+213%
*All figures are rounded.			

<sup>27</sup> A 3.5% rate is applied to GVA and investment to calculate these figures over the 2020-2035 time period.

## Investment

Figure 33 shows that the shift to low carbon heating in the ESV scenario happens faster and to a greater scale than in the BAU scenario. For example, between 2020 and 2035, the ESV sees approximately £8 million of additional investment per year in heat pumps and hybrid heat pumps, biomass boilers and radiant electric heaters compared with the business as usual scenario. At the same time, the ESV requires approximately £212,000 less investment per year in gas boilers during this period compared with the business as usual.

Figure 33. ESV vs. BAU discounted heat investment 2020 – 2035. Discounted at a rate of 3.5%.



## Jobs

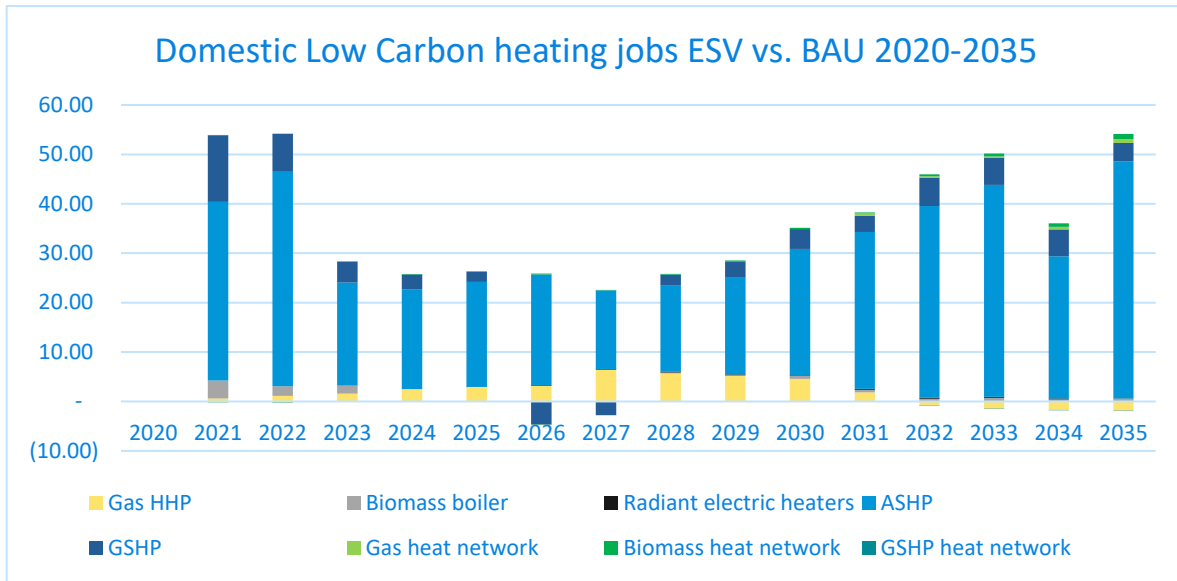
The job figures calculated for domestic heat differ from those calculated for electricity generation. Fewer studies quantify the jobs related to the installation of heating technologies than for electricity generation technologies. Given the paucity of studies, we use a jobs/£m turnover for non-heat network technologies, like heat pumps and biomass boilers but have to rely on permanent jobs/annual GWh of heat generated for heat networks.

Moreover, due to a lack of available high-quality data, our estimate of jobs related to heating technologies only relates to low carbon heating and does not include changes in jobs associated with the installation of more traditional heating technologies such as gas boilers.

Figure 34 below shows the difference in low carbon heating jobs between the ESV scenario and the BAU scenario. Like with electricity generation and energy efficiency, some of the jobs presented may be held by residents of Mid Wales while other jobs may be held by those residing outside of the region.



Figure 34. Domestic Low Carbon heating jobs ESV vs. BAU 2020-2035



## Summary

Across all technologies, the higher level of effort related to decarbonisation and the energy transition in the energy system vision scenario requires more investment/spending when compared against the business as usual scenario. The economic analysis demonstrates that almost £1 billion of additional investment/spending is needed to achieve the energy efficiency, electricity generation, and heat aspirations described in the energy vision between now and 2035. This represents approximately £66 million per year and will need to be financed from a range of sources including the private sector, households, and national and local government.

In terms of jobs, the ESV scenario is estimated to require an additional 5,200 net jobs to deliver the accelerated deployment of renewable electricity generation technologies and the enhanced levels of energy efficiency. These additional jobs are associated with around £430m more GVA (discounted at 3.5% over the period 2020-2035). In addition, it is estimated that there will be over 530 more gross jobs associated with the provision of low-carbon heating technologies in the ESV scenario than the BAU scenario, associated with £72m of GVA.

# Next steps

## Next steps

The Mid Wales Energy Strategy has undertaken several important first steps towards addressing the climate emergency in Mid Wales. This work sits along other important work that is being done throughout the region and highlights the importance of local energy planning. While creating this strategy, we have developed a collaborative vision for the future energy system in Mid Wales and defined key priority areas that are essential to achieving that vision. The assessment of current energy sector emissions, has enabled a deeper understanding of the progress that has been made in decarbonisation to date as well as the gap between our current activities and a net zero energy system.

Building on this, the energy modelling demonstrates a potential pathway to 2035, that is consistent with the long term aim of achieving net zero by 2050. This is coupled with an assessment of the economic benefits associated with transforming our energy system in alignment with this trajectory. This will be critical in communicating the benefits of action and demonstrating the potential for far greater local economic benefits than could be by return to business as usual, particularly in the context of a green, economic recovery from the COVID-19 pandemic.

There are three crucial next steps that we will now take to transition from a strategy to real world action in the delivery of our Mid Wales energy system vision:

- 1) Defining the strategy governance.** We will establish a robust and formal governance structure for the Mid Wales Energy Strategy. This will include defining a structure of cross-sectoral governance, powers, roles and responsibilities for overseeing the implementation of the strategy, and the monitoring and evaluation of its progress. This is essential to coordinate and unlock action, and to ensure momentum going forwards.
- 2) Communicating and socialising the strategy.** We will undertake a series of engagement activities to communicate, socialise and build support for the final strategy amongst key political, corporate and community stakeholders throughout Mid Wales. This activity will help to align a diverse stakeholder group to the Mid Wales energy vision and raise awareness of insights arising from the analysis and engagement undertaken as part of the strategy development.
- 3) Establishing a delivery plan.** We will create a delivery plan for addressing the challenges identified in the energy modelling work, and for defining the processes and actions that could be taken forward to realise the energy system vision. We anticipate that the delivery plan will be a living document that is regularly reviewed and updated, and may be influenced by future local area energy planning or other relevant developments and research.

The energy modelling presented has shown that significant action is required for Mid Wales to be on track for a net zero future and that we have the tools and technologies to make progress now. The economic assessment confirms that the challenge is large and will require investment from households, businesses, investors, and the public sector. This challenge is matched with a highly ambitious vision that reflects the spirit and values demonstrated by stakeholders throughout the development of this strategy.

The economic assessment also illustrates that the energy system transition may bring benefits to Mid Wales in the form of jobs, however additional investigation is required to maximise these benefits. Likewise, the energy vision clearly sets out the intention that the future energy system should support the wellbeing of communities wherever possible. These next steps will help to scale

up the existing decarbonisation and energy transition efforts in the region and turn the vision into action.



### Work Programme 2022

Date	Topic	Lead Officer
<b>22.02.22</b>	Inter Authority Agreement (V3) Portfolio Business Case (defer) Final Deal Agreement Energy Strategy Digital (defer)	NB/CP CJ-E CJ-E Tom Yeo David Owen
<b>June 2022</b>	<b>Election of Chair</b> <b>Election of Vice Chair</b> Regional Skills Partnership update Digital Portfolio Business Case 2 x themes	AC-H
<b>September 2022</b>	Review of Terms of Reference 2x themes	CP
<b>December 2022</b>	2x themes	

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