

# Bwrdd Tyfu Canolbarth Cymru / Growing Mid Wales Board

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Man Cyfarfod  
Meeting Venue  
**By Zoom**

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Dyddiad y Cyfarfod  
Meeting Date  
**Dydd Mawrth, 28 Mawrth  
2023  
Tuesday, 28 March 2023**

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Amser y Cyfarfod  
Meeting Time  
**9.30 am**

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I gael rhagor o wybodaeth  
cysylltwch â  
For further information please  
contact  
**steve.boyd@powys.gov.uk**

22.03.2023

## AGENDA

- |                       |  |
|-----------------------|--|
| 1.                    | <b>CROESO AC YMDDIHEURIADAU / WELCOME AND APOLOGIES</b>                                    |
| 2.                    | <b>DATGELU BUDDIANNAU PERSONOL / DECLARATIONS OF PERSONAL INTEREST</b>                     |
| 3.                    | <b>COFNODION DRAFFT Y CYFARFOD DIWETHAF / DRAFT MINUTES OF THE LAST MEETING 17.02.2023</b> |
| <b>(Pages 5 - 16)</b> |  |
| 4.                    | <b>PARTNERIAETH SGILIAU RHANBARTHOL CANOLBARTH CYMRU / MW REGIONAL SKILLS PARTNERSHIP</b>  |

Diweddariad ynghylch Cynnydd - Ar lafar / Progress Update - Verbal

<b>5.</b>	<b>BARGEN TWF CANOLBARTH CYMRU / MID WALES GROWTH DEAL</b>
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- 5.1. **Adroddiad ynghylch y Fargen Twf / Growth Deal Report**  
(Pages 17 - 24)
- 5.2. **Atodiad 1: Achos Busnes Strategol y Portffolio v2.0 / Appendix 1: Strategic Portfolio Business Case v2.0**  
(Pages 25 - 176)
- 5.3. **Atodiad 2: Strategaeth ar gyfer Buddsoddi gan y Sector Preifat V0.2 DRAFFT / Appendix 2: Private Sector Investment Strategy V0.2 DRAFT**  
(Pages 177 - 184)
- 5.4. **Atodiad 3: Cynllun Gweithredu\_v0.5 / Appendix 3: Implementation Plan\_v0.5**  
(Pages 185 - 206)
- 5.5. **Atodiad 4: Cynllun Sicrwydd a Chymeradwyo Integredig\_v.09\_2023-03 / Appendix 4: IAAP\_v.09\_2023-03**  
(Pages 207 - 232)
- 5.6. **Atodiad 5: Strategaeth Gyfathrebu Tyfu Canolbarth Cymru v7.6 / Appendix 5: GMW Communications Strategy v7.6**  
(Pages 233 - 250)
- 5.7. **Atodiad 6: Cofrestr Risg a Materion / Appendix 6: Risk & Issue Register**  
(Pages 251 - 256)

<b>6.</b>	<b>UNRHYW FATER ARALL / ANY OTHER BUSINESS</b>
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<b>7.</b>	<b>DYDDIADAU CYFARFODYDD NESAF / DATES OF FUTURE MEETINGS</b>
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*23 Mehefin 2023 – Rhithiol / 23 June 2023 – Virtual*

*29 Medi 2023 – Rhithiol / 29 September 2023 – Virtual*

*15 Rhagfyr 2023 – Rhithiol / 15 December 2023 – Virtual*

**COFNODION CYFARFOD BWRDD TYFU CANOLBARTH CYMRU  
A GYNHALIWDY DRWY ZOOM  
DDYDD GWENER, 17 CHWEFROR 2023**

**YN BRESENNOL**

**Aelodau Cyngor Sir Ceredigion:**

Y Cynghorydd Bryan Davies, Arweinydd ac Aelod Cabinet dros Wasanaethau Democrataidd, Polisi, Perfformiad a Phobl a Threfniadaeth **(BD) (Cadeirydd)**

Y Cynghorydd Catrin M S. Davies, Aelod Cabinet dros Ddiwylliant, Hamdden a Gwasanaethau Cwsmeriaid **(CMSD)**

Y Cynghorydd Clive Davies, Aelod Cabinet dros yr Economi ac Adfywio **(CD)**

Y Cynghorydd Keith Henson, Aelod Cabinet dros Briffyrdd a Gwasanaethau Amgylcheddol a Rheoli Carbon **(KH)**

Y Cynghorydd Matthew Vaux, Aelod Cabinet dros Bartneriaethau, Tai, Cyfreithiol a Llywodraethu a Gwarchod y Cyhoedd **(MV)**

**Aelodau Cyngor Sir Powys:**

Y Cynghorydd Aled Davies **(AD)**

Y Cynghorydd David Selby, Aelod Cabinet dros Bowys Fwy Ffyniannus **(DS)**

Y Cynghorydd Amanda Jenner **(AJ)**

**Swyddogion:**

Eifion Evans, Prif Weithredwr, Cyngor Sir Ceredigion **(EE)**

Barry Rees, Cyfarwyddwr Corfforaethol, Cyngor Sir Ceredigion **(BR)**

Elin Prysor, Swyddog Arweiniol Corfforaethol: Cyfreithiol a Llywodraethu, Cyngor Sir Ceredigion **(EP)**

Lowri Edwards, Swyddog Arweiniol Corfforaethol: Gwasanaethau Democrataidd, Cyngor Sir Ceredigion **(LE)**

Russell Hughes-Pickering, Swyddog Arweiniol Corfforaethol: Yr Economi ac Adfywio, Cyngor Sir Ceredigion (RHP)

Duncan Hall, Swyddog Arweiniol Corfforaethol: Cyllid a Chaffael, Cyngor Sir Ceredigion **(DH)**

Arwyn Davies, Rheolwr Corfforaethol: Twf a Menter, Cyngor Sir Ceredigion **(ADa)**

Carwyn Jones-Evans, Arweinydd Strategol ar y Cyd, Tyfu Canolbarth Cymru/Cyngor Sir Ceredigion **(CJE)**

Dr Caroline Turner, Prif Weithredwr, Cyngor Sir Powys **(CT)**

Clive Pinney, Pennaeth Gwasanaethau Cyfreithiol a Democrataidd, Cyngor Sir Powys **(CP)**

Cathy Martin, Rheolwr Gweithrediadau, Tyfu Canolbarth Cymru **(CM)**

Aggie Caesar-Homden, Rheolwr Partneriaeth - Partneriaeth Sgiliau Rhanbarthol Canolbarth Cymru, Tyfu Canolbarth Cymru **(ACH)**

Angharad Massow, Swyddog Cyfathrebu, Tyfu Canolbarth Cymru **(AM)**

Nigel Brinn, Cyfarwyddwr Gweithredol yr Economi a'r Amgylchedd, Cyngor Sir Powys **(NB)**

Nicola Williams, Cyd-Arweinydd Strategol, Tyfu Canolbarth Cymru/Cyngor Sir Powys **(NW)**

**Sylwedyddion y Llywodraeth:**

Gareth Ashman, Pennaeth Twf Rhanbarthol a Lleol, Llywodraeth y DU, Cymru

John Hawkins, Llywodraeth y DU, Cymru

Ann Watkin, Pennaeth Strategaeth, Cysoni Gweithrediadau a Chynllunio, Llywodraeth Cymru

Darnley Reid, Tîm Twf Rhanbarthol a Lleol, Llywodraeth y DU, Cymru

**1. CROESO AC YMDDIHEURIADAU / WELCOME AND APOLOGIES**

Croesawodd y Cadeirydd bawb i'r cyfarfod.

Derbyniwyd ymddiheuriadau gan y Cynghorydd James Gibson-Watt (CSP), y Cynghorydd Matthew Dorrance (CSP), Diane Reynolds (CSP), Diana Davies a Nicola Owen.

**2. DATGANIADAU O FUDDIANT PERSONOL / DECLARATIONS OF PERSONAL INTEREST**

Ni chafwyd unrhyw ddatganiadau o fuddiant personol.

**3. COFNODION DRAFFT Y CYFARFOD DIWETHAF / DRAFT MINUTES OF THE LAST MEETING 26/09/22**

Cytunwyd bod cofnodion y cyfarfod diwethaf a gynhaliwyd ar 26 Medi 2022 yn gofnod cywir.

**4. BARGEN TWf CANOLBARTH CYMRU / MID WALES GROWTH DEAL**

Dyweddodd CM fod Achos Busnes Strategol y Portffolio f2.0 wedi'i ddrafftio a'i fod yn destun ymgynghoriad ar hyn o bryd. Cynhaliwyd gweithdy ar 10 Chwefror gydag aelodau'r Grŵp Rheoli, cydweithwyr o Lywodraeth y DU a Llywodraeth Cymru, y Grŵp Cynghori Economaidd ac arweinwyr polisi Llywodraeth Cymru i edrych yn fanylach ar y newidiadau a gwahodd adborth.

Roedd dogfennau ategol wedi'u diweddarau gan gynnwys Strategaeth Fuddsoddi'r Sector Preifat a fyddai hefyd yn destun ymgynghoriad pellach yn enwedig gydag aelodau'r Grŵp Cynghori Economaidd er mwyn rhoi mewnbwn gan y sector preifat.

Byddai fersiynau terfynol y ddwy ddogfen yn cael eu cyflwyno i'w cymeradwyo gan Fwrdd TCC ar 28 Mawrth 2023 ac yna'n cael eu cyflwyno i'r ddwy Lywodraeth i'w hystyried yng nghyfarfod Cites Cymru a Bwrdd Gweithredu'r Fargen Twf ar 29 Mawrth. Byddai hyn yn ysgogi rhyddhau'r Llythyr Dyfarnu Grant.

Roedd Adolygiad Sicrwydd ar gyfer y Portffolio wedi'i gynnal yn ystod wythnos 14-17 Chwefror. Pwrpas yr adolygiad, a oedd yn cynnwys tîm adolygu allanol ac annibynnol, oedd rhoi sicrwydd i'r Bwrdd ac i'r ddwy Lywodraeth bod popeth yn ei le i symud ymlaen â cham cyflawni'r Cynllun Twf. Byddai adroddiad yn cael ei ddarparu i'r Uwch Berchnogion Cyfrifol ac yna rhoddid adborth i Fwrdd TCC.

Gofynnwyd i CM a oedd lle o hyd i brosiectau newydd ddod i mewn pe bai prosiectau eraill yn dod i ben. Dywedwyd wrthi y bydd y swyddfa rheoli'r portffolio yn datblygu proses i alluogi prosiectau sydd ar y gweill i gael eu cyflwyno. Byddai



angen i'r Bwrdd asesu sut maent yn cyd-fynd ag amcanion y Cynllun Twf a byddai'n bwysig peidio â chodi gobeithion.

Nododd y Bwrdd fod y cyflwyniadau gan noddwyr wedi cael derbyniad da ar y cyfan er y gallai rhai fod wedi bod yn fyrrach a chyda gwell ffocws. Gofynnodd y Cyng. AJ am y cyflwyniadau o'r ail weithdy. Dylid cyfeirio unrhyw sylwadau at yr Uwch Swyddogion Cyfrifol, Nigel Brinn a Barry Rees.

Gofynnodd y Cadeirydd am roi ystyriaeth i a ddylai'r Bwrdd gael un pwynt cyswllt â'r EAG.

## 5. CYLLID / FINANCE

### 5.1 Datganiad Blynyddol ar gyfer y flwyddyn a ddaeth i ben ar 31 Mawrth 2022 / Annual Return for the year ended 31 March 2022

Derbyniodd y Bwrdd y Datganiad Blynyddol ar gyfer y flwyddyn a ddaeth i ben ar 31 Mawrth 2022. Roedd Archwilio Cymru wedi archwilio'r Datganiad Blynyddol. Mae eu tystysgrif Archwilio a'u barn yn datgan – 'Ein bwriad yw cyhoeddi tystysgrif ac adroddiad diamed ar gyfer y flwyddyn yn diweddu 31 Mawrth 2022 ac nid oes unrhyw faterion mewn perthynas â'r farn y dymunwn dynnu eich sylw atynt.'

**PENDERFYNWYD cymeradwyo'r Datganiad Blynyddol ar gyfer y flwyddyn yn diweddu 31 Mawrth 2022.**

### 5.4 Cyllideb refeniw arfaethedig 2023/24 ar gyfer Bwrdd Tyfu Canolbarth Cymru

Rhoddodd y Bwrdd ystyriaeth i'r Gyllideb Flynyddol ar gyfer 2023/24.

Ers sefydlu Bwrdd Tyfu Canolbarth Cymru yn ffurfiol, roedd gweithgarwch datblygu Bargaen Twf Canolbarth Cymru hyd yma wedi'i ariannu'n bennaf drwy gyfraniadau yn y fan a'r lle gan y ddau Awdurdod Lleol a chyllid grant allanol (Llywodraeth Cymru).

Derbyniwyd cymorth refeniw ychwanegol ym mis Chwefror 2021 gan Swyddfa Cyllid Ewropeaidd Cymru (WEFO) ar gyfer elfen o gostau refeniw i helpu i sefydlu Swyddfa Rheoli Portffolio am y cyfnod hyd at fis Gorffennaf 2023, fel rhan o waith rhanbarthol ehangach drwy Tyfu Canolbarth Cymru. Nid oedd y cyllid grant hwn yn rhan o gyllideb Bwrdd TCC ac ar hyn o bryd mae'n cefnogi 7 swydd.

Cynigiwyd cyllideb refeniw am 2023/24 ar gyfer Bwrdd TCC gwerth cyfanswm o £592,000. Roedd y gyllideb arfaethedig yn rhagdybio y byddai costau Swyddfa Rheoli'r Portffolio o fis Awst 2023 ymlaen yn cael eu cynnwys, gan gefnogi'r swyddi canlynol:

- Rheolwr Gweithrediadau'r Fargen Twf
- Rheolwr Rhaglen: Safleoedd ac Adeiladau
- Rheolwr Rhaglen: Digidol
- Swyddog Cefnogi a Dadansoddi'r Portffolio
- Rheolwr Prosiect *ESF* (yn amodol ar adolygiad)

- Swyddog Cyfathrebu TCC
- Swyddog Arweiniol Ynni TCC (*yn amodol ar adolygiad*)

Roedd Cyllideb arfaethedig 23/24 yn rhagdybio y byddai cyllid refeniw o £367,000, sef brigdoriad o 4% o Gyllid Bargen Twf Blwyddyn 1 a ragwelir gan y ddwy lywodraeth yn ystod 2023/24. Roedd hyn yn amodol ar gymeradwyo'r Fargen Twf yn llawn. Roedd y gyllideb arfaethedig hefyd yn rhagdybio y byddai cyllid o £100,000 yr un yn parhau gan Gyngorau Sir Powys a Cheredigion.

Roedd y gyllideb arfaethedig ar gyfer 2023/24 yn sefyllfa ddaliannol cyn yr hyn a ragwelid o ran dyfarnu Cyllid y Cynllun Twf. Byddai angen cynnal adolygiad adnoddau, yn barod ar gyfer symud o'r cam datblygu i gyflawni'r Cynllun Twf, yn ystod chwarter cyntaf 2023/24 a allai arwain at yr angen i'r Bwrdd ystyried Cyllideb ddiwygiedig yn ystod 2023/24. Gallai'r adolygiad hwn ddod i'r casgliad bod angen naill ai lefel uwch, lefel is neu'r un lefel o adnoddau yn fras ar gyfer y cam nesaf. Yn ogystal, ni ddylid gwario gwariant craidd y tu hwnt i gyfraniadau arfaethedig y Cynghorau o £200k hyd nes y bydd y Cynllun Twf wedi'i sicrhau'n ffurfiol, gan nad yw'r brigdoriad o 4% yn bodoli hyd nes y bydd hynny yn ei le ac y derbynnir llythyr cynnig grant.

## **PENDERFYNWYD**

- 1.1. Bod Bwrdd TCC yn cymeradwyo'r Gyllideb Flynyddol ar gyfer 2023/2024 o £592,000 fel yr amlinellir yn Atodiad 1, sy'n cynnwys cyfraniad o £100,000 yr un gan Gyngor Sir Ceredigion a Chyngor Sir Powys.
- 1.2. Bod Bwrdd TCC yn nodi'r bwriad i gynnal adolygiad Adnoddau yn barod ar gyfer cam nesaf y Cynllun Twf.
- 1.3. Bod Bwrdd TCC yn nodi na ddylai gwariant craidd fod yn fwy na £200,000 yn ystod 2023/24 hyd nes y bydd y Cynllun Twf wedi'i sicrhau a bod y llythyr Cynnig Grant cysylltiedig gan Lywodraeth Cymru wedi'i gael a'i dderbyn.

## **6. UNRHYW FATER ARALL / ANY OTHER BUSINESS**

Dywedodd NB fod drafft cyntaf yr Adolygiad Sicrwydd ar gyfer y Portffolio wedi'i ddychwelyd gydag asesiad hyder Ambr/Gwyrdd. Byddai'r drafft terfynol yn cael ei rannu gyda'r Bwrdd pan fyddai ar gael.

## **7. DYDDIADAU CYFARFODYDD NESAF / DATES OF FUTURE MEETINGS**

28 Mawrth 2023 - Rhithwir  
 23 Mehefin 2023 - Rhithwir  
 29 Medi 2023 - Rhithwir  
 15 Rhagfyr 2023 - Rhithwir

## **8. | EITHRIO'R CYHOEDD / EXCLUSION OF THE PUBLIC**

Nid yw'r adroddiad sy'n ymwneud ag eitem 5 i'w gyhoeddi gan ei fod yn cynnwys gwybodaeth eithriedig fel y'i diffinnir ym mharagraff 14 o Ran 4 o Atodlen 12A i Ddeddf Llywodraeth Leol 1972 fel y'i diwygiwyd gan Orchymyn Llywodraeth Leol (Mynediad at Wybodaeth) (Amrywiad) (Cymru) 2007. Os bydd y Cyngor, yn dilyn cymhwyso Prawf Budd y Cyhoedd, yn penderfynu ystyried yr eitem hon yn breifat, bydd y cyhoedd a'r wasg yn cael eu gwahardd o'r cyfarfod yn ystod ystyriaeth o'r fath, yn unol ag Adran 100B(2) o'r Ddeddf.

### **PENDERFYNWYD**

Cytunwyd gwahardd y cyhoedd a'r wasg wrth ystyried eitem 9 isod ar y sail bod dogfennau'n cynnwys gwybodaeth yn ymwneud â materion ariannol neu fusnes y Cynghorau, y penderfynwyd ar ôl ystyriaeth ofalus, na ddylai gael ei datgelu i'r cyhoedd a'r wasg.

## **9. | PARTNERIAETH SGILIAU RHANBARTHOL CANOLBARTH CYMRU / MID WALES REGIONAL SKILLS PARTNERSHIP**

Rhoddodd ACH ddiweddariad ar gynnydd Partneriaeth Sgiliau Rhanbarthol Canolbarth Cymru ac ar Gynllun Cyflogaeth a Sgiliau 3 blynedd drafft a Chynllun Gweithredu'r Bartneriaeth Sgiliau Rhanbarthol (PSRh). Derbyniodd y Bwrdd Adroddiad Blynyddol y Bartneriaeth Sgiliau Rhanbarthol hefyd.

Roedd y Bartneriaeth Sgiliau Rhanbarthol wedi'i chomisiynu gan Lywodraeth Cymru i gynhyrchu gwybodaeth am y farchnad lafur gan gydweithio â chyflogwyr a rhanddeiliaid i ddatblygu'r Cynllun Cyflogaeth a Sgiliau 3 blynedd a'r Cynllun Gweithredu newydd. Roedd y Bartneriaeth Sgiliau Rhanbarthol wedi comisiynu Lightcast i gefnogi'r gwaith o ddatblygu'r cynllun. Er mwyn cael llais busnesau, dosbarthwyd yr arolwg Cyflogaeth a Sgiliau blynyddol trwy gysylltiadau busnes, fforymau busnes penodol fel Ffederasiwn y Busnesau Bach a Grŵp Gweithgynhyrchu Canolbarth Cymru, Rhanddeiliaid, Partneriaid, rhwydweithiau eraill, ac aelodau Bwrdd y Bartneriaeth Sgiliau Rhanbarthol.

Roedd fersiwn drafft lefel uchel cyntaf o'r Cynllun Cyflogaeth a Sgiliau 3 blynedd newydd (2022 – 2025) a'r Cynllun Gweithredu, a fyddai'n nodi blaenoriaethau ar gyfer buddsoddiad rhanbarthol sy'n cefnogi swyddi a thwf yn rhanbarth Canolbarth Cymru, wedi'i gyflwyno i Lywodraeth Cymru am sylwadau a rhoddwyd adborth dechreuol ar gyfer y drafft terfynol.

Ychwanegwyd nifer o atodiadau at y cynllun a fyddai'n canolbwyntio ar wahanol feysydd polisi sy'n rhan o'r Rhaglen Lywodraethu. Roedd angen canlyniadau allweddol ar gyfer y 12 mis nesaf ar gyfer pob un o'r meysydd canlynol:

- Cynllun Cyflogaeth a Sgiliau 2022 – 2025
- Sgiliau digidol
- Sgiliau Sero Net
- Safonau Galwedigaethol Cenedlaethol (NOS)
- Addysg Bellach a Phrentisiaethau
- Y Gymraeg

Roedd gan bob Atodiad uchod ei nodyn cyfarwyddyd ei hun. Er mwyn darparu cyd-destun a chynghor ychwanegol, neilltuwyd Arweinwyr Polisi LIC i'r Bartneriaeth Sgiliau Rhanbarthol ar gyfer pob un o'r meysydd uchod.

Roedd y Bartneriaeth Sgiliau Rhanbarthol hefyd wedi cynhyrchu Cynllun Cyflogaeth a Sgiliau drafft 3 blynedd ar wahân, mwy o faint, yn canolbwyntio ar gyflogwyr a rhanddeiliaid, a Chynllun Gweithredu i hyrwyddo eu gwaith yn y rhanbarth, gan wneud y defnydd gorau o ffeithluniau i'w wneud yn haws i'w ddarllen. Lle nad oedd ardaloedd Blaenoriaeth Economaidd TCC wedi'u cynnwys yn benodol yn yr atodiadau, archwiliwyd y rhain yn fanylach yn y cynllun mwy.

Eglurodd ACH beth oedd yn cael ei wneud i ymgysylltu â busnesau a dywedodd fod y gyfradd ymateb yn debyg i'r arfer ar gyfer Canolbarth Cymru. Gofynnodd y Bwrdd am gyfleoedd i fyfyrwyr a faint oedd yn gorfod gadael y rhanbarth i ddilyn eu dewis gyrsiau. Cytunwyd bod angen dadansoddi'r ddarpariaeth sydd ar gael yn y Canolbarth.

#### **PENDERFYNWYD**

1. Derbyn Adroddiad Blynyddol y Bartneriaeth Sgiliau Rhanbarthol
2. Nodi'r cynnydd hyd yma.
3. Cymeradwyo Cynllun Cyflogaeth a Sgiliau 3 blynedd drafft a Chynllun Gweithredu'r Bartneriaeth Sgiliau Rhanbarthol.

**Y Cynghorydd Sir Bryan Davies  
Cadeirydd**

**MINUTES OF A MEETING OF THE BWRDD TYFU CANOLBARTH CYMRU / GROWING  
MID WALES BOARD HELD BY ZOOM ON  
FRIDAY, 17 FEBRUARY 2023**

**PRESENT**

**Ceredigion County Council Members:**

Councillor Bryan Davies, Leader and Cabinet Member for Democratic Services, Policy, Performance and People and Organisation **(BD) (Chair)**

Councillor Catrin M S. Davies, Cabinet Member for Culture, Leisure and Customer Services **(CMSD)**

Councillor Clive Davies, Cabinet Member for Economy and Regeneration **(CD)**

Councillor Keith Henson, Cabinet Member for Highways and Environmental Services and Carbon Management **(KH)**

Councillor Matthew Vaux, Cabinet Member for Partnerships, Housing, Legal and Governance and Public Protection **(MV)**

**Powys County Council Members:**

Councillor Aled Davies **(AD)**

Councillor David Selby, Cabinet Member for a More Prosperous Powys **(DS)**

Councillor Amanda Jenner **(AJ)**

**Officers:**

Eifion Evans, Chief Executive, Ceredigion County Council **(EE)**

Barry Rees, Corporate Director, Ceredigion County Council **(BR)**

Elin Prysor, Corporate Lead Officer: Legal and Governance, Ceredigion County Council **(EP)**

Lowri Edwards, Corporate Lead Officer: Democratic Services, Ceredigion County Council **(LE)**

Russell Hughes-Pickering, Corporate Lead Officer: Economy and Regeneration, Ceredigion County Council (RHP)

Duncan Hall, Corporate Lead Officer: Finance and Procurement, Ceredigion County Council **(DH)**

Arwyn Davies, Corporate Manager: Growth and Enterprise, Ceredigion County Council **(ADa)**

Carwyn Jones-Evans, Joint Strategic Lead, Growing Mid Wales/Ceredigion County Council **(CJE)**

Dr Caroline Turner, Chief Executive, Powys County Council **(CT)**

Clive Pinney, Head of Legal and Democratic Services, Powys County Council **(CP)**

Cathy Martin, Operations Manager, Growing Mid Wales **(CM)**

Aggie Caesar-Homden, Partnership Manager - Mid Wales Regional Skills Partnership, Growing Mid Wales **(ACH)**

Angharad Massow, Communications Officer, Growing Mid Wales **(AM)**

Nigel Brinn, Executive Director Economy and Environment, Powys County Council **(NB)**

Nicola Williams, Joint Strategic Lead, Growing Mid Wales/ Powys County Council **(NW)**

**Government Observers:**

Gareth Ashman, Head of Regional and Local Growth, UK Government Wales

John Hawkins, UK Government Wales

Ann Watkin, Head of Strategy, Operations Alignment and Planning, Welsh Government

Darnley Reid, Regional & Local Growth Team, UK Government Wales

**1. CROESO AC YMDDIHEURIADAU / WELCOME AND APOLOGIES**

The Chair welcomed everyone to the meeting.

Apologies were received from Councillor James Gibson-Watt (PCC), Councillor Matthew Dorrance (PCC), Diane Reynolds (PCC) Diana Davies and Nicola Owen.

**2. DATGANIADAU O FUDDIANT PERSONOL / DECLARATIONS OF PERSONAL INTEREST**

There were no declarations of personal interest reported.

**3. COFNODION DRAFFT Y CYFARFOD DIWETHAF / DRAFT MINUTES OF THE LAST MEETING 26/09/22**

The minutes of the last meeting held on 26<sup>th</sup> September 2022 were agreed as a correct record.

**4. BARGEN TWF CANOLBARTH CYMRU / MID WALES GROWTH DEAL**

CM advised that the Strategic Portfolio Business Case v2.0 had been drafted and was currently undergoing consultation. A workshop had been held on 10<sup>th</sup> February with members of the Management Group, UK Government and Welsh Government colleagues, the Economic Advisory Group and Welsh Government policy leads to take a more detailed look at the changes and invite feedback.

Supporting documents had been updated including the Private Sector Investment Strategy which would also be subject to further consultation particularly with members of the Economic Advisory Group to provide private sector input.

Final versions of both documents would be tabled for GMW Board approval on 28 March 2023 then submitted to both Governments for consideration at the Welsh Cites & Growth Deal Implementation Board meeting on 29<sup>th</sup> March. This would instigate the release of the Grant Award Letter.

A Portfolio Assurance Review had taken place in the week 14-17 February. The purpose of the review, involving an external and independent review team, was to provide assurance to the Board and to both Governments that everything was in place to progress with the delivery phase of the Growth Deal. A report would be provided to the Senior Responsible Owners and subsequently feedback to the GMW Board.

CM was asked if there was still room for new projects to come in if other projects dropped out. She advised that the portfolio management office will be developing a process to enable pipeline projects to come forward. The Board would need to

assess how they fitted in with the Growth Deal objectives and it would be important not to raise expectations.

The Board noted that the presentations by sponsors had been generally well received although some could have been shorter and better focused. Cllr AJ asked for the presentations from the second workshop. Any comments should be directed to the Senior Responsible Officers, Nigel Brinn and Barry Rees.

The Chair asked for consideration to be given as to whether the Board should have a single point of contact with the EAG.

## **5. CYLLID / FINANCE**

### **5.1 Datganiad Blynyddol ar gyfer y flwyddyn a ddaeth i ben ar 31 Mawrth 2022 / Report - Annual Return for the year ended 31 March 2022**

The Board received the Annual Return for the year ended 31 March 2022. Audit Wales had audited the Annual Return. Their Audit certificate and opinion states – ‘It is our intention to issue an unqualified certificate and report for the year ended 31 March 2022 and there are no matters in respect of the opinion which we wish to draw to your attention.’

**RESOLVED to approve the Annual Return for the year ending 31 March 2022.**

### **5.4 Proposed 2023/24 revenue budget for Growing Mid Wales Board**

The Board considered the Annual Budget for 2023/24.

Since the formal establishment of the Growing Mid Wales (GMW) Board development activity to date on the Mid Wales Growth Deal had largely been funded through spot contributions by the two Local Authorities and external grant funding (Welsh Government).

Additional revenue support was received in February 2021 from the Welsh European Funding Office (WEFO) for an element of revenue costs to help establish a Portfolio Management Office for the period up to July 2023, as part of wider regional working via Growing Mid Wales. This grant funding did not form part of the GMW Board budget and currently supports 7 posts.

A revenue budget for 2023/24 for the GMW Board totalling £592,000 was proposed. The proposed budget assumed that the Portfolio Management Office costs from August 2023 onwards would be included, supporting the following posts:

- Growth Deal Operations Manager
- Programme Manager: Sites & Premises
- Programme Manager: Digital
- Portfolio Analysis & Support Officer
- ESF Project Manager (*subject to review*)
- GMW Communications officer

- GMW Energy Lead (*subject to review*)

The proposed 23/24 Budget assumed revenue funding of £367,000 which was a 4% top slice of the anticipated Year 1 Growth Deal Funding from both governments during 2023/24. This was subject to the full Growth Deal approval. The proposed budget also assumed continuing £100,000 funding each from both Powys and Ceredigion County Councils.

The proposed budget for 2023/24 was a holding position prior to the anticipated award of the Growth Deal Funding. A resource review, in readiness for moving from the development to delivery phase of the Growth Deal, would need to be undertaken during quarter one of 2023/24 which may result in the need for the Board to consider a revised Budget during 2023/24. This review could conclude that either higher, lower or broadly the same level of resources was required for the next phase. In addition, core expenditure beyond the proposed Council contributions totalling £200k should not be incurred until the Growth Deal is formally secured, as the 4% top slice does not exist until that is in place and a grant offer letter is received.

## **RESOLVED**

- 1.1. The GMW Board approves the Annual Budget for 2023/2024 of £592,000 as outlined in Appendix 1, which includes a £100,000 contribution each from both Ceredigion County Council and Powys County Council.
- 1.2. The GMW Board notes the intention for a Resources review to be undertaken in readiness for the next stage of the Growth Deal.
- 1.3. The GMW Board notes that core expenditure should not exceed £200,000 during 2023/24 until the Growth Deal has been secured and the associated WG Grant offer letter has been received and accepted.

## **6. UNRHYW FATER ARALL / ANY OTHER BUSINESS**

NB reported that the first draft of the Portfolio Assurance Review had been returned with an Amber/Green confidence assessment. The final draft would be shared with the Board when available.

## **7. DYDDIADAU CYFARFODYDD NESAF / DATES OF FUTURE MEETINGS**

28 March 2023 – Virtual  
 23 June 2023 – Virtual  
 29 September 2023 – Virtual  
 15 December 2023 – Virtual



<b>8. EITHRIO'R CYHOEDD / EXCLUSION OF THE PUBLIC</b>
---

The report relating to item 5 is not for publication as it contains exempt information as defined in paragraph 14 of Part 4 of Schedule 12A to the Local Government Act 1972 as amended by the Local Government (Access to information) (Variation) (Wales) Order 2007. If, following the application of the Public Interest Test, the Council resolves to consider this item in private, the public and press will be excluded from the meeting during such consideration, in accordance with Section 100B(2) of the Act.

**RESOLVED**

It was agreed to exclude the public and press during consideration of item 9 below on the basis that documents included information relating to the financial or business affairs of the Councils, which should not, on balance, be disclosed to the public and press.

<b>9. PARTNERIAETH SGILIAU RHANBARTHOL CANOLBARTH CYMRU / MID WALES REGIONAL SKILLS PARTNERSHIP</b>
---

ACH provided an update on progress of the Mid Wales Regional Skills Partnership and on the draft RSP 3-year Employment and Skills Plan and Action Plan. The Board also received the RSP Annual Report.

The RSP had been commissioned by Welsh Government to produce labour market intelligence collaborating with employers and stakeholders to develop the new 3-year Employment and Skills Plan and Action Plan. RSP had commissioned Lightcast to support the development of the plan. To capture the voice of businesses, the annual Employment and Skills survey was distributed through business contacts, specific business forums such as FSB and the Mid Wales Manufacturing Group, Stakeholders, Partners, other networks, and RSP Board members.

An initial high level draft version of the new 3-year Employment and Skills Plan (2022 – 2025) and Action Plan, which would identify priorities for regional investment that supports jobs and growth in the Mid Wales region, had been submitted to WG for comments and initial feedback had been provided for the final draft.

The plan was supplemented by a number of annexes which would focus on different policy areas that feature in the Programme for Government. Key deliverables for the next 12 months were required for each of the following areas:

- Employment and Skills Plan 2022 – 2025
- Digital skills
- Net Zero skills
- National Occupational Standards (NOS)
- Further Education and Apprenticeships
- Welsh Language

Each Annex above had its own guidance note. In order to provide additional context and advice, WG Policy Leads were assigned to the RSP for each of the areas above.

The RSP had also produced a separate, larger, employer and stakeholder focused draft 3-year Employment and Skills Plan and Action Plan to promote their work in the region, maximising the use of infographics to make it more reader friendly. Where GMW Economic Priority areas had not been specifically included in the annexes, these were more fully explored in the larger plan.

ACH explained what was being done to engage with businesses and she advised that the response rate was average for Mid Wales. The Board asked about opportunities for students and how many were having to leave the region to pursue their chosen courses. It was agreed that there needed to be analysis of the provision available in Mid Wales.

**RESOLVED**

1. To receive the RSP Annual Report
2. To note progress to date.
3. To approve the draft RSP 3-year Employment and Skills Plan and Action Plan.

**County Councillor Bryan Davies  
Chair**



**ADRODDIAD I FWRDD**  
**TYFU CANOLBARTH CYMRU**  
**28 Mawrth 2023**

TEITL:	Adroddiad ynghylch Bargaen Twf Canolbarth Cymru
AWDUR:	Cathy Martin, Rheolwr Gweithrediadau – Bargaen Twf Canolbarth Cymru

### 1 Diben yr adroddiad

- 1.1 Diben yr adroddiad hwn yw cyflwyno fersiynau wedi'u diweddarau o Achos Busnes Strategol y Portffolio (fersiwn 2.0) a'r Strategaeth ar gyfer Buddsoddi gan y Sector Preifat (v2.0 DRAFFT) i'w cymeradwyo ochr yn ochr â dogfennau ategol. Yn ogystal, i roi trosolwg cryno o gynnydd ac o'r camau nesaf yng nghyswllt Bargaen Twf Canolbarth Cymru.

### 2 Penderfyniad(au) a geisir

- 2.1 Cymeradwyo Achos Busnes Strategol y Portffolio (v2.0) a'r Strategaeth ar gyfer Buddsoddi gan y Sector Preifat (v2.0 DRAFFT) a cytuno i'w gyflwyno i Lywodraeth Cymru a Llywodraeth y DU gyda'r dogfennau ategol sydd wedi'u hychwanegu, er mwyn iddynt gael eu hadolygu gan Fwrdd Gweithredu Bargaenion Twf a Bargaenion Dinesig Cymru yn rhan o'r gwaith o ystyried rhoi Llythyr Dyfarnu Grant i Fargaen Twf Canolbarth Cymru.

### 3 Cefndir ac ystyriaethau perthnasol

- 3.1 Fel yr adroddwyd yn flaenorol, mae fersiwn wedi'i ddiweddarau o Achos Busnes Strategol y Portffolio yn rhan hanfodol o'r broses sicrwydd, sy'n rhoi hyder i Lywodraeth Cymru a Llywodraeth y DU bod Tyfu Canolbarth Cymru yn barod i gyflawni ariannu Bargaen Twf Canolbarth Cymru.
- 3.2 Yn dilyn proses ymgynghori ynghylch dogfen ddrafft, a oedd yn cynnwys aelodau o Grŵp Rheoli Tyfu Canolbarth Cymru, y Grŵp Cynghori Economaidd, a chydweithwyr ac arweinwyr polisi yn Llywodraeth Cymru a Llywodraeth y DU, mae fersiwn terfynol wedi'i lunio sy'n ystyried yr adborth i gyd – **gweler Atodiad 1 – Achos Busnes Strategol y Portffolio v2.0.**
- 3.3 Mae'r **Strategaeth ar gyfer Buddsoddi gan y Sector Preifat** wedi'i ddiweddarau hefyd i fersiwn 2 – **gweler Atodiad 2.** Dogfen ddrafft yw hon o hyd oherwydd ei bod yn ddarn o waith sy'n esblygu a ddatblygir ymhellach yn ystod y misoedd nesaf gyda chymorth y Grŵp Cynghori Economaidd a thrwy ymgysylltu â Noddwyr Prosiectau a Byrddau Rhaglenni.
- 3.4 At hynny, mae nifer o ddogfennau ategol yn rhan o'r broses o gyflwyno Achos Busnes Strategol y Portffolio. Mae'r rhain yn ddogfennau gweithio a

chynllunio'n fwy na dim, felly maent wedi'u hychwanegu at ddibenion cyfeirio yn unig – gweler **Atodiadau 3 – 6**.

- 3.5 Os bydd Bwrdd Tyfu Canolbarth Cymru yn cymeradwyo'r dogfennau hyn, byddant wedyn yn cael eu cyflwyno'n ffurfiol i'r ddwy Lywodraeth er mwyn iddynt gael eu trafod yng nghyfarfod Bwrdd Gweithredu Bargeinion Twf a Bargeinion Dinesig Cymru ar 29 Mawrth. Dylid nodi bod yr amserlen dynn yn golygu na fydd y Bwrdd hwnnw'n gallu rhoi penderfyniad yn y cyfarfod, oherwydd bydd angen i'r dogfennau gael eu hadolygu'n fewnol a dilyn proses lywodraethu. Fodd bynnag, trafodwyd â chydweithwyr yn y Llywodraeth y posibilrwydd o gynnig eu bod yn cael eu hystyried y tu allan i'r prif gyfarfod.

#### 4 Adolygiad Sicrwydd y Portffolio

- 4.1 Cafodd Adolygiad Sicrwydd y Portffolio ei gynnal rhwng 14 ac 17 Chwefror, a rhoddwyd adroddiad i'r Uwch-berchnogion Cyfrifol. Rydym yn falch o allu dweud bod Bargaen Twf Canolbarth Cymru wedi cael ei rhoi yn y categori **OREN/GWYRDD** – sy'n ganlyniad cadarnhaol iawn.
- 4.2 Roedd yr adroddiad yn canmol y cynnydd y mae'r Fargen Twf wedi'i wneud, ac roedd yn cynnwys 10 o argymhellion i hybu camau datblygu a gweithredu pellach. Mae pob un o'r argymhellion yn rhai y gellir eu cyflawni, ac mae cynlluniau/camau gweithredu wrthi'n cael eu cyflwyno yng nghyswllt rhai ohonynt yn barod. Mae Cynllun Gweithredu yn cael ei ddatblygu i symud y rhain yn eu blaen.
- 4.3 Mae'r adroddiad hwn hefyd yn rhan o'r broses sicrwydd gyda'r Llywodraeth, ac mae o gymorth i sicrhau bod cyllid y Fargen Twf yn cael ei ryddhau.

#### 5 Y camau nesaf

- 5.1 Isod ceir trosolwg o'r camau nesaf:

<b>28 Mawrth</b>	Cyflwyno fersiwn terfynol o Achos Busnes Strategol y Portffolio (fersiwn 2) a fersiwn drafft o'r Strategaeth ar gyfer Buddsoddi gan y Sector Preifat (fersiwn 0.2) i Fwrdd Tyfu Canolbarth Cymru i'w cymeradwyo ochr yn ochr â dogfennau ategol
<b>29 Mawrth</b>	Cyfarfod Bwrdd Gweithredu Bargeinion Twf a Bargeinion Dinesig Cymru i drafod cynnydd, trafod adroddiad Adolygiad Sicrwydd y Portffolio a rhoi'r Llythyr Dyfarnu Grant (gofynnwyd am benderfyniad i ddyfarnu cyllid y tu allan i'r prif gyfarfod)
<b>30 Mawrth ymlaen</b>	Y Llywodraeth i gynghori ynghylch yr amserlenni ar gyfer proses Bwrdd Gweithredu Bargeinion Twf a Bargeinion Dinesig Cymru y tu allan i'r prif gyfarfod
<b>Mawrth</b>	Trefnu gweithdai pellach ar gyfer noddwyr prosiectau, gan gynnwys gweithdai sgiliau
<b>Mawrth</b>	Cynnal cyfarfod â'r Grŵp Cynghori Economaidd ynghylch: y Strategaeth ar gyfer Buddsoddi gan y Sector Preifat a'r Blaengynllun Gwaith
<b>Mawrth/Ebrill</b>	Trefnu 3ydd Gweithdy Ymgysylltu â Rhanddeiliaid am y 3 phrosiect sy'n weddill (ar ôl cael Achosion Amlinellol Strategol ac ar ôl eu hasesu)

<b>Mawrth ymlaen</b>	Achosion Busnes Prosiectau i'w cyflwyno a'u hasesu (6 wedi symud ymlaen i fod yn Achosion Busnes Amlinellol, 3 yn Achosion Amlinellol Strategol)
<b>18 Mai</b>	Grŵp Rheoli – yn cael asesiadau am y set gyntaf o Achosion Busnes
<b>23 Mehefin</b>	Bwrdd Tyfu Canolbarth Cymru – yn cael argymhellion ynghylch y set gyntaf o Achosion Busnes i'w hystyried

## **6 Cofrestr Risg a Materion y Portffolio**

- 6.1 Gweler **Atodiad 6** ar gyfer y Gofrestr Risg a Materion wedi'i diweddarau sydd i'w hystyried. Mae hwn wedi ei adolygu a'i ddiweddarau gan yr Arweinwyr Strategol a'r PoMO.

## **7 Goblygiadau cyfreithiol**

- 7.1 Dim.

## **8 Goblygiadau o ran adnoddau dynol**

- 8.1 Dim

## **9 Goblygiadau ariannol**

- 9.1 Dim

## **10 Atodiadau**

- Atodiad 1: Achos Busnes Strategol y Portffolio v2.0
- Atodiad 2: Strategaeth ar gyfer Buddsoddi gan y Sector Preifat V0.2 DRAFFT
- Atodiad 3: Cynllun Gweithredu\_v0.5
- Atodiad 4: Cynllun Sicrwydd a Chymeradwyo Integredig\_v.08\_2023-01
- Atodiad 5: Strategaeth Gyfathrebu Tyfu Canolbarth Cymru v7.6
- Atodiad 6: Cofrestr Risg a Materion

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## REPORT TO THE GROWING MID WALES BOARD

28<sup>th</sup> March 2023

TITLE:	Mid Wales Growth Deal Report
AUTHOR:	Cathy Martin, Operations Manager – Mid Wales Growth Deal

### 1 Purpose of the Report

- 1.1 The purpose of this report is to present the updated Strategic Portfolio Business Case version 2.0 and Private Sector Investment Strategy DRAFT v2.0 for approval alongside supporting documents, Also, to provide a brief overview of the progress and next steps relating to the Mid Wales Growth Deal.

### 2 Decision(s) Sought

- 2.1 Approval of the Strategic Portfolio Business Case v2.0 and Private Sector Investment Strategy DRAFT v2.0 and approval to submit to UK and Welsh Government together with the appended supporting documents for review by the Welsh Cities and Growth Deal Implementation Board as part of consideration of issuing a Grant Award Letter for the Mid Wales Growth Deal.

### 3 Background and Relevant Considerations

- 3.1 As previously reported, an updated version of the Strategic Portfolio Business Case is an essential part of the assurance process providing UK and Welsh Governments with confidence that Growing Mid Wales is set for delivery of the funding for the Mid Wales Growth Deal.
- 3.2 Following consultation on a draft document to include members of the Growing Mid Wales Management Group, Economic Advisory Group, UK Government and Welsh Government colleagues and policy leads, a final version has been produced taking into account all feedback – **see Appendix 1 – Strategic Portfolio Business Case v2.0.**
- 3.3 The **Private Sector Investment Strategy** has also been updated to version 2 – **see Appendix 2.** This document remains in draft form as it is an evolving piece of work which will be developed further over coming months with support from the Economic Advisory Group and engagement with the Project Sponsors and Programme Boards.
- 3.4 A number of supporting documents also form part of the submission of the Strategic Portfolio Business Case. These are more working and planning documents therefore they are appended for reference only – **see Appendices 3 – 6**
- 3.5 Should approval be provided by the GMW Board for these documents then they will be formally submitted to both Governments for discussion at the Welsh

Cites & Growth Deal Implementation Board (WCGIB) meeting on 29<sup>th</sup> March. It should be noted that the tight timescale means that the WCGIB will not be able to provide a decision at this meeting as the documents will require internal review and follow governance process however it has been discussed with Government colleagues that consideration by ex-committee be proposed.

#### **4 Portfolio Assurance Review:**

- 4.1 The Portfolio Assurance Review (PAR) took place 14<sup>th</sup> - 17<sup>th</sup> February and a report has been provided to the Senior Responsible Owners. We are pleased to report that the Mid Wales Growth Deal was given an **AMBER/GREEN** rating – which is very positive.
- 4.2 The report praised the progress of the Growth Deal and provided 10 recommendations to aid the further development and implementation, all of which are achievable, and some are already in the process of being planned/actioned. An Action Plan is to be developed to take these forward.
- 4.3 This report also forms part of the assurance process with Government and supports the release of the Growth Deal funding.

#### **5 Next Steps**

- 5.1 Please find below an overview of the next steps:

<b>28th March</b>	Finalised SPBC v2 & draft PSIS v0.2 to GMW Board for approval along with supporting docs
<b>29th March</b>	WCGIB meeting to discuss progress, PAR report and issue of Grant Award Letter (seeking decision to award funding ex committee)
<b>30th March onwards</b>	Government to advise on timescales for WCGIB ex-committee process
<b>March</b>	Arrange further workshops for project sponsors including skills
<b>March</b>	Hold meeting with EAG re: Private Sector Investment Strategy and Forward Work Plan
<b>March/April</b>	Arrange 3rd Stakeholder Engagement Workshop on remaining 3 projects (following receipt and assessment of SOCs)
<b>March onwards</b>	Project Business Cases to be submitted and assessed (6 at OBC, 3 at SOC)
<b>18<sup>th</sup> May</b>	Management Group – receive assessments on first set of Business Cases
<b>23<sup>rd</sup> June</b>	GMW Board – receive recommendations on first set of Business Cases for consideration

#### **6 Portfolio Risk and Issue Register**

- 6.1 See **Appendix 6** for the updated Portfolio Risk and Issue Register for consideration. This has recently been reviewed and updated by the Strategic Leads and PoMO.

#### **7 Legal Implications**

- 7.1 None



## **8 Human Resources Implications**

8.1 None

## **9 Financial Implications**

9.1 None

## **10 Appendices**

- Appendix 1: Strategic Portfolio Business Case v2.0
- Appendix 2: Private Sector Investment Strategy V0.2 DRAFT
- Appendix 3: Implementation Plan\_v0.5
- Appendix 4: IAAP\_v.08\_2023-01
- Appendix 5: GMW Communications Strategy v7.6
- Appendix 6: Risk & Issue Register

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

# MID WALES GROWTH DEAL

## Strategic Portfolio Business Case

**Version: 2.1**

**Status: Public – for GMW Board approval**

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

## VERSION CONTROL

Version	Date	Details of changes or comments (Author)
v0.1	30/10/20 - 09/12/20	First draft – Completed Strategic Case following workshops 1a-1d (CJE)
v0.2	16/12-?	Second draft – First pass of Economic Case following Workshop 2 16/12
v0.3	18/02/21	Third draft – following officer consultation. Draft for early consultation with Senior Officers and Joint Cabinets.
V0.4	05/03/21	No changes since last draft – prepared for GMW Board 11/03/21 – comments from ESG/Board will be fed into next draft.
V0.5-0.9	31/07-14/09	Updated Strategic Case after review of baseline data. Developed Economic Case after Workshops 2/3. Developed Commercial, Financial and Management Cases after Workshops 4,5,6.
V1.0	15/09/21	Public version for GMW Board approval
V1.5	29/01/22	Updated following Accounting Officer Review
V2.0	14/11/22	Updated based on new data, policies/strategies and updated Strategic Outline Business Cases / emerging information of projects and programmes.
V2.1	16/03/22	Post-workshop updates to SPBC based on UK and Welsh Government feedback.

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

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Appendix I – PORTFOLIO RISK & ISSUE REGISTER

## THE REGIONS

**Ambition North Wales** – covering the six local authorities of Wrexham, Anglesey, Conwy, Denbighshire, Flintshire and Gwynedd.

**Growing Mid Wales** – covering the local authorities of Powys and Ceredigion.

**Swansea Bay City Region** – covering the local authorities of Swansea, Neath Port Talbot, Pembrokeshire and Carmarthenshire.

**Cardiff Capital Region** – covering the local authorities of Cardiff, the Vale of Glamorgan, Newport, Monmouthshire, Torfaen, Blaenau Gwent, Merthyr, Rhondda Cynon Taf, Caerphilly and Bridgend.



## Executive Summary

The purpose of the Strategic Portfolio Business Case (SPBC) is to set out the optimal choice of programmes/projects for the delivery of the Mid Wales Growth Deal. It was a key input into the approval of the Final Deal Agreement (FDA) with the UK and Welsh Governments signed in January 2022, which followed the Heads of Terms agreement in December 2020.

The Strategic Portfolio Business Case is a live document and is iterative. The guidance from both Governments has been to develop our Strategy first (the [Vision](#) for Growing Mid Wales) before then developing the Strategic Portfolio Business Case, then subsequently initiating formal Programme and Project development.

This document has been developed with input from officials from both Governments and with the external advice and support of Joe Flanagan (author of the Green Book and HM Treasury guidance), and with the support of economic development consultants, Hatch Ltd.

This updated SPBC considers and sets out the **latest information** on the shape of the Growth Deal Portfolio, which has emerged from the business case development process to date and the current optimal choice of programmes and projects.

Throughout the summer and autumn of 2022 projects have submitted their Strategic Outline Cases (SOCs) which have been assessed and approval given for 6 projects to proceed to development of their Outline Business Cases with 2 required to re-submit their SOC. One further project is looking to progress from feasibility to SOC in 2023. Progress has also been made on the two programmes (Digital, and Sites and Premises). Further information is provided within the SPBC.

The SPBC will continue to be regularly updated over the Growth Deal term to reflect the evolution of its constituent programmes and projects, and changes in the policy and economic context. This is anticipated to be on an annual basis, according to the anticipated terms of the Grant Funding Offer Letter from Government (we are looking to receive upon receipt of this version).

A total of £110m grant contribution to the Mid Wales Growth Deal is to be provided by the UK and Welsh Government (£55m each) as per the agreed Heads of Terms (December 2020) and Final Deal Agreement (January 2022) over a 15-year period. The UK Government communicated its intention to accelerate the Growth Deal to a 10-year profile as part of Spending Review 2020 however Welsh Government's position remains at 15-years.

For the purposes of Portfolio submission, in its current iteration – a 10-year appraisal period has been used for economic cost/benefit calculations.

## **Strategic Case**

### **Strategic Context**

The Mid Wales region comprises the local authority areas of Ceredigion and Powys. Mid Wales has a strong track record of driving regional economic growth in Partnership. Ever since the creation of the Growing Mid Wales Partnership in 2015; public, private and voluntary partners across the region have developed the leadership and voice to influence and strengthen the focus on growing the Mid Wales economy.

In 2017, the region was invited to bring forward a Growth Deal. Partners have since agreed formal governance structures and developed their Strategic Economic Plan for the region: A Vision for Growing Mid Wales (Appendix H).

The adopted 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”***.

Heads of Terms were subsequently agreed with both Governments in December 2020 for the Mid Wales Growth Deal. The region then successfully achieved Final Deal Agreement following the development of the first version of Strategic Portfolio Business Case.

The Growth Deal is a key catalyst to transform the regional economy as part of a broader funding mix and will contribute towards the delivery of the eight strategic growth priorities for the region articulated within the Vision for Growing Mid Wales. It has strong strategic alignment at the wider Welsh and UK levels, including with the Welsh Government's Programme for Government and Economic Resilience and Reconstruction Mission, the UK Government's Plan for Growth (Build Back Better) and Innovation Strategy.

## **Investment Objectives**

The following indicative investment objectives were developed for the Mid Wales Growth Deal through the development of the Strategic Portfolio Business Case v1.0 which states that by 2032 the Growth Deal aims to deliver:

- **Total capital investment of £280-400 million<sup>1</sup>**
- **1,100 to 1,400 net additional FTE jobs**
- **£570-700 million in net additional Gross Value Added.<sup>2</sup>**

The Economic Case of the SPBC presents the latest figures, based on information available as of November 2022, on estimated costs and benefits in respect of achieving the investment objectives for the Growth Deal.

Due to the premature development of the business cases (Strategic Outline Case stage) this information will continue to change and therefore be updated accordingly. This latest version of the SPBC reflects the current position and it is through the business case development and assessment process that the programmes and projects will continue to be tested to ensure that they will provide the best options for investment.

In addition to the overarching aims and objectives, the Portfolio will also deliver a number of regional outputs and benefits such as social value and decarbonisation, which will be determined as the business cases develop.

## **Business Needs**

Mid Wales has distinctive assets and opportunities, but also significant structural weaknesses holding it back from achieving its full potential. The Growth Deal will address these, in particular:

- Lagging productivity
- Changing demographics
- The region's narrow and vulnerable economic base
- Projected employment decline
- Static and weakening labour market
- Market failure
- The hidden nature of a rural economy

## **Potential Scope**

As a starting point, all eight Strategic Growth Priorities (sectors) were considered within scope and identified as the “maximum scope” of the Growth Deal. These are subsequently filtered down within the Economic Case.

## **Main Benefits**

The key headline direct and indirect benefits that the Growth Deal is expected to contribute towards are:

- Growth in regional prosperity
- Creation of better-quality jobs for the local labour market
- A more skilled workforce within the region
- Improvements in standards of living across the region

## **Risks**

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<sup>1</sup> Note: nominal prices, undiscounted.

<sup>2</sup> Note that this is the cumulative total increase in GVA over the period (nominal prices, undiscounted).



The key risks to the successful delivery of the Portfolio include resources; development costs; cost increases associated with recent inflationary pressures; COVID-19; Brexit; private sector investment; end user company involvement; political change; Statutory Consents and Planning. The approach to managing these risks is considered in the Management Case.

### **Constraints and Dependencies**

The Growth Deal is subject to a number of constraints and dependencies including the total funding package of £110m (£105.6 million after ‘top-slicing’ to cover administrative costs of PoMO), the 10/15-year term of the Growth Deal, the requirement for solely capital funding<sup>3</sup> and the stipulations within the Subsidy Control Framework. Growth Deal is capital public funding for economic infrastructure, and therefore the Portfolio, Programmes and Projects need to follow all relevant guidance by HM Treasury and the Welsh Government (Better Business Cases).

## ***Economic Case***

### **Options Assessment**

Since the agreement of Heads of Terms, significant feasibility work has been undertaken on potential interventions in order to refine the scope against the eight Strategic Growth Priority Areas and define the initial Growth Deal Portfolio.

The GMW Board initially considered a longlist of 18 potential programmes and projects for the Growth Deal, drawing on this feasibility work and a set of project proformas. This was done with reference to the investment objectives and a set of Critical Success Factors including strategic fit, business needs, social welfare, supply side capacity, affordability, and achievability. This assessment was tested in detail through a stakeholder workshop in July 2021 under the guidance of experienced practitioners.

The assessment resulted in the potential interventions being split into two lists: an initial shortlist of the preferred options to take forward and a ‘reserve’ list for further consideration should the shortlist not progress.

The following eleven interventions (two programmes and nine projects) were shortlisted for further development, with conditions. These shortlisted programmes and projects are now progressing through the detailed business case development process, which will determine whether they are approved for investment.

SOCs have been developed and submitted by 8 of the 9 shortlisted projects and draft Programme Business Cases developed for the Programmes. The Portfolio has been updated based on this emerging information and will continue to be updated annually throughout the delivery lifecycle. Acknowledging that the Portfolio will evolve over time, the current status of the following eleven shortlisted interventions is presented below:

***Note: Strategic Outline Case (SOC), Outline Business Case (OBC), Full Business Case (FBC).***

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<sup>3</sup> It should be noted that match funding is not required to be solely for capital funding. Alternative funding streams can be used for revenue funding.

Short-listed Projects / Programmes for the Mid Wales Growth Deal*			
Strategic Growth Priorities	Project / Programme	Business Case Maturity Index – September 2021	Business Case Maturity Index – November 2022
Applied Research & Innovation	Green Futures Innovation Park	Project Proforma	SOC approved, progressing to OBC
	National Spectrum Centre	Project Proforma	SOC approved, progressing to OBC
	Mid Wales Advanced Manufacturing Campus	Concept	Feasibility moving to SOC development
Agriculture, Food & Drink	Food Manufacturing Innovation Centre	Project Proforma	SOC approved, progressing to OBC
	Canolfan Tir Glas	Project Proforma	SOC assessed & to be resubmitted
Strengthened Tourism Offer	Cynefin – The Green Heart of Wales	Project Proforma	SOC approved, progressing to OBC
	Dwr Cymru Elan Valley	Project Proforma	SOC approved, progressing to OBC
	Montgomery Canal Wales - Restoration to Navigation	Project Proforma	SOC assessed & to be resubmitted
	Aberaeron Harbour Development	Project Proforma	SOC approved, progressing to OBC
Digital	Digital Programme	Programme Business Case (Initial)	Programme Business Case (Initial)
Supporting Enterprise	Mid Wales Sites and Premises Programme	Programme Business Case (initial)	Programme Business Case (initial)

*Note: Some projects have changed their names slightly.*

The short-list continues to represent the interventions judged at this stage to have the strongest strategic fit and potential to deliver on the strategic objectives of the Growth Deal in a timely fashion. Projects remaining from the longlist may still develop into investable propositions for the Growth Deal over time and if one of the shortlisted projects ceases to continue therefore, they are in 'reserve'.

### **Economic Appraisal**

An economic appraisal has been produced for the Portfolio, but it should be noted that this can only be **indicative** given the early stage of development of the proposals and hence the robustness of the information available. This remains the case for this iteration. Shortlisted programmes and projects will need to conduct their own economic appraisals as part of their own business case development, and this process is outlined in the Management Case. Whilst most projects have now produced a SOC, several have not provided robust estimates on impact or value for money at this stage. Therefore, we have updated where possible to reflect estimates from the projects, whilst retaining best estimates from the previous iteration of the SPBC for other projects.

The Economic Case therefore establishes **indicative orders of magnitude** for benefits and value for money, expressed as ranges. This has been done using the principles contained in the HM Treasury Green Book's Appendix A on Place-based analysis.

The net additional economic benefits from Strategic Portfolio Business Case v1.0 are set out below:

<b>Indicative Net Additional Economic Benefits (GVA is cumulative over a 10-year persistence period and expressed in 2021/22 prices, discounted, FTE jobs are annual)</b>		
<b>Strategic Growth Priority</b>	<b>GVA (£m)</b>	<b>Jobs Created (FTEs)</b>
<b>Applied Research &amp; Innovation</b>	£55 – 65	185 – 255
<b>Agriculture, Food &amp; Drink</b>	£40 – 50	35 – 45
<b>Strengthened Tourism Offer</b>	£120 – 145	200 – 245
<b>Digital</b>	£95 – 115	370 – 450
<b>Supporting Enterprise</b>	£85 – 105	340 – 415
<b>Total</b>	<b>£395 - £480</b>	<b>1,100 - 1,400</b>

Source: Hatch calculations based on programme and project material at August 2021

Note: Figures may not sum due to rounding.

Based on the latest available information, the current net additional economic benefits are set out below:

<b>Indicative Net Additional Economic Benefits (GVA is cumulative over a 10-year persistence period and expressed in 2022/23 prices, discounted, FTE jobs are annual)</b>		
<b>Strategic Growth Priority</b>	<b>GVA (£m)</b>	<b>Jobs Created (FTEs)</b>
<b>Applied Research &amp; Innovation</b>	£80 – 95	200 – 245
<b>Agriculture, Food &amp; Drink</b>	£30 – 35	70 – 85
<b>Strengthened Tourism Offer</b>	£125 – 155	160 – 200
<b>Digital</b>	£95 – 120	280 – 340
<b>Supporting Enterprise</b>	£100 – 120	280 – 345
<b>Total</b>	<b>£430 – 525</b>	<b>1,000 – 1,200</b>

Source: Hatch calculations based on programme and project material at November 2022

Note: Figures may not sum due to rounding.

The Mid Wales Growth Deal will deliver a benefit-cost ratio (BCR) of 2.0-2.5 (or 3.9-4.8 based on Growth Deal investment only). This varies slightly from the Strategic Portfolio Business Case v1.0 which presented a BCR of 2.1-2.5 (or 3.7-4.5 based on Growth Deal investment only). These figures will continually evolve as projects present robust estimates in the course of their own business case development. This does not include important benefits that are not quantifiable or monetisable, such as the development of key sectors, retention of young people and rural sustainability. Full details are provided in the Economic Case.

## **Commercial Case**

The commercial arrangements for the Growth Deal were considered at a stakeholder workshop on 1<sup>st</sup> September 2021. The commercial strategy is based on the Government's Commercial Operating Standards and the Portfolio Management Office will put in place the necessary procedures to ensure that these are met. This includes planning the commercial pipeline, understanding the supply chain and engaging with it early on, ensuring projects and programmes consider commercial options in their business cases, and using model Terms for contracts with flexibility.

All procurement will be undertaken in compliance with WTO rules and UK Government agreements. The procurement strategy responds to Welsh and UK Government policy and procedures. Project sponsors should also follow the [Wales Public Procurement Statement](#) Principles including embedding the Well-being of Future Generations Act into all activities.

## Financial Case

### Revenue and Capital Requirements

The Mid Wales Growth Deal has an anticipated total capital expenditure of approximately **£315-450 million**,<sup>4</sup> based on the latest available estimates. Note that this was previously £280-400 million in the Strategic Portfolio Business Case v1.0. £105.6 million of funding is to be provided for these interventions from the Growth Deal itself, with the residual costs to be funded by a mix of other public and private sector investment. The Project Sponsor for each programme or project will be liable for any cost overruns. The Growth Deal contribution will be capped at the £105.6 million requested.

Given the stage of development of the shortlisted proposals of the Portfolio, the capital expenditure requirements are best estimates based on the project and programme level material that is available. The wide range in the overall total costs reflects the fact the costs are outline in nature. In order to generate a reasonable range for the costs, an Optimism Bias factor has been applied to the costs provided by project sponsors, to generate an upper bound costing.

The total capital expenditure as per the Strategic Portfolio Business Case v1.0 is presented below:

<b>Indicative Total Capital Costs, by Strategic Priority Area (£m, nominal prices, undiscounted, 2021/22 prices)</b>		
<b>Strategic Growth Priorities</b>	<b>Lower End</b>	<b>Upper End</b>
<b>Applied Research &amp; Innovation</b>	£66	£95
<b>Agriculture, Food &amp; Drink</b>	£12	£18
<b>Strengthened Tourism Offer</b>	£92	£133
<b>Digital</b>	£50	£72
<b>Supporting Enterprise</b>	£56	£81
<b>Total</b>	<b>£280</b>	<b>£400</b>

<sup>4</sup> Note: All values expressed in the Financial Case are inclusive of VAT and inflation and are not discounted over time.

Source: Hatch calculations based on available project and programme level detail at August 2021.

Note: Upper End is calculated by applying an Optimism Bias factor of 44% to the costs put forward by sponsors at this stage where Optimism Bias is not already included, to reflect their outline nature. Numbers may not sum to total due to rounding.

Based on the latest information available as of November 2022, the total capital expenditure is presented below:

Indicative Total Capital Costs, by Strategic Priority Area (£m, nominal prices, undiscounted, 2022/23 prices)		
Strategic Growth Priorities	Lower End	Upper End
Applied Research & Innovation	£93	£133
Agriculture, Food & Drink	£25	£36
Strengthened Tourism Offer	£92	£132
Digital	£38	£54
Supporting Enterprise	£66	£96
<b>Total</b>	<b>£314</b>	<b>£452</b>

Source: Hatch calculations based on available project and programme level detail at November 2022.

Note: Upper End is calculated by applying an Optimism Bias factor of 44% to the costs put forward by sponsors at this stage where Optimism Bias is not already included, to reflect their outline nature. Numbers may not sum to total due to rounding.

No revenue funding is provided through the Growth Deal for the delivery of the programmes and projects, or the operational running costs of the projects once completed. Operational revenue requirements for the projects once the capital expenditure is completed is the responsibility of the Project Sponsor for every project. Revenue costs will be set out in programme and project business cases.

Revenue funding for the Portfolio Management Office (PoMO) is currently provided through a combination of partner (Local Authority) match funding and European Social Fund (ESF) grant up to July 2023. Following July 2023, the revenue funding for the PoMO will be provided through 'top-slicing' 4% from the overall £110 million Growth Deal, this is expected to cover administrative and operational costs for the duration of the Growth Deal. This will provide an estimated £4.4 million, reducing the overall funding allocation to projects to £105.6 million.

**Top Slice Rationale:** We have discussed the rationale for determining the 4% top slice with civil servants supporting the Mid Wales Growth Deal. There are no committed revenue contributions from either Government to support the Portfolio, and the development work to date has relied on both Local Authorities and external funding to resource. A budget was recently set for GMW Board and our calculations indicate a top slice of 4% to be a minimum acceptable level of resource needed to undertake the delivery of the Portfolio effectively. Despite the relative small size of our Growth Deal compared to other regions and areas, our administrative burden remains the same.

### **Income and Expenditure**

Funding for programmes/projects will only be released by the Accountable Body upon the successful approval of programme/project business cases by the Growing Mid Wales Board.

Due to the nature of the annual Growth Deal grant payments from Government, which are to be paid in equal instalments over the 10/15-year period, there could be a medium-term temporary funding gap between the expected expenditure profile of the Portfolio and the funding received. Conversely, there could be a scenario where there is surplus funding available due to Programme/Project underspend.

The Accountable Body will work closely with the PoMO to monitor the planning and delivery of the Portfolio; and will advise the Growing Mid Wales Board on the implications and subsequent options when the detail of the expenditure profile of the Portfolio is known.

**NOTE:** It should be absolutely clear that any delivery profile currently is an indicative estimate based on project asks at this stage based on information from within the SOCs. A detailed delivery and implementation plan will be updated when programme/project information is profiled in greater detail and agreed by the GMW Board.

### ***Management Case***

The Management Case sets out how the Growing Mid Wales Board, through the PoMO, will manage and deliver the Mid Wales Growth Deal programmes and projects in line with best practice, including *Managing Successful Programmes (MSP)* – the Cabinet Office’s recommended methodology for the delivery of programmes – and *PRINCE2* – the Cabinet Office’s recommended methodology for the delivery of projects.

### **Governance Structure**

An Inter-Authority Agreement (IAA) was developed and signed by both local authorities in December 2019 to formalise their respective roles and responsibilities for the development, delivery and implementation of the Mid Wales Growth Deal. This Agreement is periodically reviewed and updated as required with the current version (IAA3) agreed in March 2022.

The Inter-Authority Agreement states that the authorities agreed to appoint Ceredigion County Council to act as Accountable Body on behalf of both authorities for the Growth Deal funds. Under this agreement a joint committee was established (Growing Mid Wales Board) responsible for the implementation and overall delivery of the Mid Wales Growth Deal. The agreement provides the terms of reference for the Board and Sub-Committees and the division of administrative functions between the councils.

The key roles within the Mid Wales Growth Deal governance structure are set out below:

- Joint Committee / Growing Mid Wales Board
- Portfolio Senior Responsible Owners (SROs)
- Strategic Leads
- Management Group / Portfolio Board
- Operations (Portfolio) Manager
- Portfolio Management Office
- Growing Mid Wales Partnership
- Regional Skills Partnership
- Private Sector Advisory Group

The Private Sector Advisory Group previously existed in the form of the Economic Strategy Group as constituted in Inter-Authority Agreements (IAA1 and IAA2). A governance review was undertaken to reflect the Growth Deal moving from development to delivery and a new Economic Advisory Group established. Detail of the governance arrangements are captured in the revised governance agreement (IAA3) and Terms of Reference therein. For the



purposes of the Strategic Portfolio Business Case – the role of the private sector in an advisory capacity remains a key component of the governance surrounding the Deal.

The Operations (Portfolio) Manager leads the PoMO overseeing the delivery of the Growth Deal Portfolio and is accountable to the Growing Mid Wales Management Group.

Sitting alongside regional governance the PoMO plays a key role in governance support, operational management, programme/project development, communication and stakeholder engagement, and coordination across wider regional activity.

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. Projects will report through to the relevant Programme.

### **Risk Management**

The Mid Wales Growth Deal Board will consider the adoption of a risk management framework for the delivery of the Mid Wales Growth Deal. The framework will clearly set out how risks and issues will be managed at the appropriate level across the portfolio with clear escalation processes in place.

The Portfolio's approach to risk management is set out in the Risk and Issues Registers at Portfolio, Programme and Project Level.

The Portfolio Risk and Issue Register captures the portfolio-level risks and indicates how they will be managed and mitigated. The Risk and Issue Register will be continuously reviewed and updated as the Growth Deal is developed and delivered. It is presented on a quarterly basis to the GMW Board for review.

### **Timeline and Milestones**

Following signing of the Final Deal Agreement in January 2022, programme and project business cases (SOCs) were brought forward for the Mid Wales Growth Deal Board to consider throughout 2022 onwards.

### **Approvals and Assurance**

The PoMO, in consultation with the Welsh Government Assurance Hub, developed an Integrated Assurance and Approval Plan (IAAP) that sets out the approvals and assurance activities that will be undertaken at Portfolio, Programme and Project level for the Mid Wales Growth Deal. The Mid Wales Growth Deal will utilise the pre-defined Gateway 0-5 and flexible Project Assessment Reviews (PAR) as appropriate and proportionate.

The region has established its own assessment and approvals/assurance process within this framework which sets out a pathway within the region by which Programmes/Projects are brought forward for development and delivery.

## ***Structure of Strategic Portfolio Business Case***

The remainder of the document is structured as follows:

- The Strategic Case: the strategic context and case for change, investment objectives and potential scope for the Deal.
- The Economic Case: the value for money provided by the Growth Deal.
- The Commercial Case: the contractual and procurement approach to be taken.
- The Financial Case: the costs and funding profile for the Growth Deal.
- The Management Case: the approach to managing the Growth Deal.

# 1 THE STRATEGIC CASE

The purpose of the Strategic Case is to set out the alignment with national, regional and local strategies and policies, other current or planned programmes, and to make a compelling case for change for the investments identified within the Portfolio.

It is in two parts as follows:

- **Strategic Context:** Explains the background to Growth Deals, setting out the Growing Mid Wales Board and its members, and a review of the relevant strategies and policies to demonstrate strategic fit.
- **Case for change:** Outlines the rationale for the Mid Wales Growth Deal and its identified investment priorities for the Portfolio. This includes details on the relevant socio-economic issues and market failures, existing arrangements and business needs, and the consequent spending objectives and potential for the Growth Deal and the main benefits, risks, constraints and dependencies.

This section has been drafted following the completion of a number of key steps and actions, as outlined in guidance and supported by officials from both Governments:

- **May 2020:** Publication of the Vision for Growing Mid Wales document, which outlined the strategic context, evidence base, policy fit and scoped the mandate and brief for the Portfolio.
- **July 2020:** Workshop with SROs, both Governments and senior officers from the Local Authorities to review the strategic context, led by the Welsh Government's Office for Project Delivery.
- **July 2020:** Cabinet Office Risk Profile Assessment (RPA) commissioned by the Welsh Government's Office for Project Delivery.
- **October-November 2020:** Project Validation Review commissioned and undertaken following the Infrastructure and Projects Authority guidance (review team appointed by the Welsh Government's Office for Project Delivery). Report completed and action plan developed by SROs.
- **October-December 2020:** Technical workshops held under the guidance of Joe Flanagan on key steps and actions on the Strategic and Economic Cases (Affirming scope, developing a long-list, CSFs, Investment Objectives and mechanism for shortlisting).
- **July-August 2021:** An update in which the policy and economic context was revisited and updated for key policy and economic developments since the agreement of Heads of Terms, and the spending objectives revisited in light of the finalisation of the Economic Case.
- **October 2021:** Submission of Strategic Portfolio Business Case v1 and supporting documents to Welsh Government.
- **October-November 2021:** Accounting Officer Review commissioned and undertaken by the Welsh Government's Office for Project Delivery. Report completed and action plan developed by SROs.
- **October-November 2022:** Updated for key policy developments and data updates since the 2021 PBC was produced.
- **March 2022** – Portfolio Assurance Review/Gateway 0 commissioned and undertaken by the Welsh Government's Office for Project Delivery. Report completed and action plan developed.

The Vision for Growing Mid Wales document contained a lot of the information that this document builds on – and for the purposes of the above steps, contained the required



information to establish the mandate, brief and scope for the subsequent structured Portfolio development. Key economic data and policies have since been updated to take account of important developments since the Vision was produced.

## 1.1 Strategic Context

### *Organisational Overview*

The Mid Wales region comprises the local authority areas of Ceredigion and Powys. The region has long been working towards driving forward regional economic growth in partnership. 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.

Growing Mid Wales is a regional partnership and engagement arrangement between the private and public sectors, and with Welsh Government. The initiative seeks to represent the region's interests and priorities for improvements to our local economy.

Growing Mid Wales wish to draw together local business, academic leaders and national and local government to create a vision for the future growth of Mid-Wales and influence and champion our future expansion.

Across the public, third and private sectors in Mid Wales, we acknowledge the need for developing consensus on priorities for our region, and for sharing our vision to progress jobs, growth and the local economy. We need greater impacts and better results from working together across the region with diminishing public resources.

The Growing Mid Wales Partnership provides regional leadership on our Vision and will be an effective, 'light touch' mechanism that will scrutinise, challenge, identify opportunities and shortcomings and so initiate and propose interventions to achieve more and better results for our region.

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 and 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.

In Mid Wales, the governance of the Mid Wales Growth Deal is covered in two distinct phases with underpinning legal agreements:



### Development Phase (pre-Final Deal Agreement)

- **Inter-Authority Agreement 1:** sets out the initial formal arrangements to bring forward the development of the Deal – signed December 2019. Accommodated development of the Deal up to Heads of Terms (December 2020).
- **Inter-Authority Agreement 2:** evolved arrangements to redefine the scope of the agreement to accommodate stipulated expectations and requirements for achieving FDA (July 2021).
- **Inter-Authority Agreement 3:** sets out the formal arrangement that underpins the delivery of the Deal post Final Deal Agreement (approved January 2022).

The governance arrangements for the delivery phase of the Deal are set out in the development of IAA3 – which takes into account formal feedback from Government Assurance (PVR, AOR) as part of the Deal’s development process.

Detail of the governance and management arrangements are set out in the Management Case of this document.

## ***Business Strategy and Aims***

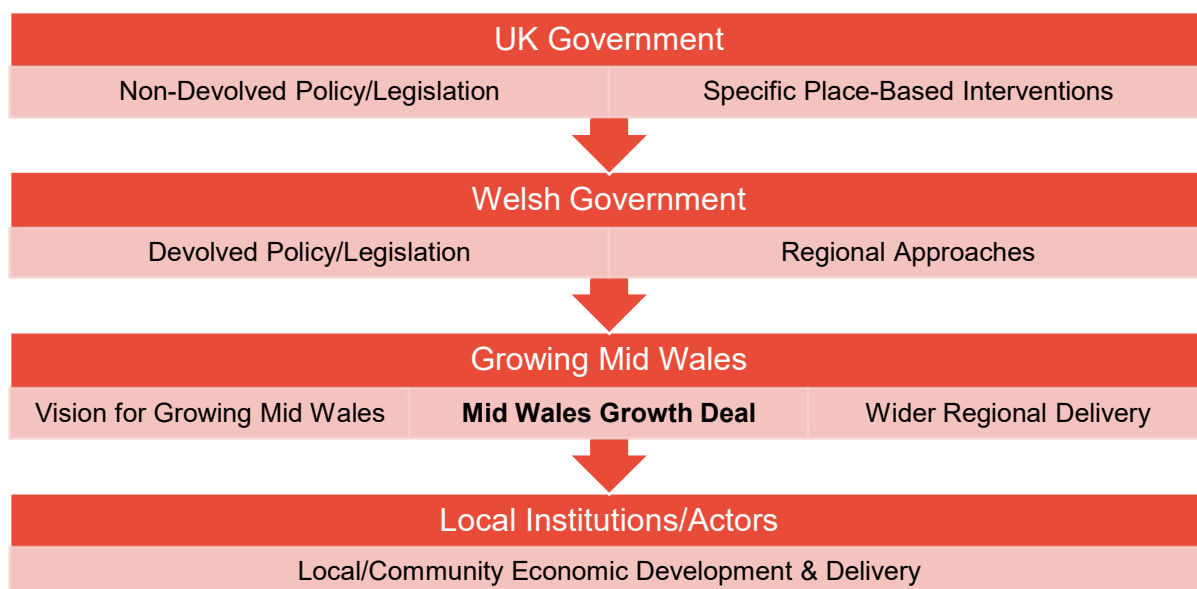
### **Growth Deal – Policy context and fit**

The purpose of City and Growth Deals is to support cities and regions to deliver responsive and flexible local strategies. They are now commonplace in both the UK and devolved governments, with over 36 deals in place to promote decentralisation across the country. These deals give more power and flexibility to regions and cities in terms of employment and skills, infrastructure, business engagement and support, housing, transport and other investments. Regions and cities have used these powers to achieve a number of investment objectives, such as providing support to the unemployed, providing training relevant to local needs and supporting a low carbon economy.

Growth Deal funding across the UK has specific key characteristics:

- is Capital only (no revenue)
- is long-term (average 10-15-year profile)
- is deal-driven – it has to align and be agreed by the UK and Welsh Government
- has to demonstrate a strong case for investment and additionality above ‘business as usual’ (has to be transformational)
- leverages additional match funding from a range of sources (including private sector) and
- has strong public-private partnership and clear, robust and accountable governance, management and assurance processes.

A Growth Deal also has to fit within a broader strategic policy and delivery context:



All sectors within the Mid Wales economy have a role to play to deliver economic growth.

We will, however, have to determine the appropriate strategic investments for achieving our growth objectives that build on the track record of success of our existing industrial, research and labour market strengths – it has to relate to, and address the needs of, Mid Wales.

Mid Wales has distinctive opportunities, but also has significant challenges it needs to overcome. How the region can structure its Growth Deal will be dependent on the level of support available from both Welsh and UK Government to address both opportunity and challenges. A twin-pronged approach will be required to both support opportunity but also tackle inequalities and disparities across Mid Wales if we are to truly develop and deliver sustainable, inclusive growth.

Because the Growth Deal is capital-only, some of this will mean re-positioning and re-aligning existing delivery in terms of business support and skills to better address and respond to our challenges – aligned with our Growth Deal. Doing so in tandem will be crucial to the success of our delivery. Doing so in isolation will continue to fail our economy.

### Strategic Context for the Portfolio

The main reference strategy for the Mid Wales Growth Deal is the Strategic Economic Plan – outlined in the Vision for Growing Mid Wales document (May 2020) (Appendix H).

The region's economy has its challenges in addressing the structural weaknesses that currently hinder its residents and businesses. Poor connectivity, lagging productivity, limited skills infrastructure, grid constraints and lack of supporting business infrastructure. Proposals developed in the region designed to address these challenges and harness the assets and opportunities will be brought forward as a Portfolio to secure capital investment. Playing a pivotal role in a broader investment strategy to realise the full extent of the ambition articulated in the Vision for Growing Mid Wales.

The Vision for Mid Wales by 2035 is:

***“an enterprising and distinctive region delivering economic growth driven by innovation, skills, connectivity and more productive jobs supporting prosperous and bilingual communities”***

With the role of the Growth Deal clearly identified to:

***“take full advantage of the opportunities available to create and support economic and social growth by overcoming its challenges to become a fairer, smarter region that contributes to its full potential to address its productivity challenge.”***

The Vision proposes three inter-connected and mutually dependent concepts with clear investment objectives that will be managed as a Portfolio Approach. These are:

- **Broadening our Economy:** Developing new opportunities from our assets – focusing on high value and growth supporting opportunities.
- **Strengthening our Economy:** Supporting our existing industries and workforce to become more resilient through capacity building and creating the right conditions for future growth.
- **Connecting our Economy:** Improving digital and connectivity within, across and outside the region to ensure the region is attractive to work, live and play.

The strategy set out the ambition for the region by 2035, and eight Strategic Growth Priorities (identified in the illustration below):



The document outlines in detail the evidence, analysis, potential interventions and areas to explore further underneath the eight Strategic Growth Priorities noted above.

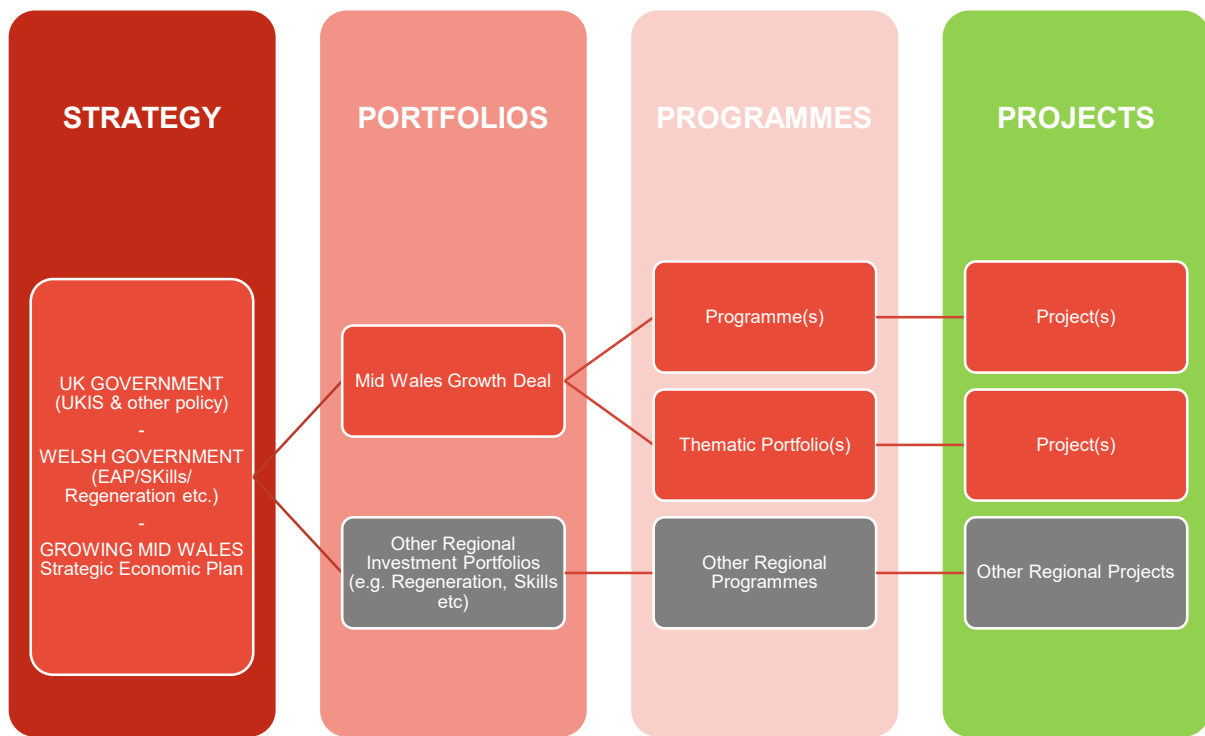
The eight Strategic Growth Priorities identified as part of the Strategy:

- **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 NetZero 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.

### **Mid Wales Growth Deal Portfolio – strategic context, relationships and dependencies**

The Mid Wales Growth Deal has been brought forward and to be structured with the principles of Portfolio, Programme and Project Management at its heart from the outset. Not all programmes/projects will deliver all outcomes at the same time or through the same activity.

Managing the Growth Deal as a Portfolio will ensure there is an appropriate balance of investments that meet the investment objectives set out, and there is clear relationship between its investments and the strategic context within which it operates.



**Other relevant strategies**

Strong consideration has been given throughout the development of this document to ensure full alignment with both the UK and Welsh Government’s ambitions. It demonstrates a clear offer around how we will work together regionally to capitalise on our strength of assets and opportunities to make a significant and impactful contribution to the Welsh and UK economy.

Policy	Detail	Relevance and alignment to Growth Deal
<b>UK Policy</b>		
<b>Levelling Up White Paper, 2022</b>	Sets out a plan to level up the UK, which will require: boosting productivity, pay, jobs and living standards; spreading opportunities and improving public services; restoring a sense of community, local pride and belonging and empowering local leaders and communities.	The Mid Wales Growth Deal directly contributes to the first Levelling Up mission by playing a key role in catalysing economic recovery and growth in the Mid Wales economy, supporting job creation and increasing productivity as well as wider societal and environmental ambitions.
<b>UK Industrial Strategy, 2017</b>	Outlines the five foundations of productivity: ideas, people, infrastructure, business environment and places and 4 Grand Challenges, responding to global changes: Artificial Intelligence and data; ageing society; clean growth; & future of mobility	Clear and recognised role for Local Authorities, working individually and in partnership across sectors and Government to drive regional economic growth and productivity enhancements. Commitment given to build on the work ongoing in developing and



Policy	Detail	Relevance and alignment to Growth Deal
		delivering Growth Deals across the UK
<b>Build Back Better, HM Treasury, 2021</b>	<p>The plan builds on the Industrial Strategy and targets infrastructure, skills and innovation to: Level up the UK; Support the transition to net zero; and Support the vision for Global Britain.</p> <p>Details the high-level strategy and priorities of the UK government in the economic recovery from the COVID-19 pandemic and four 'Grand Challenges' the UK will face: data &amp; AI; shift to clean growth; future of mobility; and ageing society.</p>	Commitments support the 8 Strategic Priorities of this Growth Deal, including the commitment to 'level up' through infrastructure spending, aligning with Strategic Priorities 6 and 7 (Digital and Transport). The plan also outlines support to be given high growth and innovative sectors, which are a core aspect of this Growth Deal's 8 Strategic Priorities, and addresses geographical disparities in economic performance and deprivation, such as those experienced by Mid-Wales.
<b>Ten Point Plan for a Green Industrial Revolution, 2020</b>	Details the UK's approach to meeting its commitment for net-zero (carbon emissions) by 2050 and general response to the 'Climate Challenge'. Plan is organised around ten points: Offshore Wind; Low Carbon Hydrogen; Advanced Nuclear Power; Zero Emission Vehicles; Green Public Transport, Cycling and Walking; Jet Zero and Green Ships; Greener Buildings; Carbon Capture, Usage and Storage; Protecting Our Natural Environment; and Green Finance and Innovation.	Whilst green / environmental issues intersect each of the eight Strategic Priorities of the Mid-Wales Growth Deal, priority 4 'Energy', which focusses on the area's contribution towards the future energy system and drive towards net-zero, relates to several points of the UK Government's plan. Including the potential for wind, nuclear, hydrogen, and carbon capture which all form part of Mid-Wales' potential for energy going forward. Furthermore, the predominantly rural character of the area makes the provisions to protect the natural environment outlined in the UK Government's plan especially salient, and there is scope for the area to lead in this regard.
<b>UK Innovation Strategy, 2020</b>	<p>Identifies four Pillars that will underpin the vision to make the UK a global hub for innovation by 2035: Unleashing Business; People; Institutions &amp; Places; and Mission &amp; Technologies.</p> <p>Initial actions are set out to drive up R&amp;D and translation activity, to ensure the UK has the pipeline of talent that it needs, to</p>	The strategy provides clear support for the role of Place in R&D and innovation, and recognition of the opportunity for innovation to help the levelling up agenda. The Applied Research and Innovation strand of the Growth Deal will make targeted

Policy	Detail	Relevance and alignment to Growth Deal
	contribute to levelling up through innovation and to drive a strategic, mission-driven approach to innovation.	investments in R&D and innovation facilities, capitalising on the region's innovation assets and focusing on the areas of strategic opportunity for the future.
<b>Wales Policy</b>		
<b>Programme for Government – Wales National Strategy, 2021</b>	<p>The Welsh Government's aim over the next five-year cabinet period is to focus on the recovery and bolstering of the NHS following COVID-19; 'protect, rebuild and develop' services for vulnerable people; build an economy based on the principles of fair work, sustainability and embedding response to the climate and nature emergency in all of the government's actions.</p> <p>It will also focus on improving educational outcomes in Wales, tackling inequality 'in all its forms' including racism and homophobia, as well as promote the Welsh language, Welsh towns, and the country's tourism sector.</p>	<p>This document sets out the Welsh Government's well-being objectives and plans to maximise contributions to the well-being goals that are set for the period of the 6th Senedd, as required by the Well-being of Future Generations Act. Of particular relevance to this Growth Deal's Strategic Priorities are:</p> <ul style="list-style-type: none"> <li>• 3 – Tourism (the Programme for Government sets out the action plan for supporting Welsh tourism as well as Welsh nature, culture and language);</li> <li>• 4 – Energy (the Programme explicitly states decarbonisation as an economic goal); and</li> <li>• 5 – Supporting Enterprise (the Programme will address underperforming aspects of the Welsh economy, for example by supporting the creation of 125,000 high quality apprenticeships and support businesses to co-operative and embrace digital innovations and support local supply chains).</li> </ul>
<b>Our Economic Resilience &amp; Reconstruction Mission</b>	<p>The pathway to Welsh economic resilience takes forward the priorities in <i>COVID-19 Reconstruction: Challenges and Priorities (October 2020)</i>. It builds on the foundations of <i>Prosperity for All: The Economic Action Plan</i>.</p>	<p>The document sets out a structure to create a Wales in which enhancing social, economic, environmental and cultural well-being are our driving purpose, delivering a prosperous, green and equal economic recovery that recognises the utmost importance of investing in people and places. This structure is based around one, vision, three outcomes and</p>



Policy	Detail	Relevance and alignment to Growth Deal
		five beacons. The five beacons are most aligned with Strategic Priority 1 – Applied Research & Innovation and strategic Priority 8 – Skills & Employment.
<p><b>Prosperity for All: economic action plan, Welsh Government 2019</b></p>	<p>The Welsh Government’s long-term aim is to build a Wales that is prosperous and secure, healthy and active, ambitious and learning, and united and connected. It recognises four key themes as part of Prosperity for All: Prosperous and Secure; Healthy and Active; Ambitious and Learning; and United and Connected.</p> <p>The economic action plan also outlines a new Economic Contract between Government and businesses; Calls to Action; Support for Thematic Sectors and the Foundational Economy, alongside a new approach to supporting regional economic development.</p>	<p>Highlights the ambition of the Welsh Government to deliver economic growth and reduced inequality – two outcomes that the Growth Deal also aims to deliver.</p> <p>Covers a number of ‘Calls to Action’ as well as a focus on Thematic and Foundational sectors which directly overlap with this Growth Deal’s strategic priorities, notably: Call to decarbonise (relates most strongly with strategic priority 4 – Energy); Call for innovation and entrepreneurship (relates most strongly with strategic priority 5 – Supporting Enterprise) in addition to a focus on the sectors of tourism and food, which also form their own strategic priorities in this Growth Deal.</p> <p>Details the need for integration and collaboration between services to enable early intervention and prevention to deliver better outcomes for the long-term. Also includes Low Carbon Wales economic vision that embraces decarbonisation and a low carbon economy, tying in directly with the aims of Strategic Priority 4 – ‘Energy’ as well as the cross-cutting priorities of innovation and productivity improvements to underpin prosperous communities.</p>
<p><b>Prosperity for all: A low carbon Wales, 2019</b></p>	<p>Details the Welsh Government’s roadmap toward decarbonisation, aligned with the Paris Agreement. Sets out the foundations of this transition, namely cutting emissions and moving</p>	<p>Embodies commitment of Welsh Government to reduce emissions of greenhouse gases in Wales by at least 80% for the year 2050. Call to decarbonise relates most</p>

Policy	Detail	Relevance and alignment to Growth Deal
	towards a low carbon economy ensuring a fair and health society.	strongly with Strategic Priority 4 – ‘Energy’.
<b>Wellbeing of Future Generations (Wales) Act 2015</b>	<p>Sets out the long-term commitment of Welsh Government, across cabinets, towards supporting the wellbeing of Welsh people. It is focused around the following themes:</p> <ul style="list-style-type: none"> <li>• Prosperity: innovation, productivity, low carbon, skills and economic opportunity</li> <li>• Resilience: social, economic &amp; ecological resilience</li> <li>• Health: physical &amp; mental wellbeing - Equality: enabling people to fulfil potential regardless of background/circumstance</li> <li>• Cohesive communities: attractive, viable, safe and well-connected communities</li> <li>• Vibrant culture: culture, heritage, arts, sports, recreation and</li> <li>• Globally responsible: economic, social, environmental wellbeing.</li> </ul>	<p>This Growth Deal aligns with the Wellbeing of Future Generations Act across its themes:</p> <ul style="list-style-type: none"> <li>• Prosperity: delivering across each of these areas through investment in R&amp;D, as well as sectoral specific support (e.g. agriculture and tourism) – bolstering productivity;</li> <li>• Resilience: supporting keystone sectors, with built-in commitment to environmental sustainability, also resilience through reducing the carbon dependence of the Welsh economy (i.e. increasing share of renewable energy production);</li> <li>• Equality: enterprise support to take into account social; and</li> <li>• Cohesive communities: supports the establishment of attractive, viable, safe and well-connected communities.</li> </ul>
<b>The Environment Act (Wales), 2016</b>	The Act commits to reduce emissions by 95% by 2050 and practice sustainable management of natural resources.	Delivery of low carbon energy generation and decarbonisation projects will make a direct contribution to emissions reduction targets to a future with sustainable low carbon energy in Wales, including both Powys and Ceredigion.
<b>Stronger, fairer, greener Wales: a plan for employability and skills, 2022</b>	<p>Sets out the Welsh Government’s commitment to creating a nation where all individuals of all ages can receive a high-quality education, with jobs for all, where businesses can thrive in a net zero economy that champions fairness and equality. The key priorities of this plan are:</p> <ul style="list-style-type: none"> <li>• Helping young people realise their potential</li> <li>• Tackling economic inequality</li> <li>• Championing Fair Work for all</li> <li>• Supporting people with a long-term health condition to work</li> </ul>	The Skills & Employment growth priority of the Growth Deal directly contributes to this plan’s aims by trying to create an effective, functioning labour market with the appropriate supply of skills and a capable workforce to meet business and industry demands. Growth Deal business cases will be assessed for delivery under this plan.

Policy	Detail	Relevance and alignment to Growth Deal
	<ul style="list-style-type: none"> <li>Nurturing a learning for life culture.</li> </ul>	
<b>Prosperity for All: A Climate Conscious Wales, 2019</b>	This plan responds to the climate change risks which require most urgent action and details tangible actions to help Wales adapt to these risks over the period 2020-2025.	The Energy growth priority directly aligns with the purpose of this plan by aiming to develop and generate solutions to address the challenges of the future energy system and contribute towards Net Zero goals. Growth Deal business cases will be assessed for alignment with this plan.
<b>Agriculture (Wales) Bill, 2022</b>	Focusses on supporting farmers to produce food sustainably, alongside taking action to respond to the climate and nature emergencies as well as contributing to rural communities and keeping farmers on the land. The bill also seeks to ensure that economic, social and cultural outcomes can be delivered for the long-term benefit of the people of Wales.	The Growth Deal aims to create a strong vibrant agriculture sector that generates significant employment as part of its first priority.
<b>Regional Economic Framework for Mid Wales (2021)</b>	<p>The Regional Economic Framework for Mid Wales, developed through collaboration and co-production with stakeholders from across the region, supports a more regionally-focused model of economic development, in accordance with the Welsh Government's Programme for Government and a commitment to progress our Economic Resilience and Reconstruction Mission for Wales.</p> <p>The Regional Economic Framework for Mid Wales <b>presents the following vision:</b></p> <p><b><i>“An enterprising and distinctive region delivering economic growth driven by innovation, skills, connectivity and more productive jobs supporting prosperous and bilingual communities”</i></b></p>	<p>The Growth Deal and the Regional Economic Framework for Mid Wales have unified economic priority areas:</p> <ul style="list-style-type: none"> <li>- Agriculture, food and drink</li> <li>- Applied research and innovation</li> <li>- Digital connectivity</li> <li>- Energy</li> <li>- Enterprise and entrepreneurship</li> <li>- Skills and employment</li> <li>- Strengthened tourism offer</li> <li>- Transport and infrastructure</li> </ul>

### Alignment to Existing Initiatives

The Growth Deal Portfolio has been designed to complement and add value to the range of existing initiatives in place in the region and nearby. There are too great a number of initiatives to list them all, however we have highlighted a selection of the most prominent examples

below. Our local and regional teams interface with all relevant initiatives in the region, to ensure continual alignment and co-operation.

### ***A Manufacturing Future for Wales, A Framework for Action (2021)***

The framework has been underpinned by the pursuit of three main outcomes relating to: a prosperous economy, green economy and an equal economy. The framework recognises that the importance of the manufacturing community to Wales, its place in the Economic Action Plan, its importance in recovering from the COVID-19 pandemic and its role in delivering the objectives of the Well-being of Future Generations (Wales) Act. The plan aims to build communities with resilient manufacturing activities, which contribute to a healthier and more robust economy. The plan looks to support these ambitions by identifying opportunities around supply chains, re-shoring of certain activities and public sector procurement, thus providing opportunities for the foundational economy to flourish.

By embracing trends such as the use of alternative, lower embedded carbon materials, increasing automation and digitalisation and reshoring supply chains, it is hoped that Wales can build a new future for manufacturing. This will mean a change of culture, ensuring that as a nation, we innovate more, improve productivity, become more competitive, develop skills and focus on how to tackle the impacts of climate change.

Productivity performance is central to the Economic Action Plan and the UK Government's Industrial Strategy. The action plan covers drivers of productivity such as skills, innovation and competitiveness and seeks out opportunities within Wales and in comparable countries and regions to share best practice and benchmark economic performance.

### ***SLC Rail – Marches, Mid Wales and Cheshire Connectivity***

West Midlands Rail Executive has undertaken consultation regarding its 30-Year Rail Investment Strategy for the West Midlands Network which takes account of the Marches, Mid Wales and Cheshire region. Publication of the document is awaited which includes four key agendas relating to rail infrastructure and service in this region:

1. **HS2** - despite the significant investment involved, the published plans for HS2 in actuality present a mixture of advantages and disadvantages, the latter being potential loss in connectivity for Mid-Wales residents to the north of England and Scotland. Mid-Wales was involved in the 2022 HS2 consultation round and continues to lobby for the protection of connectivity with HS2, Birmingham International and Crewe.
2. **Transport for Wales** – plans to deliver service improvements have been affected by the pandemic, and not all be improvements may be deliverable in a reliable way on the existing network without enhancement. As such, close collaboration with Transport for Wales, Network Rail and Department for Transport has been essential to secure a clear pathway to delivery. As part of the Keolis Amey bid for the Wales and Borders franchise, plans are included for the introduction of an hourly Aberystwyth - Birmingham service, for which there is already the infrastructure, and the fifth train on the Heart of Wales Line. Transport for Wales are currently out to consultation on their December 2023 timetables which supports the GMW ambition for the hourly services. This will go forward for Network Rail approval however additional infrastructure is required and alongside the funding to support this. Ambitions for a fifth train on the Heart of Wales line have been met with two additional train services introduced in from December 2022 providing early morning out and later evening returns from both Swansea and Shrewsbury.
3. **Midlands Connect** – funding for a second train per hour between Birmingham and Hereford, which will better connect Mid-Wales with England's second largest city. Proposal for improvements to the Shrewsbury line and an hourly service between Shrewsbury and London are in hand, bringing the capital within closer reach to

Ceredigion and Powys. Midlands Connect have submitted an Outline Business Case to UK Government for the electrification of the line between Wolverhampton and Shrewsbury which will improve running time into Wales. Welsh Government and Midlands Connect are working together on a Union Connectivity Bid following the projection of joint evidence.

4. **Locally Promoted** – not a distinct agenda or scheme as such but an acknowledgement that “there are tangible schemes that local partners can work on to deliver and achieve a mix of funding”.

The strategy highlights a number of ‘quick wins’ which should be prioritised for delivery in the short term (before 2026), including the hourly Aberystwyth to Birmingham service and the fifth train on the Heart of Wales Line, with connections to an hourly service between Shrewsbury and London a longer-term priority for delivery by 2031, and forward planning for the full two hourly service on the Heart of Wales Line by 2040. These ‘wins’ are depending on addressing capacity and modernisation issues at Shrewsbury.

**SLR Rail** supports the movement of people to and from Mid Wales. This supports the ability of employers to attract human capital and reduce skills gaps. Improved connectivity increases the catchment area in terms commuters. In addition, improved rail connectivity enhances the ability to attract tourists to Mid Wales.

### **Business Wales**

A Welsh Government business support programme providing a free service that provides impartial, independent support and advice to people starting, running and growing a business in Wales. With regional centres across Wales, they offer a mixture of online and face-to-face support, as well as training workshops and individual advice.

### **Farming Connect**

A Welsh Government business support programme focussed on supporting businesses within the agriculture and forestry sectors with advice, business planning, innovation and diversification, skills and training, mentoring and other forms of business support.

### **Transforming Towns and Town Centre First**

The Transforming Towns Programme was launched in 2020 to support strategic regeneration projects as well as smaller scale interventions. Welsh Government has allocated a further £100m to the Programme in 2022-25. Transforming Towns is a coordinated package of regeneration support for town centres based on a mix of interventions which best suit the specific characteristics, strengths, culture, and heritage of individual towns. Funding under the Programme is available to all local authorities in Wales who can deliver regeneration projects through place plans for the towns they prioritise. The programme is underpinned by the Welsh Government’s Town Centre First policy which means that town/city centres should be the first consideration for all decisions on the location of workplaces and services. “The Town Centre First policy is also reflected in the *Wales Infrastructure Investment Strategy*, *Future Wales* and *Llwybr Newydd (Wales Transport Strategy)*.”

### **Superfast Cymru**

A national broadband project, that has been extending superfast connectivity across Wales for a number of years, with BT. This has been topped up with additional funding via change control and is in the process of reaching further premises, now focusing on gigabit capability.

### **UK F20 Programme**

A flagship programme that has been announced by Westminster, tying into a £5bn commitment to deliver gigabit connectivity across the UK. This is intended to be a nationally

led procurement (instead of local) with a gap funded element complemented by a demand-led voucher scheme.

### **Skills**

A number of skills and employability operate in the region through various initiatives from both Governments and EU funding. The developing work of the Regional Skills Partnership and its relevant sub-groups will ensure a continual alignment of strategic priorities and help advise the Growth Deal.

### **North Wales Growth Deal, Cardiff Capital Region City Deal, and Swansea Bay City Deal**

Whilst there is overlap between the Mid Wales Strategic Growth Priorities and the priority areas of neighbouring Growth / City Deals, these are anticipated to be complementary rather than competitive.

Elements of each Growth / City Deal in Wales seek to invest in digital, energy and applied research and innovation, albeit in slightly different ways. Despite the overlap in these strategic priorities, this ensures that Wales as a whole is on a level playing field with the rest of the UK and further afield. Investments in opportunities related to agriculture, sites and premises, and tourism activities across Wales would be expected to benefit from agglomeration benefits.

### **Other Local Priorities**

The development of Growing Mid Wales builds on the work that Local Authorities, Universities and partner organisations already do, continuing to support the Mid Wales economy.

Collaborating regionally to support the Mid Wales economy does not detract from or replace what local organisations will continue to do to support local economic growth and support our local communities. It is clear that addressing the challenges and unlocking the opportunities of the Mid Wales economy requires significant, sustained efforts at local, regional and national levels – all working in tandem and for the long-term.

## **The Case for Change**

This section summarises:

- What we are seeking to achieve (SMART Spending Objectives)
- What is currently happening (existing arrangements or Business As Usual (BAU)) and
- What is required to close the gap (business needs).

### **1.2 Investment Objectives**

Investment objectives have been set for both the Portfolio and strategic aims have been set for the eight Strategic Growth Priorities.

These have been determined from the context set out in the strategy document (Vision for Growing Mid Wales), subsequent workshops in October-November 2020 and have then been informed by the indicative cost-benefit modelling within the Economic Case.

These investment objectives have been established to help provide clarity and refinement of what the Growth Deal Portfolio will be seeking to achieve in terms of measurable social, economic and environmental outcomes.

#### **Investment Objectives - Portfolio:**

The following indicative investment objectives were developed for the Mid Wales Growth Deal through the development of the Strategic Portfolio Business Case v1.0 which states that by 2032 the Growth Deal aims:



- To create between 1,100 and 1,400 net new jobs in Mid Wales through the Growth Deal by 2032
- 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>5</sup>
- To deliver a total investment of £280 million to £400 million in the Mid Wales Economy through the Growth Deal by 2032 (therefore a minimum of £170 million in private sector investment).

The Economic Case of the SPBC presents the latest figures, based on information available as of November 2022, on estimated costs and benefits in respect of achieving the investment objectives for the Growth Deal.

Due to the premature development of the business cases (SOC stage) this information will continue to change and therefore be updated accordingly. This latest version of the SPBC reflects the current position and it is through the business case development and assessment process that the programmes and projects will continue to be tested to ensure that they will provide the best options for investment.

## **INVESTMENT OBJECTIVES – STRATEGIC GROWTH PRIORITIES**

The Vision for Growing Mid Wales sets out the eight Strategic Growth Priorities and what we aim to achieve under each priority area, as summarised below:

	<b>STRATEGIC AIMS<sup>6</sup></b>
<b>Applied Research &amp; Innovation</b>	<ul style="list-style-type: none"> <li>• Investment in Regional Infrastructure and Assets</li> <li>• Strengthened Networks and Ways of Working</li> <li>• Labour Market Development</li> </ul>
<b>Agriculture, Food &amp; Drink</b>	<ul style="list-style-type: none"> <li>• Enabling and Supporting Market Growth</li> <li>• Fostering Innovation</li> <li>• Developing the Right Business Environment</li> <li>• Labour Market Development</li> </ul>
<b>Strengthened Tourism Offer</b>	<ul style="list-style-type: none"> <li>• Investment in Strategic Regional Infrastructure and Assets</li> <li>• Investment in Supporting Infrastructure</li> <li>• Labour Market Development</li> <li>• Strengthened Awareness of the Mid Wales Offer</li> </ul>
<b>Energy</b>	<ul style="list-style-type: none"> <li>• Addressing Network Capacity &amp; Grid Constraints</li> <li>• Decarbonisation of our Energy Supply and Use</li> <li>• Developing the potential of Agriculture</li> <li>• Harnessing Regional Innovation</li> <li>• Reducing Fuel Poverty</li> <li>• Decarbonising Transport</li> </ul>
<b>Digital</b>	<ul style="list-style-type: none"> <li>• Broadband</li> <li>• Mobile Technology</li> <li>• Innovation</li> <li>• Infrastructure</li> <li>• Business Support</li> <li>• Policy</li> </ul>

<sup>5</sup> Note that projects will generate net additional GVA via a mix of net additional employment increases and by supporting increases in productivity increases (i.e. employment at a higher GVA per job/per hour worked). More information on the potential at a project level to generate productivity uplifts is provided in the Economic Case.

<sup>6</sup> As set out in the Vision for Growing Mid Wales document

	STRATEGIC AIMS <sup>6</sup>
Supporting Enterprise	<ul style="list-style-type: none"> <li>• Enabling Business Growth</li> <li>• Strengthening the Support Offer</li> <li>• Procurement</li> <li>• Policy</li> </ul>
Transport	<ul style="list-style-type: none"> <li>• Road</li> <li>• Public transport</li> <li>• Behaviour Change</li> <li>• Decarbonisation</li> <li>• Integration</li> </ul>
Skills & Employment	<ul style="list-style-type: none"> <li>• Better strategic alignment of provision with industry</li> <li>• Strengthened industry intelligence</li> <li>• Tailoring regional skills &amp; employment support</li> <li>• Targeted support</li> <li>• Capital investment in skills infrastructure</li> </ul>

The setting of clear, concise and meaningful SMART spending objectives is an iterative exercise and will be driven by the nature and focus of the Portfolio, as it develops. These will be refined over time.

## 1.3 Existing Arrangements

The content in this section has been developed using the Vision for Growing Mid Wales which contained significant analysis, baseline work and engagement supporting these statements and figures. This evidence has subsequently been revisited and updated where possible in winter 2022.

### *The Economy & Society*

The Mid Wales economy is often characterised as a large and predominantly rural region, comprising of 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.

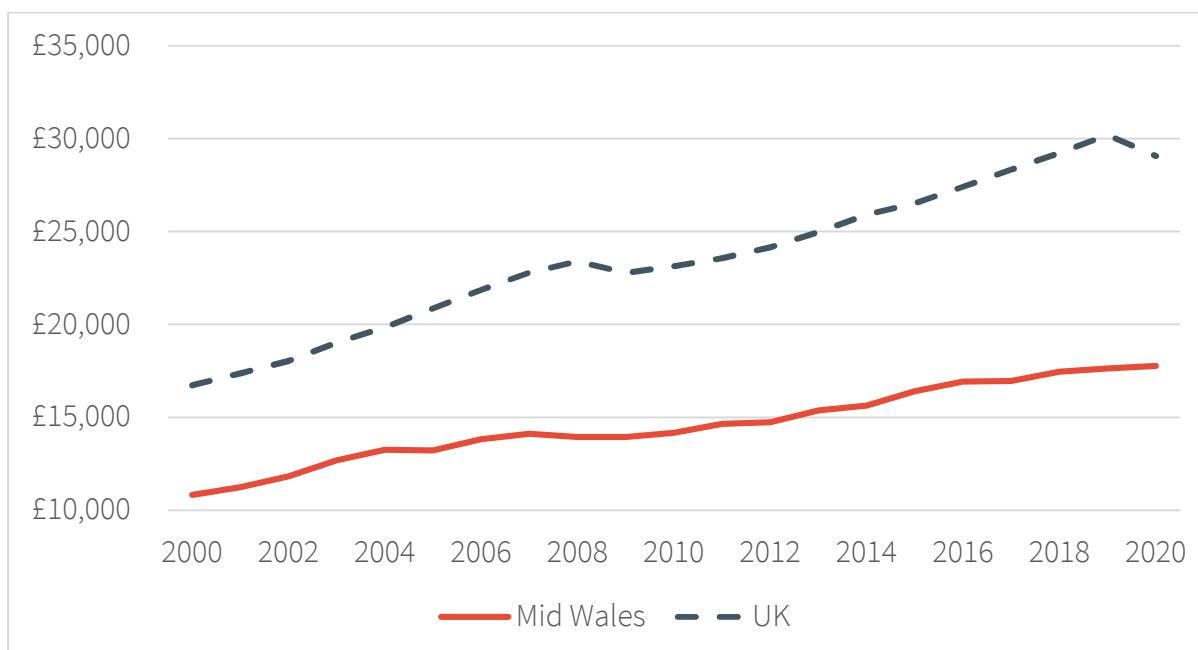
#### **Productivity**

In 2020, Mid Wales contributed £3.7bn in annual Gross Value Added (GVA) to the UK economy (equating to £17,773 per head or £36,238 per job).<sup>7</sup>

#### **GVA per Head**

<sup>7</sup> StatsWales, December 2019



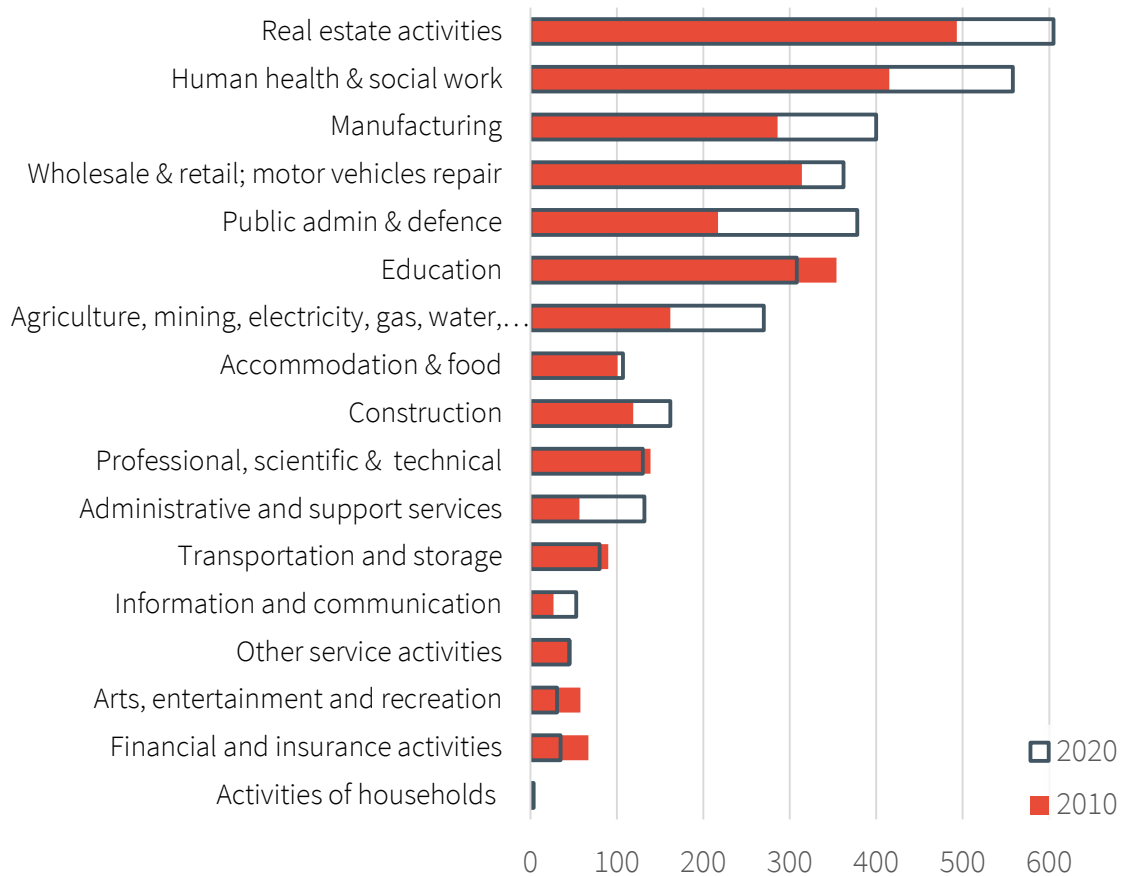


Source: ONS, Regional GVA and ONS, Mid-year population estimates

This is amongst the lowest in the UK and compares to £66.6 billion (£21,010 per head) for Wales; with Mid Wales contributing approximately 5.6% of the Gross Value Added (GVA) generated by the Welsh economy, a proportion that has remained constant over almost the last twenty years. Powys records the lowest performance for GVA per hour worked of all areas across the UK, lagging significantly behind the rest of Wales (73% of Welsh average) and the UK (61% of the UK average).

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.

#### GVA (£million) by sector, Mid Wales

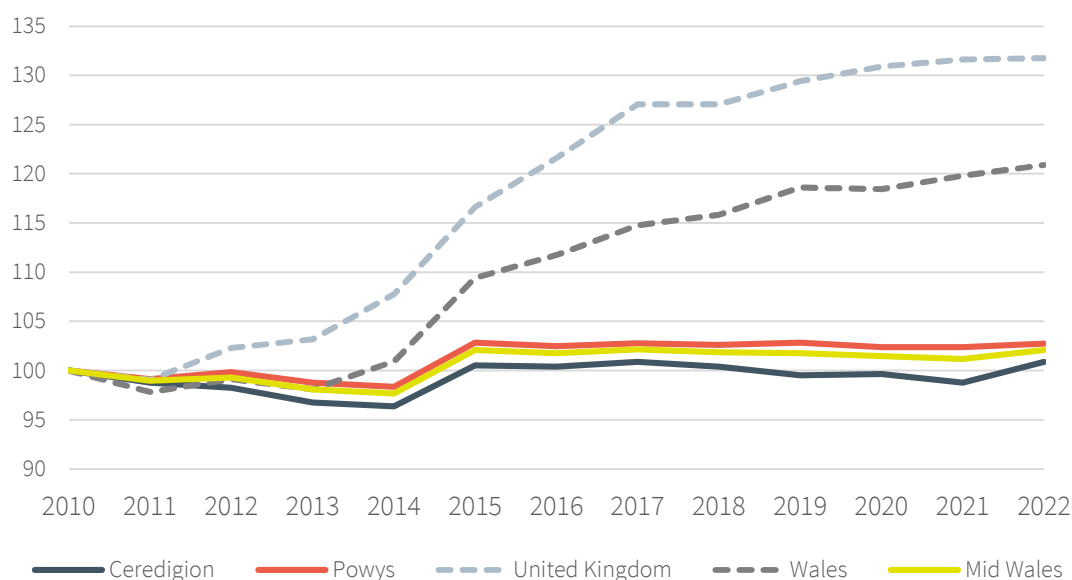


Source: ONS, Regional gross value added (balanced) by industry

**Business**

Mid Wales contains 12,705 VAT registered businesses as of 2022. The business base has a very high proportion (>90%) of micro businesses (<10 employees). Just 0.8% of businesses across Mid Wales are classed as medium or large (50+ employees). Since 2010, growth in the number of businesses in the region has remained relatively static at 2% 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>8</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 36% of all businesses. Medium sized enterprises are seen predominantly in the health and manufacturing sectors, representing 2% and 4% 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.

## People

The demographic profile of the region presents both challenges and opportunities. At an overall population of 205,900, Mid Wales is characterised by an ageing population and a net out-migration of young people. Since 2014, the region has seen an overall decline in its population of around 1.0%.

The working age population is less than the Welsh and UK average and is predominantly characterised by higher proportions of 50-64 and 65+ year olds. There is a relatively small share of working age people due to the higher proportions of 50-64 and 65+ year olds. Comparatively, Mid Wales has proportionally fewer people below the working age – though the figures are partly skewed due to the student population in key locations in Ceredigion.

<sup>8</sup> Growing Mid Wales Baseline Report, AECOM, 2019

Population projections for Mid Wales currently estimate a 16% decline in the working age population and 37% increase in the 65+ age group to 2039. Unless addressed this predicted trend is likely to reduce the region’s workforce over the next 15 years<sup>9</sup>.

### Labour Market

There are some 91,000 people in employment in Mid Wales. The economic activity rate in the area (79%) is higher than the Welsh (77%) and UK (78%) averages. This is driven mainly by high levels of self-employment. Levels of unemployment in the region in line with the UK and Wales averages at 3.7% in July 2022<sup>10</sup>, despite unemployment numbers improving relative to Wales since 2001. Despite this, underemployment, low earnings and seasonal employment remain key challenges. Average full-time weekly earnings for example were 85% of the UK average in 2016 and 97 % of the Wales average<sup>11</sup>.

Over the past five years (2016-2021), employment in Mid Wales has decreased by around 5%. Jobs in Mid Wales are particularly concentrated in Health, Manufacturing and Education. The largest increases in employment growth over this period were in Professional Services, Information and Communication and Agriculture, forestry & fishing. Other sectors have also demonstrated significant growth, illustrating the potential for further expansion in the future.

The recent 2021 Census data shows there was a decrease in the percentage of people able to speak Welsh across the majority of age groups in both Powys and Ceredigion. The largest decrease was seen in the age group of 3-15-years, where there was a -7.0% and -6.5% decrease for Powys and Ceredigion, respectively. The proportion of Welsh speakers is also thought to be declining due to outward migration.

### Learning & Skills

Mid Wales performs well in educational attainment with levels of achievement at GCSE level exceeding the Welsh average. The proportion of young people Not in Employment, Education and Training is low while the qualifications profile of Mid Wales performs better than the Welsh average – but with lower rates of older people upskilling.

Despite these strengths, skills gaps and recruitment difficulties are commonplace amongst Mid Wales employers. Apprenticeships and further education delivery are challenged by the rural nature of the region. Employer investment in training is currently relatively low, possibly reflecting the high proportion of small and medium sized enterprises (SMEs).

As set out above, the declining proportion of Welsh speakers is also adversely impacting the provision of bilingual skills.

### Existing Arrangements - Strategic Growth Priorities

#### Applied Research and Innovation

- Region is home to internationally-significant industries and internationally-recognised research & development assets and expertise that offer opportunities to catapult regional productivity growth.
- Agri-tech, Food and Bioscience: leading R&D expertise in these sectors and home to world leading research centres such as the Institute of Biological, Environmental and Rural Sciences (IBERS), and new dedicated facilities to support commercial development (AberInnovation).

<sup>9</sup> Growing Mid Wales Baseline Report, AECOM, 2019

<sup>10</sup> StatsWales, January 2020

<sup>11</sup> ONS, Annual Survey of Hours and Earnings – Resident Analysis, October 2021

- Environmental leadership: home to the Centre for Alternative Technology, a globally renowned educational charity dedicated to researching and communicating positive solutions for environmental change driving academic and tourism potential.
- Animal Health: existing strengths in veterinary science via the Wales Veterinary Science Centre and the £4.2m Vet Hub development aligned to a research Centre of Excellence in Bovine TB.
- Over 6,600 people are employed in the manufacturing sector in Mid Wales, half of which are within the advanced manufacturing sector<sup>12</sup>. The region has niche areas of manufacturing expertise such as automation and motion engineering, linked to key companies such as Nidec Control Techniques and Invertek Drives. The life sciences are also a strength with the presence of companies including Protherics UK Ltd, Cellpath and Aber Instruments.
- Emerging potential developments in Radio Spectrum, Rail Testing and Hydrogen.

### Agriculture, Food and Drink

- 935 food-related enterprises.
- Distributed, but notable concentrations in Welshpool, Newtown, Llanymynech, Knighton, Aberystwyth and Felinfach.
- Future Food @ AberInnovation: dedicated resources and expertise to research and develop future food (TRLs 2-5).
- Food Centre Wales, Horeb: supply chain development, process and product innovation to add value (TRLs 5-8).
- Royal Welsh Agricultural Society & Show: showcase of regional agriculture, and food and drink.
- Region home to key strategic support organisations head quartered within its boundaries, including Menter a Busnes, Hybu Cig Cymru, Lantra, Cambrian Training as well as the two main farming unions (FUW and NFU).
- 10,275 people employed in the food industry in Mid Wales – exceeds national averages, despite total business stock being lower than national averages.
- Sector currently generates significant employment share (6.6%) in food and drink wholesaling, above national averages.
- Mid Wales employment in sector has grown in the past 7 years at 11.5%, again higher than national averages.
- High rate of inclusivity – broad demographic range of employees and owners – offering sustainable career pathways.
- Sector and region are recognised in national policy to offer further growth potential.
- Sector vulnerable to changes in external policy & trading environments (e.g. Brexit) – but also opportunities to develop new markets/processes.

### Strengthened Tourism Offer

- Employs over 23,200 people in the region.
- Outstanding natural and cultural assets in the Brecon Beacons National Park, the Wales Coastal Path and other renowned destinations such as the Cambrian Mountains. Mid Wales is also home to five blue flag beaches.
- During the period 2014 to 2016 Mid Wales accounted for 18% of overnight domestic (GB) trips, 10% of international visits, and 12% of day visits to Wales.
- Tourism sector estimated to be worth an estimated £1.08 billion to the Mid Wales economy in 2016.

<sup>12</sup> AECOM, Strategic Economic Priorities for the Mid Wales Region, 2019

- The tourism trade is further bolstered by a diverse range of annual events including internationally recognised brands such as Green Man Festival, Royal Welsh Agricultural Show, Wales Rally GB, and Hay Festival.

## Energy

- The region generates 97% of the electricity that it consumes from local renewable sources, predominantly supplied by onshore wind (270MW) making up 72% of generation and 66% of capacity, while solar PV (51MW) supplies around 6% of renewable generation.
- The region has the highest deployment of renewable heat installations in Wales with nearly 2% of homes having a heat pump or biomass boiler – reflecting the ‘off-grid’ nature of many rural properties.
- Presence of renowned academic/research institutions: CAT, Aber Uni/IBERS, and companies specialising in Hydrogen and Alternative Fuel.
- Natural resources in Mid Wales are well placed to produce green and renewable forms of energy.
- Due to its abundant natural resources the region is well to help both Welsh and UK governments reach their 2050 target for reducing carbon emissions.

## Digital

- Although there have been significant improvements in recent years digital connectivity in the region significantly behind the rest of Wales and the UK.
- Approximately 81% of premises in region have Superfast Broadband connection capability (compared to 95% across England).
- There are over 20,000 ‘white premises’ in the region who cannot access speeds of 30Mbps Mobile coverage lags behind rest of Wales and UK.
- Topography and low-density populations are the biggest challenge to accessing better coverage.
- 20% less 4G coverage than rest of Wales, 28% less than UK.
- Digital connectivity vital to region to support a thriving economy.
- 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 allowing people to live and work more freely.

## Supporting Enterprise

- The business base has a very high proportion (>90%) of micro businesses (<10 employees), providing a large number of businesses with the potential for growth.
- The number of businesses in Mid Wales is steadily growing – In 2022, Mid Wales was home to 12,705 businesses, a growth of 2% 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.
- Farms and agricultural enterprises represent 36% of all businesses.
- Medium sized enterprises are seen predominantly in the health and manufacturing sectors, representing 2% and 4% of the total business stock respectively.
- 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.

## Transport

- Transport connectivity both inside and outside of Mid Wales is crucial to economic flows and future growth.
- The region has 945 km (587 miles) of Trunk and A roads connecting the region with North and South Wales and east to the West Midlands, which is crucial for cross-border connectivity.
- There are also two railway corridors (Cambrian Main line/Coast and the Heart of Wales line) which run north-south and east-west.
- Rail services in Mid Wales are too infrequent with slow journey times and limited direct connectivity to major UK cities.
- Low Carbon Economy can be supported by improving safety and resilience of the network which will lead to reduced journey times and increase capacity.
- Investment required in improving strategic networks to keep goods and labour services moving freely.
- Less than 1% of bus use in region.
- Low take up of electric vehicles due to lack of infrastructure.

### Skills & Employment

- School-age attainment in Mid Wales exceeds the Welsh average.
- A higher proportion of the working age population are qualified to degree level compared to the national average while unemployment is at historically low levels.
- The region's 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.
- Notable presence of Higher Education, limited Further Education presence.
- Lower rates of older people upskilling.
- Despite above average educational attainment, skills gaps and recruitment difficulties are commonplace amongst Mid Wales employers.
- Apprenticeships and further education delivery are challenged by the rural nature of the region.
- Employer investment in training is currently relatively low, possibly reflecting the high proportion of small and medium sized enterprises (SMEs).
- Emerging Regional Skills Partnership – offers opportunity to identify and co-ordinate a plan to align skills supply and demand in Mid Wales.

## 1.4 Business Needs

As with the previous section, the content has been developed from the Vision for Growing Mid Wales document – which contained significant analysis and baseline work behind these statements and figures.

Mid Wales comprises the two local authority areas of Ceredigion to the West and Powys to the East and combined, the largely rural region accounts for 34% of the total land mass of Wales. It is home to a population of just over 200,000 people and is well-known for its natural beauty, research and industrial expertise, strong cultural identities and heritage. The Mid Wales economy is a critical component in driving and supporting intra-regional growth across Wales and the UK, contributing ~£3.7bn GVA annually.

Mid Wales is less well-known as a land of untapped economic opportunity. Where business survival rates outclass the Welsh average; where its natural and academic assets offer an obvious choice for cutting-edge research combined with notable business strengths in key sectors providing strong opportunities to strengthen industry clusters. A region with a strong



supply of talented and skilled labour; with strategic commuter links within and outside the region to other parts of Wales and cross-border into England.

Despite demonstrating economic resilience in recent times, the following market failures demonstrated how Mid Wales continues to lag behind other Welsh and UK regions:

- **Lagging productivity:** Mid Wales continues to lag behind other Welsh and UK regions in real and per head terms due to the seasonality and structure of its employment base. Mid Wales contributes £3.7bn in annual Gross Value Added (GVA) to the UK economy. This is amongst the lowest in the UK and compares to £66.6 billion for Wales; with Mid Wales contributing approximately 5.6% of the Gross Value Added (GVA) generated by the Welsh economy, a proportion that has remained constant over almost the last twenty years. Notably, Powys records the lowest performance for GVA per hour worked of all areas across the UK.
- **Changing demographics:** reducing population figures and changing demographics, leading to a 'pinched middle' due to a relatively larger older population and a proportionately smaller working age population. Population projections for Mid Wales currently estimate a 16% decline in the working age population and 37% increase in the 65+ age group to 2039. Unless addressed this predicted trend is likely to reduce the region's workforce over the next 15 years.
- **Narrow and vulnerable economic base:** leading to employment and productivity imbalances. The largest GVA contributors are manufacturing, real estate and human health & social work – whilst agriculture employs the most – representing 36% of all businesses - it contributes comparatively less GVA. Seasonality also exacerbates vulnerability – the tourism sector employs over 23,200 people in Mid Wales.
- **Projected employment decline:** Over the past five years, employment in Mid Wales has decreased by around 5%. Pre-covid, the employment forecasts for Mid Wales were projecting significant reduction – which will now be in even sharper focus due to the lasting impacts of the pandemic on livelihoods.
- **Static and weakening labour market:** gaps in skills provision and infrastructure to meet industry demands – leading to reduced accessibility and equality of opportunity for young people, reinforcing out-migration. Powys' commuting outflows of ~3,495 especially highlight the need to improve employment opportunities in the region.
- **Inadequate infrastructure:** Underlying structural economic weaknesses arising from inadequate infrastructure have constrained wider private sector investment; evidenced by weak and relatively static commercial and residential build rates, declining and narrowing business base and the lagging development of digital, transport and energy grid infrastructure. For example, approximately 81% of premises in Mid Wales have the capability to connect to Superfast Broadband (30Mbps+), lower than that for Wales (95%) and the UK (96%). Only 19% of the region currently has access to Ultrafast Broadband (100mbps+) compared to Wales (39.5%) and the UK (60%).
- **The hidden nature of a rural economy:** relatively strong employment and low unemployment data masking issues of low pay and underemployment. Average full-time weekly earnings for example were 85% of the UK average in 2016 and 97% of the Wales average in 2021.

There are clear opportunities to exploit from existing drivers and assets in research, industrial and human capital to:



- **Attract and develop industries that drive regional productivity, earnings and employment growth** – capitalising on the strengths of our research, industrial and skilled assets.
- **Attract and unlock private sector investment** within the Region by ensuring the right environment for growth.
- **Position Mid Wales as a rural powerhouse** that develops existing industrial strengths to generate new industrial and employment opportunity.
- **Reduce outward migration and retaining a skilled workforce** through industry-led employment and skills support combined with clear employment pathways.
- **Utilise Growth Deal investments to influence and catalyse further investments** and policy changes to ensure equitable, inclusive growth across the whole region, positioning the Growth Deal as a core component within wider regional economic recovery efforts.

## 1.5 Potential Scope: Mid Wales Growth Deal

The Vision for Growing Mid Wales sets out the broader strategy for investment in the Mid Wales region.

It identified 8 Strategic Growth Priorities that had strong rationale and a robust evidence base for investment.

The Growth Deal, managed on a Portfolio basis over the next 10-15 years, will have to determine the appropriate strategic investments for achieving the growth objectives identified as its overarching Organisational Strategy. Building on the track record of success of our existing industrial, research and labour market strengths – it has to relate and address the needs of Mid Wales.

Over the 10-15-year lifecycle of the Growth Deal Portfolio, a number of elements can (and will) change:

- Macro/Micro Economic Changes – affecting private investment opportunities, confidence, sector composition, industry capability etc.
- Revisions to Governments contribution to the Deal (Future Increases, Further Funding Opportunities)
- Uncertain Fiscal Climate – will impact public finances (implications for borrowing e.g. capacity, revenue).
- New economic drivers/capabilities: New investments/developments by the public/private sector may create new opportunities/reduce impact of current.
- Demographics/Labour Market: Supply of labour and market composition will change over time – requiring flexible and adaptive responses.
- Policy: Government policy priorities (& funding) will change over 15 years. The Portfolio will have to keep abreast and aligned to emerging opportunities to maximise leverage potential of existing funds.

As a starting point, all 8 Strategic Growth Priorities are considered within scope and identified as the “maximum scope” of the Growth Deal.

Not all interventions identified within the maximum scope can be delivered through a Growth Deal (within the existing dependencies and constraints). The potential scope of each Strategic Growth Priority has been identified below. However, for the Portfolio to be continually aligned and maximising public investment – the entire 8 sectors of the Strategy are identified in scope,

from which the initial options long-list was drawn (see the Economic Case for the options assessment).

The strategic aims and types of interventions in each of the 8 Strategic Growth Priorities, are identified below. Should the reader wish to query these in greater detail, please refer to the Vision for Growing Mid Wales document<sup>Error! Bookmark not defined.</sup>.

### Applied Research and Innovation

**Scope:** Core

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

**Types of Intervention:** Investment in Regional Infrastructure and Assets; Strengthening Networks and Ways of Working; Labour Market Development

### Agriculture, Food and Drink

**Scope:** Core

**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.

**Types of Intervention:** Enabling and Supporting Market Growth; Fostering Innovation; Developing the Right Business Environment; Labour Market Development

### Strengthened Tourism Offer

**Scope:** Core

**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.

**Types of Intervention:** Investment in Strategic Regional Infrastructure and Assets; Investment in Supporting Infrastructure; Labour Market Development; Strengthened Awareness of the Mid Wales Offer

### Energy

**Scope:** Desirable

**Strategic Aim:** Establishing Mid Wales' role in supporting, and potentially leading Welsh and UK efforts in developing and generating solutions to address the challenges of a future energy system.

**Types of Intervention:** Addressing Network Capacity & Grid Constraints; Decarbonisation of our Energy Supply & Use; Developing the potential of Agriculture; Harnessing Regional Innovation; Reducing Fuel poverty; Decarbonising transport

### Digital

**Scope:** Core

**Strategic Aim:** Capitalising on the economic opportunities that can be unlocked by investing in our digital infrastructure

**Types of Intervention:** Broadband investment; Mobile Coverage; Innovation Platforms; Physical Infrastructure; Business Support; Policy

### Supporting Enterprise

**Scope:** Core

**Strategic Aims:** 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.

**Types of Intervention:** Enabling Business Growth; Strengthening the Support Offer; Procurement; Policy

### Transport

**Scope:** Desirable

**Strategic Aims:** Build on existing linkages to help deliver the transport network required to help grow the economy and raise productivity.

**Types of Intervention:** Road; Rail; Public Transport; Behaviour change; Decarbonisation; Integration

### Skills & Employment

**Scope:** Desirable

**Strategic Aims:** Ensuring the appropriate supply of skills and a capable workforce to meet business and industry demands and needs as part of a functioning labour market to underpin future economic growth.

**Types of Intervention:** Better strategic alignment of provision with industry; Strengthened industry intelligence; Tailoring regional skills & employment support; Targeted support; Capital Investment in Skills Infrastructure









## 1.6 Main benefits

The key benefits the Portfolio will be delivering will evolve as the detail of the Programmes/Projects evolve.

However, the key headline direct and indirect benefits that the Growth Deal is expected to contribute towards are:

- Growth in regional prosperity – through improved productivity, inward investment and the creation of new jobs.
- Creation of better-quality jobs for the local labour market – through targeted interventions in high value sectors to create new jobs.
- A more skilled workforce within the region – through supporting skills and training initiatives and targeted interventions in high value sectors to create opportunities.
- Improvements in standards of living across the region- inclusive growth that provides opportunities, reduces poverty, inequality and deprivation.

In addition, the Growth Deal will be expected to achieve benefits such as increase in the visitor economy, innovation and new product development alongside social and environment benefits including positive steps towards the decarbonisation agenda. With the emphasis on 'Portfolio' development, synergy between programmes and projects will be actively encouraged to ensure maximum impact on the region and strengthened opportunities.

Mid Wales Growth Deal – Strategic Change Indicators <sup>13</sup>							
Indicator	2016	2017	2018	2019	2020	2021	Change
<b>Regional Productivity Growth</b>							
GVA (£ million)	3,497	3,509	3,635	3,655	3,660	N/A	
GVA per head (£)	16,927	16,961	17,455	17,628	17,773	N/A	
GVA in high value sectors (£ million)*	575	591	612	603	583	N/A	
Proportion of working age population (%)	59.0%	58.5%	58.1%	57.7%	57.6%	N/A	
<b>Increased Employment and Skills</b>							
Employment	98,150	92,150	91,450	90,650	92,450	89,850	
Employment in High Value sectors	11,750	13,750	15,000	12,500	14,000	14,750	
Proportion of the population with qualifications at Level NVQ 4 and above	38.1%	34.8%	35.2%	37.2%	44.7%	44.0%	
<b>Income</b>							
Gross Disposable Household Income (£ per head)	16,077	16,862	17,679	18,083	18,058	N/A	

\*High value sectors identified as Manufacturing, Information and Communications, and Professional, Scientific and Technical activities

<sup>13</sup> Multiple economic wellbeing indicators used according to ONS definitions – please see latest well-being economic indicator set from ONS at: <https://www.ons.gov.uk/peoplepopulationandcommunity/personalandhouseholdfinances/incomeandwealth/datasets/economicwellbeingreferencetablessummaryoffigures>

## 1.7 Main risks

Risks for the Portfolio and associated Programmes and Projects will be captured within the relevant risk register. Further details on the approach to managing risk across the portfolio will be set out in the Management Case.

However, at the Portfolio-level, a number of key risks can be identified at this stage:

<b>Resources</b>	Resources are required at portfolio, programme and project level to ensure the successful delivery of the Growth Deal portfolio. Insufficient resourcing could have a significant impact on the successful delivery of the deal.
<b>Delivery</b>	Delays in the delivery of any of the projects could have an impact on the overall Growth Deal portfolio.
<b>Cost</b>	There is a very likely risk that the projects contained within the Mid Wales Growth Deal proposal will increase in cost prior to the completion of the deal. As the Welsh/UK Government funding is fixed at £110million any increase in costs would need to be met by the public/private sector. The high rate of inflation that the UK is currently experiencing is forecast to persist at least in the short term, strongly indicating that the project costs are likely to increase. As of September 2022, the consumer price inflation rate was at 8.8%, which is the highest it has been in over 20 years <sup>14</sup> . By comparison, CPIH stood at 2.9% in September 2021.
<b>Economic Conditions</b>	Following the COVID-19 pandemic, the economic risks associated with restrictions on the movement of people and business operations have lessened. However, it is acknowledged that the UK is on the verge of entering a recession with the Bank of England warning that it might be the longest on record. Driven in part by the conflict between Russia and Ukraine, global supply of chains of food and energy have been adversely impacting which is fuelling high rates of inflation. Such rising costs, specifically construction materials, may impact on the ability of the projects and programmes to deliver to scope and budget. It may also have implications for demand side conditions, depending on the nature of any recession.
<b>Brexit</b>	There remains significant uncertainty around the medium to long term implications of Brexit. New arrangements for trading and free movement appear to be combining with Covid impacts on supply chains, particularly construction. There are increasing reports of material and labour shortage – and increased prices, which will have a real terms impact on the cost and affordability envelope of the Portfolio. Around one quarter of construction businesses have reported experiencing labour shortages and there are now 244,000 fewer works in the construction sectors compared to three years ago <sup>15</sup> .
<b>Private Sector Investment</b>	Significant private sector investment is required to deliver the programme. There is a risk, particularly following the impact of COVID-19 on the regional economy and the cost inflations detailed above that the level of private sector investment required will not be attained. In addition, there is a risk that competition from the North Wales Growth Deal, Cardiff Capital Region City Deal and Swansea Bay City Deal may constrain the ability to attract private sector investment. Strategy developed to set expectations and actions at Portfolio level (Private Sector Investment Strategy – appended to this document).

<sup>14</sup> ONS, [CPIH Annual Rate 00: All Items 2015=100](#), Oct 2022

<sup>15</sup> Homebuilding & Renovating, [Construction materials shortage: Price of materials rises 24% in 12 months](#), Sep 2022

<b>Delivery Capacity and Capability</b>	Growth Deal funding is capital only. Whilst a nominal amount of eligible development/management revenue costs can be capitalised within programme and project business cases – it will be crucial to ensure that there is adequate capacity and capability to successfully deliver the initiatives within the Portfolio.
<b>Public Sector Investment</b>	There is a risk, particularly following the impact of COVID-19 and changing priorities on the regional economy that the level of investment required will not be attained. In addition, there is a risk that competition from the North Wales Growth Deal, Cardiff Capital Region City Deal and Swansea Bay City Deal may constrain the ability to attract alternative public sector investment.
<b>Limited end user company involvement</b>	Lack of demand from end users would hinder the portfolio and one of its key aims to drive diversification and innovation through collaboration between industry and education providers.
<b>Political Change</b>	Changes in Government policy will happen over the course of the 10–15-year Growth Deal period. These policy changes could impact significantly on the scope of the Growth Deal, the programmes and the projects. However, local elections in Wales in May 2022 resulted in positive changes in political representation and a strengthened commitment to the regional partnership. Although Powys had no party majority, Plaid Cymru gained Ceredigion. The next local elections in 2027 may lead to further changes in key personnel and decision makers.
<b>Statutory Consents and Planning</b>	As a capital investment programme there is a risk that if Growth Deal projects do not receive the necessary statutory consents and planning approval the projects will not be delivered and the benefits not realised.
<b>Climate Change</b>	Our climate is changing, and there will be direct impacts in the short, medium and long term. The Growth Deal Portfolio lifecycle will span a period of between 10-15 years – and the Portfolio and its constituent Programmes and Projects must adequately plan and prepare for the potential implications and resulting impacts. In this regard, the Portfolio is expected to actively consider its potential role in mitigation/response measures at every level – to ensure it complies with both Governments policy drivers for net zero.
<b>Communication</b>	Communicating the objectives, intentions and opportunities of the Growth Deal is a key risk for the Board and the PoMO to manage. To secure investor confidence and match funding from public/private sector, to ensure the Deal's potential is realised, and to catalyse further opportunities – it is imperative there is clear and consistent communication as part of an agreed communications strategy/protocol – with dedicated resource.

Please also refer to the Risk & Issue Register submitted by email alongside the SPBC.

## 1.8 Constraints

This section sets out the parameters agreed for the delivery of the strategic portfolio over the next 10-15 years.

There are a number of constraints placed on the delivery of the Growth Deal, notably:

- **Total Funding Package** – The total amount of funding is set at £55 million from the Welsh Government and £55 million from the UK Government. The combined £110 million must be supplemented by private and public sector funding to ensure the delivery of the Growth Deal and the programme.

- Term of the Growth Deal – The portfolio cannot exceed the term of the Growth Deal set at 10/15-years.
- Capital Funding – The Growth Deal funding package is capital funding with no revenue funding provided for projects. Revenue funding must be provided by the partners.
- Subsidy Control Framework – Growth Deal projects must comply with relevant Subsidy Control Framework rules.

## 1.9 Dependencies

This section outlines both the internal and external dependencies for the successful delivery of the Growth Deal.

### Internal Dependencies

Growth Deal funding across the UK has specific key characteristics (these are funding dependencies):

- is Capital only (no revenue).
- is long-term (average 10/15-year profile).
- is deal-driven – it has to align and be agreed by the UK and Welsh Governments.
- has to demonstrate a strong case for investment and additionality above ‘business as usual’ (has to be transformational).
- leverages additional match funding from a range of sources (including private sector).
- has strong public-private partnership and clear, robust and accountable governance, management and assurance processes.

Alongside the above, the following dependencies also have to be taken into account:

### External Dependencies

The following dependencies, which are outside the control of the portfolio management environment, have also been considered:

- Annual funding profile from Government (for the £110million) – can be mitigated, but needs factoring in.
- Private Sector Engagement – The Growth Deal cannot be successfully delivered without the engagement of and collaboration with the private sector. The Private Sector Advisory Group is one avenue of engagement and advice – but there should also be strong engagement and understanding of the Growth Deal and the Portfolio of Programmes and Projects. Private sector benefit and investment will vary across the Portfolio – a dedicated strategy has been developed to capture this (Private Sector Investment Strategy).
- Public Sector Engagement – The Growth Deal required the Local Authorities to establish the Growing Mid Wales Board to continue to develop, and ultimately deliver the Deal. There is a broader consideration of how this works alongside other regional structures and funding streams.
- Statutory Consents and Planning Approval – A number of the Growth Deal projects will require statutory consents and planning approval.

Dependencies specific to any programmes and projects will be set out within the relevant business case(s).

Consideration has also been given to the inter-dependencies with neighbouring Growth/City Deals, including:

- North Wales Growth Deal



- Cardiff Capital Regional City Deal, and
- Swansea Bay City Deal.

Whilst there is overlap between the Mid Wales Strategic Growth Priorities and the priority areas of neighbouring Growth / City Deals, these are anticipated to be complementary rather than competitive. The matrix below sets out the overlaps between the Mid Wales Strategic Growth Priorities and the priority areas of neighbouring Growth / City Deals:

<b>Welsh City &amp; Growth Deal - Strategic Priorities Matrix</b>			
<b>Mid Wales Growth Deal Strategic Priority Area</b>	<b>North Wales Growth Deal</b>	<b>Cardiff Capital Region City Deal</b>	<b>Swansea Bay City Deal</b>
<b>Applied Research &amp; Innovation</b>	✓ (Innovation in High Value Manufacturing)	✓ (Compound Semiconductors, Artificial Intelligence, Life Sciences)	✓ (Internet of Life Science and Well-Being)
<b>Strengthened Tourism Offer</b>	✓ (Agri-food and Tourism)	-	-
<b>Energy</b>	✓ (Low Carbon Energy)	✓ (Energy & Environment)	✓ (Internet of Energy)
<b>Skills &amp; Employment</b>	-	-	-
<b>Supporting Enterprise</b>	✓ (Land and Property)	-	-
<b>Transport</b>	-	✓ (Transport Engineering)	-
<b>Agriculture, Food &amp; Drink</b>	✓ (Agri-food and Tourism)	-	-
<b>Digital</b>	✓ (Digital)	✓ (Fintech, Cybersecurity & Analytics)	✓ (Internet of Economic Acceleration)

Elements of each Growth / City Deal in Wales seek to invest in digital, energy and applied research and innovation, albeit in slightly different ways. Despite the overlap in these strategic priorities, this ensures that Wales as a whole is on a level playing field with the rest of the UK and further afield. Investments in opportunities related to agriculture, sites and premises, and tourism activities across Wales would be expected to benefit from agglomeration benefits.

## 2 THE ECONOMIC CASE

The Economic Case sets out how we appraised options for the potential scope of the Mid Wales Growth Deal, as set out in the Strategic Case.

### 2.1 Critical Success Factors (CSF)

This section describes the Critical Success Factors (CSFs) and evaluation criteria that were agreed for the appraisal of potential programmes and projects in the Mid Wales Growth Deal.

The following Critical Success Factors have been developed from existing documentation (*Vision for Growing Mid Wales*), and the outcome of workshops 1a-1d and workshop 2.

As per guidance, workshops were held with Growth Deal partners, staff, representatives from UK and Welsh Government and consultants – Joe Flanagan, and Hatch Consulting Ltd (workshop 2 onwards). Information was provided beforehand to aid discussion and each session was facilitated with input from Joe Flanagan.

A summary of all of the strategic portfolio business case development workshops and their attendees is provided in Appendix C – SUMMARY OF WORKSHOPS.

The CSFs are standardised according to HM Treasury guidance, with the process having been led and advised by an experienced practitioner.

CSF	Details
<p>How well the option provides:</p> <p><b>Strategic fit</b></p>	<p>With:</p> <ul style="list-style-type: none"> <li>• Mid Wales Growth Deal Strategic Growth Priorities</li> <li>• Vision for Growing Mid Wales</li> <li>• UK Industrial Strategy, 2017</li> <li>• Build Back Better, HM Treasury, 2021</li> <li>• Ten Point Plan for a Green Industrial Revolution, 2020</li> <li>• Programme for Government – Wales National Strategy, 2021</li> <li>• Our Economic Resilience &amp; Reconstruction Mission</li> <li>• Prosperity for All: economic action plan, Welsh Government 2019</li> <li>• Prosperity for all: A low carbon Wales, 2019</li> <li>• Wellbeing of Future Generations (Wales) Act 2015</li> <li>• The Environment Act (Wales), 2016</li> <li>• Prosperity for All: A Climate Conscious Wales, 2019</li> <li>• Local collaboration – Local Authorities, Universities and Partnering Organisations.</li> </ul>
<p>How well the option meets:</p> <p><b>Business needs</b></p>	<p>The need to overcome the following core regional needs:</p> <ul style="list-style-type: none"> <li>• Low and lagging productivity</li> <li>• A declining, aging population</li> <li>• A narrow and vulnerable economic base</li> <li>• Projected employment decline</li> <li>• Static and weakening economic base</li> <li>• Market failure</li> <li>• Hidden nature of rural economy and</li> <li>• A fair regional balance in terms of investment in programmes and projects.</li> </ul>

CSF	Details
	And how well the option provides a holistic fit and synergy with other strategies, programmes and projects.
<p>How well the option:</p> <p><b>Optimises social welfare (cost benefit)</b></p>	<p>In terms of the following strategic outcomes:</p> <ul style="list-style-type: none"> <li>• Optimises public value (social, economic and environmental) in terms of potential costs, benefits and risks.</li> <li>• Attract and develop industries that drive regional productivity, earnings and employment growth – capitalising on the strengths of our research, industrial and skilled assets.</li> <li>• Attract and unlock private sector investment (leverage potential).</li> <li>• Position Mid Wales as a rural powerhouse that develops existing industrial strengths to generate new industrial and employment opportunity.</li> <li>• Reduce outward migration and retaining a skilled workforce through industry-led employment and skills support combined with clear employment pathways.</li> <li>• Utilise Growth Deal investments to influence and catalyse further investments and policy changes to ensure equitable, inclusive growth across the whole region, positioning the Growth Deal as a core component within wider regional economic recovery efforts.</li> </ul>
<p><b>Potential Supply side capacity and capability</b></p>	<p>In terms of:</p> <ul style="list-style-type: none"> <li>• What is available within the region – volumes and skills post pandemic.</li> <li>• What could be attracted by way of inward investment from other parts of Wales and the UK.</li> </ul>
<p><b>Potential Affordability</b></p>	<p>In terms of:</p> <ul style="list-style-type: none"> <li>• Available capital from WG and UK Government.</li> <li>• Ability to match fund from the private sector.</li> <li>• Funding horizon – 10-15 years.</li> <li>• Organisation’s ability to meet ongoing operational whole life costs.</li> </ul>
<p><b>Potential Achievability</b></p>	<p>In terms of governance:</p> <ul style="list-style-type: none"> <li>• Growing Mid Wales Board (Joint Committee)</li> <li>• Private Sector Advisory Group</li> <li>• Growing Mid Wales Partnership</li> <li>• Mid Wales Management Group</li> <li>• Programme and Project Boards</li> </ul> <p>Resources (competence and capabilities):</p> <ul style="list-style-type: none"> <li>• Regional PoMO</li> <li>• Programme/Project Sponsors</li> <li>• Use of best practice (able to develop in accordance with HM Treasury &amp; WG guidance on Better Business Cases)</li> <li>• Timescales (within 10-15-year Portfolio lifecycle)</li> </ul>

The above CSFs will be reviewed and updated as required to ensure any new assessments consider the latest policies and strategies. The following have been identified:

- Levelling Up White Paper, 2022
- Stronger, fairer, greener Wales: a plan for employability and skills, 2022
- Agriculture (Wales) Bill, 2022
- Transforming Towns and Town Centre First: Support to improve town centres and locate workplaces and services within them.

## 2.2 Options Assessment

The Mid Wales region has undertaken significant evidence baselining and stakeholder engagement, to help determine and refine the appropriate scope for the Growth Deal. These are all documented in detail in the *Vision for Growing Mid Wales* document, upon which this Portfolio has been initially scoped and planned.

Partners in Mid-Wales subsequently achieved their Heads of Terms agreement for the Growth Deal in December 2020. The Strategic Portfolio Business Case that informed this agreement identified the potential scope of the Growth Deal as the eight Strategic Growth Priorities highlighted in the Strategic Case. All are considered within scope and identified as the “maximum scope” of the Growth Deal.

Within the existing dependencies and constraints, it is recognised that not all interventions identified within the maximum scope can be delivered through a Growth Deal. It should be noted, however, that the Portfolio can be expanded to accommodate further funding from Government to deliver a greater list of investment – should it become available within the Portfolio’s lifecycle.

### *Long List*

Within each of these eight Strategic Growth Priorities identified, work was undertaken to scope an initial long list of potential interventions. This was informed by the extensive work undertaken in bringing together the Strategy/Vision document, along with officer workstreams and technical workshops. This list was then formed and refined during workshops 1a-d (Determining the Case for Change) under the guidance of an experienced Business Case practitioner.

An initial assessment of the long list was undertaken in December 2020 in Workshop 2 (Identifying and Assessing the Options), with reference to the agreed CSFs. The long list was subsequently updated in July 2021 to take account of a number of new project proposals that had since been received. The final list of options that were then carried forward for consideration in Workshop 3 (Assessing the Short-Listed Options) is set out below, for each of the 8 themes. A summary of the workshops can be found at Appendix C.

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> <li>• RiverSimple.</li> <li>• Trawscoed: Applied Research and Innovation Initiative.</li> <li>• Beacon and moving towards Carbon-Reduction.</li> </ul>
Agriculture, Food & Drink	<ul style="list-style-type: none"> <li>• Food Manufacturing Innovation Centre.</li> <li>• Food Retail Experience.</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 – Brecon Beacons.</li> <li>• Dwr Cymru Elan Valley.</li> <li>• Green Man Festival Permanent Site.</li> <li>• Montgomery Canal Wales - Restoration to Navigation.</li> <li>• Ceredigion Harbours.</li> </ul>

Strategic Growth Priorities	Projects
Energy	<ul style="list-style-type: none"> <li>• No projects identified at this stage.</li> </ul>
Digital	<ul style="list-style-type: none"> <li>• Social Housing Connectivity.</li> <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>• Black Mountain College Further and Higher Education Institution.</li> </ul>

## Short List

### Approach to the shortlisting

In order to move from this long-list to an agreed set of short-list investments that will make up the Growth Deal, an options assessment was undertaken.

The process was conducted in a robust, transparent and collaborative manner, and the options appraisal process was developed through engagement with UK Government, Welsh Government and by following available guidance including the *HM Treasury Green Book* and *Guide to Developing the Programme Business Case – Better Business Cases: for better outcomes*. It should be noted that the *Guide to Developing the Strategic Portfolio Business Case – Better Business Cases: for better outcomes* was not available when the options appraisal process for the Mid Wales Growth Deal was formulated. However, the proposed process was tested with Welsh Government and their Technical Adviser.

Based on these discussions with UK and Welsh Government, it was agreed that the outcome of the shortlisting process would be to classify candidate programmes and projects into two categories:

- **Shortlist:** 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.

- **Reserve List:** Remain from the long list as potential future options, with significant further development needed. These are interventions that performed less well against the CSFs and/or were at an outline concept stage only, and therefore require significant further development. They remain on the long list for the Portfolio.

It is very important to stress that given that a portfolio approach is being followed, the Portfolio that underpins the FDA will need to have some flexibility, so that it will evolve over time in response to changing circumstances and market/policy conditions.

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.

All interventions shortlisted for further development will be subject to detailed programme/project level business case development process and are shortlisted with specific conditions and questions attached to them that need to be addressed through this process.

The GMW Board will have challenging choices to make about the combination and delivery of their enabling programmes and projects, which must be properly scoped and planned, and cost justified from the outset.

That is why Programmes and Projects at the initial assessment stage were therefore early proposals – assessed against the Critical Success Factors and Aims/Objectives of the Portfolio as part of the Discovery phase. It provided a framework for the PoMO and the GMW Board for “structured thinking” and assurance that the programmes and projects within the strategic portfolio:

- Provide strategic fit and are supported by a compelling case for change.
- Will maximise public value to society through the selection of the optimal combination of programme and projects and related activities.
- Is commercially viable and attractive to the supply side.
- Is affordable and is fundable over time.
- Can be delivered successfully by the organisation and its partners.

Proposals that are not shortlisted for the Portfolio at this stage but may move into the Portfolio at a later stage subject to their own development and progress of those on the shortlist. Therefore, project sponsors are being encouraged to continue to develop business cases so that they are in a position to be considered should Growth Deal funding become available, for example projects withdraw. This will be of benefit should other funding opportunities become available outside of the Growth Deal.

### **Material Available to Inform the Options Assessment**

Following the identification of the eight Strategic Growth Priorities, the Board subsequently commissioned a number of pieces of work to inform the development of options, including feasibility work on identified strategic themes, and inviting partners to submit programme/project ideas. Each programme/project was also asked to submit a proforma which summarised the key information surrounding the proposed intervention (the structure of this proforma is presented in Appendix A – PROJECT / PROGRAMME PROFORMA). This material informed the options development process and was led by the Portfolio Management Office (PoMO) with support from Workstream Leads and facilitation by experienced business case practitioners.

### ***Options Assessment Approach***

Acknowledging the constraints of this process and using the information available at the time of the assessment, a two-stage shortlisting process was followed:

1. A high-level filtering of the long list of Strategic Growth Priorities was conducted, using the available materials to determine which sectors could be screened in or out of the Growth Deal. This was a straightforward set of judgements informed by the extent to which suitable programme or project level ideas had been generated by that point. Strategic Growth Priorities that are not screened into the Growth Deal at this stage may be signposted to other more suitable funding sources or considered for the portfolio in future.
2. A subsequent, more detailed assessment was done on the long list of projects known at this stage, to determine which projects can be taken forward into the Growth Deal.

Each of these assessments was conducted with reference to the Portfolio CSFs, which were reviewed and deemed as fit for purpose for informing the options assessment.

### 1. Strategic Growth Priority Level Assessment

This assessment was conducted primarily based on the degree of development of programme/project ideas within each Strategic Growth Priority, strength of strategic fit and business need, SWOT analysis, alignment with CSFs, deliverability and suitability for Growth Deal funding.

This was conducted via a review of the available feasibility materials and was tested at Workshop 2 (refining the options assessment) on 30<sup>th</sup> July 2021. A summary of all of the strategic portfolio business case development workshops and their attendees is provided in Appendix C – SUMMARY OF WORKSHOPS. The outcome of this high-level filtering is summarised in the table below. The key points are that:

- Whilst Energy is an important Strategic Growth Priority no specific programme or projects have been developed at this stage as candidate interventions for the Growth Deal. Therefore, the strategic theme has not been taken forward on the short-list of the Portfolio at this stage. However, work is continuing to provide a comprehensive understanding of this theme and the potential opportunities including the adoption of the Mid Wales Regional Energy Strategy which has been developed in conjunction with the Welsh Government Energy Service and Carbon Trust, development of a Hydrogen Study and recruitment of an Energy Lead role within the PoMO.
- Similarly, Transport is a Strategic Growth Priority, but the identified interventions are of a scale and scope that is not suitable for Growth Deal funding, given the constraint on the total amount of Growth Deal funding available (£110 million). Therefore, transport has at this stage been screened out of the Growth Deal. The region has existing regional arrangements (TraCC) that discuss and co-ordinate transport-related investments with Government.
- The other Strategic Growth Priorities all have a range of candidate interventions developed, and these are considered in detail in the second stage of the process.

	Programme / Project	Status	Outcome
Digital	Series of projects within a defined programme	Programme Business Case plus quick win projects	<b>Draft Programme Business Case produced, principally focussing on the strategic case. Sufficient detail to shortlist as a programme, and two “quick win”</b>



			<b>projects to assess in project level assessment.</b>
<b>Energy</b>	N/A	Energy strategy produced but further feasibility and project development work required	<b>Priority area is not sufficiently developed to shortlist into initial portfolio at this stage.</b>
<b>Skills and employment</b>	Project	Only one skills candidate project so far. A Regional Skills Partnership (RSP) has been established to identify regional skills needs; further work required to determine strategic priorities.	<b>Take forward to project level options assessment.</b>
<b>Applied Research and Innovation</b>	Independent series of projects	Vision and strategic framework produced. A number of candidate projects; no programme <i>per se</i>	<b>Take forward to project level options assessment.</b>
<b>Transport</b>	N/A	Strategic options identified but not suitable for Growth Deal	<b>Not in initial portfolio</b>
<b>Strengthened tourism offer</b>	Independent series of projects	A number of candidate projects; no overall programme	<b>Take forward to project level options assessment.</b>
<b>Supporting enterprise</b>	Projects to be delivered as part of a programme	Sites and Premises Programme Business Case but needs further development of interventions	<b>Sufficient detail to shortlist for further development.</b>
<b>Agriculture, food and drink</b>	Independent series of projects	A number of candidate projects developed	<b>Take forward to project level options assessment.</b>

## 2. Detailed Programme / Project Level Assessment

A more detailed programme/project level assessment was then carried out to determine which category the options were placed in. This was carried out through a desk-based assessment and at Workshop 2 on 30<sup>th</sup> July 2021, led by the Portfolio Management Office (PoMO) with support from the Workstream Leads and facilitation by experienced practitioners.



Each candidate intervention was assessed against the CSFs, with a qualitative judgement made on the performance against CSFs (graded High, Medium and Low) with associated commentary on strengths and weaknesses, and a final conclusion. The outcome of this process is set out in Appendix B – SUMMARY OF OPTIONS APPRAISAL WORKSHOP.

The assessments were amended based on the discussions at the workshop and a finalised short-list was agreed.

### **2022 Business Case Update**

In 2022 projects were asked to submit their completed SOC's which were received between June and October. An appraisal framework was developed to assess the SOC's with a review team set up comprising members from the Portfolio Management Office and wider GMW team alongside Hatch Ltd, which enabled the appraisals to be conducted independently of the Local Authorities:

- Operations Manager
- ESF Project Manager
- Portfolio Analysis & Support Officer
- Regional Engagement Manager
- Regional Skills Partnership Manager
- Energy Lead
- Director Hatch Ltd

Using the Business Case Appraisal Framework Checklist (Appendix F) each member of the review team focused on a particular section based on their experience in that area to cover each of the 5 cases: Strategic, Economic, Financial, Commercial, Management. Subsequently the assessments were compiled into one for each project.

In addition to the SOC's a Carbon Assessment form was submitted for each project to provide an early-stage view of carbon impact and encourage projects to consider the decarbonisation agenda at this stage. A review was also undertaken of skills within the SOC's as a cross-cutting theme, again to provide an early-stage view and enable further consideration and identification of skills opportunities and potential benefits.

Meetings of the review team were held to go through the assessments and agree the recommendations to be put forward to the GMW Management Group where the process and outcomes were discussed before taking to the GMW Board for decision.

Following Board meetings project sponsors were notified of the decision and provided with a copy of the SOC assessment form in order to provide further detail on how the decision was made and in particular to highlight those areas that need improvement. A workshop has also been held to go through some of those areas and to provide guidance on process and considerations for the next stage of business case development.

Following the submission of revised SOC's and additional supplementary information on projects and programmes throughout 2022, the latest position of the shortlisted interventions is presented below:

Short-listed Projects / Programmes for the Mid Wales Growth Deal*				
Strategic Priorities	Growth	Project Programme /	Summary	Business Case Maturity Index
Applied Research & Innovation		Green Futures Innovation Park	Led 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 £45 million project is seeking to deliver fully serviced office space, shared facilities and R&D space.	SOC approved, progressing to OBC
		National Spectrum Centre	Led 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 investment in Phase 2 of the National Spectrum Centre development with costs estimated to be approximately £17.5 million.	SOC approved, progressing to OBC
		Mid Wales Advanced Manufacturing Campus	Identified through 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. Further feasibility work has been undertaken with a view to moving to SOC in 2023. Current capital costs are estimated to be £30 million.	Feasibility moving to SOC development
Agriculture, Food & Drink		Food Manufacturing Innovation Centre	Led by Food Centre Wales (part of Ceredigion County Council), the Food Manufacturing Innovation Centre is a £8.8 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 approved, progressing to OBC
		Canolfan Tir Glas	University of Wales Trinity St David 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 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 £16.3 million.	SOC assessed and to be resubmitted

Short-listed Projects / Programmes for the Mid Wales Growth Deal*				
Strategic Priorities	Growth	Project Programme /	Summary	Business Case Maturity Index
<b>Strengthened Tourism Offer</b>		Cynefin – The Green Heart of Wales	Led by the Centre for Alternative Technology, Cynefin 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 includes: An Arrival and Welcome Hub, Green Street, Elemental and Site Accommodation. Total capital costs are estimated to be £41.5 million.	SOC approved, progressing to OBC
		Elan Valley Lakes	Led 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 £19.5 million.	SOC approved, progressing to OBC
		Montgomery Canal Wales - Restoration to Navigation	Led 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 £25.4 million. The project has secured just under £14,000,000 through the Levelling Up Fund.	SOC assessed and to be resubmitted
		Aberaeron Harbour Development**	Led by Ceredigion County Council, Aberaeron Harbour Development is an outline proposal for a major marina/harbour redevelopment. The asset will 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. Total capital costs are estimated to be £5.3 million.	SOC approved, progressing to OBC
<b>Digital</b>		Digital Programme.	Led by Growing Mid Wales' Digital Programme Manager, the digital programme seeks to accelerate the development and provision of technology across Mid Wales. Specific opportunities relate to enhanced connectivity services to strategic residential and employment sites, and in doing so provide better services to businesses to facilitate greater economic growth. Total capital costs are estimated to be £50 million.	Programme Business Case (Initial)

Short-listed Projects / Programmes for the Mid Wales Growth Deal*				
Strategic Priorities	Growth	Project Programme /	Summary	Business Case Maturity Index
<b>Supporting Enterprise</b>		Mid Wales Sites and Premises.	Led by Growing Mid Wales' Sites & Premises Programme Manager, 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 work will 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. Total capital costs are estimated to be £56.4 million.	Programme Business Case (initial)

\*Whilst Black Mountain College Further and Higher Education Institution was initially short-listed based on the assessment criteria undertaken to inform the workshop held on 30<sup>th</sup> July 2021, there were a number of concerns raised that needed further strategic discussion with Local Authorities and Government. It was also noted that the Skills theme in general required further work to determine strategic priorities for investment. Whilst it may be possible to address such issues over a period of time, it has been determined that this project should be reclassified as a reserve list project requiring further development before it is considered for Growth Deal funding.

\*\* Ceredigion Harbour Developments was rescoped to only include Aberaeron Harbour, hence has been renamed since the previous version of the Portfolio Business Case.

## 2.3 Economic Appraisal

This section summarises the economic appraisals for the candidate programmes/projects included within the short-listed category of the Mid Wales Growth Deal, based on revised information available in November 2022.

The key thing to note is that given the stage of development of the shortlisted proposals, with all projects at an initial SOC or pre-SOC level and all programmes at, or close to, Strategic/Outline Programme Business Case level, it has not been feasible to produce a detailed set of robust economic appraisals. These will follow in due course as part of the project/programme level business case development process.

Therefore, for the purposes of this document, we provide an **indicative cost-benefit assessment** informed by the available material. The expectation is then that, in order to be approved for investment, shortlisted interventions will need to demonstrate through the business case development process that they will deliver sufficient value for money in line with these portfolio level targets.

### *Economic Appraisal Summary*

A summary of the key findings from the economic appraisal of the Mid Wales Growth Deal is presented below. This includes ‘switching values’ analysis which demonstrates the percentage decrease in jobs and GVA that could occur within each priority area where a BCR of 1.0 is still achieved.

, presents the economic appraisal from the SPBC version 1 to allow a comparison between the previous version and the latest information available from the programmes and projects as of November 2022.

SPBC Version 2 – November 2022

Appraisal Summary Table: Mid Wales Growth Deal							
		Mid Wales Growth Deal	Applied Research & Innovation	Agriculture, Food & Drink	Strengthened Tourism Offer	Digital	Supporting Enterprise
<b>A</b>	<b>Net Present Social Value (£m)</b>	£25 (£215 – 310) (£320 - £415 on GD Costs)	£25 (£15 – 30) (£45 - £65 on GD Costs)	£20 (£15 - £20) (£20 - £25 on GD Costs)	£75 (£60 - £90) (£95 - £125 on GD Costs)	£85 (£75 - £95) (£85 – £110 on GD Costs)	£65 (£55 - £74) (£70 - £90 on GD Costs)
<b>B</b>	<b>Public sector cost (£m) (Undiscounted, excludes Optimism Bias and Inflation, includes VAT)</b>	£209 (£105.6 from GD)*	£60 (£29 from GD)	£15 (£8 from GD)	£62 (£29 from GD)	£24 (£10 from GD)	£48 (£29 from GD)
<b>C</b>	<b>Appropriate Benefits Cost Ratio</b>	2.2 (2.0 – 2.5) (3.9 – 4.8GD Investment)	1.4 (1.2 – 1.5) (2.5 – 3.0 GD Investment)	2.1 (1.9 – 2.3) (3.3 – 4.0 GD Investment)	2.1 (1.9 – 2.3) (4.1 – 5.0 GD Investment)	4.7 (4.2 – 5.2) (9.9 – 12.1 GD Investment)	2.4 (2.2 – 2.6) (3.6 – 4.4GD Investment)
<b>D&amp;E</b>	<b>Significant unmonetizable costs/</b>	<ul style="list-style-type: none"> <li>Social Welfare Benefits</li> </ul>	<ul style="list-style-type: none"> <li>Capitalising on internationally</li> </ul>	<ul style="list-style-type: none"> <li>Development of sector to nationally and</li> </ul>	<ul style="list-style-type: none"> <li>Capitalise on natural, heritage and</li> </ul>	<ul style="list-style-type: none"> <li>Facilitate Innovation.</li> </ul>	<ul style="list-style-type: none"> <li>Facilitate Innovation.</li> </ul>

Appraisal Summary Table: Mid Wales Growth Deal							
	Mid Wales Growth Deal	Applied Research & Innovation	Agriculture, Food & Drink	Strengthened Tourism Offer	Digital	Supporting Enterprise	
	<b>benefits and unquantifiable factors</b>	<ul style="list-style-type: none"> <li>Environmental Benefits</li> <li>Inwards Investment</li> <li>Improved Perceptions</li> <li>Reduced Deprivations</li> </ul>	significant research and industrial strengths <ul style="list-style-type: none"> <li>Harnessing emerging specialisms</li> <li>Strengthened industry engagement</li> </ul>	internationally recognised standard.	cultural assets. <ul style="list-style-type: none"> <li>Drive sustainable and resilient tourism growth focusing on quality.</li> </ul>	<ul style="list-style-type: none"> <li>Cluster growth.</li> <li>Inward Investment.</li> </ul>	<ul style="list-style-type: none"> <li>Cluster growth.</li> <li>Inward Investment.</li> </ul>
<b>F</b>	<b>Risk costs by type &amp; residual optimism bias</b>	Through their own business cases, each programme/project will be expected to consider and demonstrate how they have mitigated potential optimism bias in their costings and proposed timetables. At this stage, to be conservative, we have applied the upper bound optimism bias benchmark factor for civil engineering projects buildings from HM Treasury guidance to the capital costs for all programmes/projects at 44%					
<b>G</b>	<b>Switching values (for the preferred option only)</b>	60% reduction in job creation and additional monetised benefits.	20% reduction in job creation.	52.5% reduction in job creation.	70% reduction in job creation and additional GVA benefits associated with local spending and amenity value.	78% reduction in job creation.	60% reduction in job creation.
<b>H</b>	<b>Time horizon and reason</b>	<p align="center"><b>10-year appraisal period post construction used</b></p> <p align="center"><b>All infrastructure assets will have a residual value at this point</b></p>					

Source: Hatch calculations based on available project and programme level information.

*Note: Numbers may not sum to total due to rounding.*

*\* Includes 4% reduction in total Growth Deal funding pot to account for top-slicing to fund operation of the PoMO.*



## Key Appraisal Parameters

### Time Period

The benefits are measured over a 10-year persistence period following project/programme completion and future values are discounted at 3.5% per annum in line with HM Treasury guidance.

Capital costs are profiled based upon the level of information provided through SOCs, Project Proformas and Programme Business Cases. All costs within the economic case have been adjusted to exclude VAT, and future values are adjusted for inflation (assumed to be 2.0% per annum on average) and discounted at 3.5% per annum in line with HM Treasury guidance. All values are expressed in constant 2022/23 prices.

The current assumptions on the development, delivery and benefit realisation periods are presented in Appendix D – INDICATIVE GROWTH DEAL PROJECT / PROGRAMME DELIVERY .

### Geography

The Growth Deal is a place-based initiative aimed at enhancing the economic performance of the Mid-Wales region. Therefore, the primary focus of the economic appraisal is on the costs and benefits of the portfolio for Mid-Wales. This is in line with the approach set out in the updated HM Treasury Green Book, specifically Appendix A2 Place-Based Analysis.<sup>16</sup>

### Additionality

The assessment captures both gross and net additional benefits for Mid-Wales:

- **Deadweight:** benefits that would have taken place anyway in the absence of the investment (e.g. business growth not attributable to the Growth Deal investments);
- **Displacement:** benefits that are displaced from elsewhere in Mid Wales (e.g. through a relocation of an existing business in Wales into new employment floorspace provided or growth in a supported business at the expense of market share for another business in Mid Wales)
- **Leakage:** benefits that accrue to residents or businesses outside Mid Wales (e.g. if new jobs are taken by residents of an adjacent region in England)
- **Multipliers:** further knock-on benefits generated within tradable and non-tradable sectors as set out in Appendix A2 Place-Based Analysis of the HM Treasury Green Book.

Full details on how these factors have been applied to the interventions are set out in the technical Appendix E – INDICATIVE ECONOMIC APPRAISAL: KEY PRINCIPLES & ASSUMPTIONS

## Costs

### Public Sector Costs

At this stage of development of the portfolio, the total cost of the shortlisted interventions is only known in outline because the shortlisted projects and programmes have not all produced full costings. Moreover, those that have produced costs have only produced outline costs. Therefore, we have set out here indicative costs and funding allocations, by Strategic Growth Priority. This is informed by the available project- and programme-level detail. It is recognised

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<sup>16</sup> HM Treasury, The Green Book 2020: [https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/938046/The\\_Green\\_Book\\_2020.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/938046/The_Green_Book_2020.pdf)

that these allocations will shift as projects develop their cost plans further, but they represent the best estimate possible given available information.

The total estimated capital cost of the shortlisted options within the portfolio is **£315 million (excluding Optimism Bias)**. The total Growth Deal request by Strategic Growth Priority has been estimated based on the proportion of projects and programmes selected within the shortlist and constrained to the maximum funding allocation of £105.6 million. The overall funding allocation to projects and programmes has been reduced by 4% since the previous version of the SPBC to cover the administrative and operational costs of the PoMO, leaving a remaining maximum funding allocation of £105.6 million. This implies an overall intervention rate of 34% for the Growth Deal funding as a share of the total project capital cost.

The balance of the residual funding needed between private and public sector sources is not known with precision at this stage, but the expectation is that, unless stated otherwise, at least one-third of the total capital costs across the entire portfolio will come from the private sector (with some variation across programmes and projects). The remaining funding is expected to be provided through alternative public sector sources. For the purposes of the economic appraisal, the working assumption is, unless match funding has already been secured and is stated otherwise, that the total public sector funding share in the total capital cost will be 67%.

We have also applied Optimism Bias to these figures. Through their own business cases, the programmes and projects will be expected to consider and demonstrate how they have mitigated potential optimism bias in both their costings and their proposed timetables, as well as project risks. At this stage, in order to be conservative and acknowledging the early stages of development at which the Growth Deal interventions are currently undertaking, we have applied the Upper Bound Optimism Bias factor to the capital costs for all programmes and projects of 44% (for standard civil engineering)<sup>17</sup>.

The tables below provide a summary of estimated total allocations of the total £105.6 million in Growth Deal funding by Strategic Growth Priority. Using an indicative spending profile (see Appendix E – INDICATIVE ECONOMIC APPRAISAL: KEY PRINCIPLES & ASSUMPTIONS for details) and discounting at 3.5% p.a. it is estimated that the Growth Deal will have a total discounted public sector capital cost of **£215 million** (2022/23 prices).

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<sup>17</sup> HM Treasury, Supplementary Green Book Guidance – Optimism Bias:  
[https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/191507/Optimism\\_bias.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/191507/Optimism_bias.pdf)

Notional Funding Allocations by Strategic Growth Priority (£m, undiscounted, no optimism bias)		
Strategic Growth Priorities	Total Capital Costs (£m)	Expected Growth Deal Investment (£m)
Applied Research & Innovation	£93	£29
Agriculture, Food & Drink	£25	£8
Strengthened Tourism Offer	£92	£29
Digital	£38	£10
Supporting Enterprise	£66	£29
<b>Total</b>	<b>£314</b>	<b>£106</b>

Source: Hatch calculations based on programme and project material at November 2022.

Note: All estimates based on available material for the shortlisted options within the portfolio. Figures may not sum due to rounding.

Notional Funding Allocations by Strategic Growth Priority (£m, 2022/23 prices, discounted, Net Present Costs discounted at 3.5% per annum, optimism bias)	
Strategic Growth Priorities	All Public Sector NPC (including adjustments for optimism bias, discounting and inflation, excluding VAT) (£m)
Applied Research & Innovation	£64
Agriculture, Food & Drink	£16
Strengthened Tourism Offer	£65
Digital	£23
Supporting Enterprise	£45
<b>Total</b>	<b>£213</b>

Source: Hatch calculations based on programme and project material at November 2022

Note: All estimates based on available material for the shortlisted options within the portfolio. Figures may not sum due to rounding.

## Benefits Measured

In developing each of the Strategic Growth Priorities for the Growth Deal, a high-level assessment of the relevant economic benefits has been produced. This is based on the material contained within the Programme Business Cases and project SOCs. Each of the programmes will generate a set of benefits that have been classed for the purposes of the economic appraisal as direct, indirect and wider benefits. The precise nature of these varies between the projects and the Strategic Growth Priorities. The key types are summarised below, by Strategic Growth Priority.

<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 Reduced Deprivation	Capitalising on internationally significant research and industrial strengths Harnessing emerging specialisms Strengthened industry engagement	Development of sector to nationally and internationally recognised standard.	Capitalise on natural, heritage and cultural assets.  Drive sustainable and resilient tourism growth focusing on quality.	Facilitate Innovation. Cluster growth.  Inward Investment.

The benefit-cost assessment focusses on those direct and indirect economic benefits that have been possible to quantify and monetise at this stage based on the information available. These are set out by Strategic Growth Priority below. This means that there are significant unquantifiable benefits and the figures should be interpreted with this in mind.

It should be acknowledged that in light of a declining population, jobs created will need to be fulfilled either by attracting people to locate in Mid Wales or through offering high-value employment opportunities that can prevent outward migration. A proportion of new employment opportunities would need to be filled by retraining and offering opportunities to those that are currently economically inactive.

Benefits Monetisable within Benefit-Cost Assessment		
Strategic Growth Priority	Direct Impacts	Indirect Impacts
Applied Research & Innovation	Direct Jobs and GVA	Supply Chain Jobs and GVA
Agriculture, Food & Drink	Direct Jobs and GVA	Supply Chain Jobs and GVA
Strengthened Tourism Offer	Direct Jobs and GVA	Supply Chain Jobs and GVA Visitor Spend Amenity Value
Digital	Not Quantified	Business Productivity Business Innovation
Supporting Enterprise	Direct Jobs and GVA	Business Productivity Business Innovation

There will also be temporary construction effects associated with the capital investments. Given the scale of capital investment over the Growth Deal term, this will support significant numbers of jobs in construction and other related sectors.

The assessment of economic benefits then draws on the Strategic Growth Priority level assessments. This cost-benefit assessment at the Strategic Growth Priority level uses an economic impact model and is, in turn, based on the available information for each programme or project. This economic impact estimates contained within these have not been audited.

The quantification of a 'Business As Usual' option is not viable due to the evolving and iterative nature of the SPBC as well as the varying maturity of projects and programmes that underpin the Growth Deal. Projects and programmes continue to develop which makes it impossible to capture the economic impacts of the BAU scenario. Projects will need to set out their own relevant BAU scenario in their project business cases.

It should be noted that the economic cases for individual programmes/projects will be developed in detail from their current SOC/concept stage. The economic appraisal provided here is not intended to pre-empt these assessments. Rather, it is intended to set out the expected order of magnitude of impacts and the underlying drivers of these, in order to demonstrate value for money. Therefore, the figures presented at this portfolio level are expressed as a reasonable range.

### **Gross Benefits**

In the previous version of the SPBC, the programmes and projects within the Mid Wales Growth Deal are expected to generate in the order of **£1.4 to £1.7 billion in gross GVA** over a 10-year persistence period, and **2,650 to 3,250 gross FTE jobs** per annum.

Based on the latest information available as of November 2022, the programmes and projects within the Mid Wales Growth Deal are expected to generate in the order of **£1.1 to £1.4 billion in gross GVA** over a 10-year persistence period, and **2,400 to 2,900 gross FTE jobs** per annum.

<b>Indicative Gross Economic Benefits (GVA is cumulative over a 10-year persistence period and expressed in 2022/23 prices, undiscounted, FTE jobs are annual)</b>		
<b>Strategic Growth Priority</b>	<b>GVA (£m)</b>	<b>Jobs Created (FTEs)</b>
<b>Applied Research &amp; Innovation</b>	£220 (£200-240)	525 (475-580)
<b>Agriculture, Food &amp; Drink</b>	£80 (£70-90)	190 (170-205)
<b>Strengthened Tourism Offer</b>	£370 (£335-410)	435 (390-5480)
<b>Digital</b>	£295 (£265-325)	730 (660-805)
<b>Supporting Enterprise</b>	£300 (£270-330)	740 (665-815)
<b>Total</b>	<b>£1,265 (£1,135-£1,400)</b>	<b>2,600 (2,400-2,900)</b>

Source: Hatch calculations based on programme and project material at November 2022.

Note: All estimates based on available material for the shortlisted options within the portfolio. Figures may not sum due to rounding.

We also estimate that the Mid Wales Growth Deal investments will support approximately 750 gross direct FTE jobs per annum in the construction sector over the period of the construction of the relevant assets.

### **Net Additional Benefits**

After taking account of the likely levels of additionality within the projects and programmes, the Mid Wales Growth Deal Strategic Growth Priorities are expected to generate an indicative total of **£420 to £515 million in net additional GVA (discounted)**, and **1,000 to 1,200 net additional FTE jobs per annum**.

<b>Indicative Net Additional Economic Benefits (GVA is cumulative over a 10-year persistence period and expressed in 2021/22 prices, discounted, FTE jobs are annual)</b>		
<b>Strategic Growth Priority</b>	<b>GVA (£m)</b>	<b>Jobs Created (FTEs)</b>
<b>Applied Research &amp; Innovation</b>	£85 (£80 – 95)	220 (200 – 245)
<b>Agriculture, Food &amp; Drink</b>	£35 (£30 – 35)	80 (70 – 90)
<b>Strengthened Tourism Offer</b>	£140 (£125 – 155)	180 (160 – 200)
<b>Digital</b>	£110 (£100 – 120)	310 (280 – 340)
<b>Supporting Enterprise</b>	£110 (£100 – 120)	315 (280 – 345)
<b>Total</b>	<b>£480 (£430 - £525)</b>	<b>1,100 (1,000 - 1,200)</b>

Source: Hatch calculations based on programme and project material at November 2022

Note: All estimates based on available material for the shortlisted options within the portfolio. Figures may not sum due to rounding.

## Benefit Cost Ratio

Drawing the analysis together, the shortlisted options within the Mid Wales Growth Deal are expected to have an **indicative benefit-cost ratio of between 2.0:1 and 2.5:1**, i.e., for every £1 in public sector investment (after Optimism Bias) the Growth Deal is expected to return net additional economic benefits of between £2.10 and £2.50. This rises to between £3.70 and £4.50 for every £1 of Growth Deal investment only. The breakdown by Strategic Growth Priority is provided in the Appraisal Summary Table, which was presented at the end of this section.

This places the overall Growth Deal into the category of “high” value for money, as defined by Central Government.

Indicative Benefit Cost Ratio for Mid Wales Growth Deal (£m, 2022/23 prices)		
	Based on Total Public Sector Costs	Based on Growth Deal Only
Discounted Net Additional Benefits	£430 - £525	
Discounted Costs, After Optimism Bias	£215	£110
Net Present Social Value	£215 - 310	£320 - £415
BCR	2.2 (2.0 – 2.5)	4.4 (3.9 – 4.8)

Source: Hatch calculations based on project/programme level data. Note: values are indicative as they are based on outline programme and project information.



## 2.4 Risk and Sensitivity Assessment

### Risk

There are a number of risks to generating the scale of impacts that have been estimated above. We set out below the common risks that exist across the Growth Deal alongside a brief explanation of their implications for benefit creation and mitigating actions.

Summary of Common Risks to Economic Benefit Creation				
Risk	Likelihood	Impact	Implications	Mitigating Actions
Take-up & Demand	Medium	High	Reducing the potential to generate user benefits	To intervene where we know that demand and need is strong and in infrastructure that facilitates growth, productivity and innovation to support economic resilience and recovery. To develop programme-level marketing strategies, to engage with users and stakeholders. To deliver programme that will flex to the needs of users, including as they change in response to economic conditions.
External Operating Environment	High	Medium	Uncertain economic conditions (e.g. resulting from economic downturns / inflationary pressures) could reduce the ability among businesses / individuals to grow and benefits from GD interventions.	
Additionality	Low	Medium	Reducing the net additional benefits that result from GD investment	To intervene where there is clear market failure, underinvestment and in response to local need.
Benefit Creation	Medium	Medium	(i.e. the value of job creation, potential for market capture, business growth & increased productivity)	To invest in productivity enhancing technologies, connectivity and infrastructure and in higher value employment/cluster with potential for growth in Mid Wales.
Inflationary Pressures	High	High	Uncertainty around cost estimates as a result of inflationary pressures and rising costs of materials.	To ensure appropriate allocations for inflation and contingency within cost estimates. To explore options with value engineering if required.

### Sensitivity Analysis

In addition to 'switching values' for job creation, sensitivity analysis has been conducted across all of the Strategic Growth Priorities individually, by stress testing the value for money of each programme in response to changes in a number of key assumptions. These key assumptions/variables reflect the risks outlined above and include demand and adoption, additionality, average benefits (GVA and jobs created).

The following sensitivity tests have been undertaken:



- **Test 1:** Job creation 20% lower.
- **Test 2:** Additionality factors 20% higher.
- **Test 3:** Tests 1 and 2 in combination.

A summary of these sensitivity analyses is provided in the table below. The overall message is that most of the Strategic Growth Priorities perform robustly in terms of value for money in the face of a number of stress tests.

<b>Summary of Sensitivity Across Growth Deal Strategic Growth Priorities</b>				
		<b>Net Present Social Value on Public Sector Costs (£m) (including Discounting and Optimism Bias)</b>	<b>Net Present Social Value on Growth Deal Costs (£m) (including Discounting and Optimism Bias)</b>	<b>BCR</b>
<b>Applied Research &amp; Innovation</b>	Preferred Option	£23	£56	1.4
	Test 1 – Job Creation 20% Lower	£6	£38	1.1
	Test 2 – Additionality Factors 20% Higher	£11	£23	0.8
	Test 3 – Tests 1 & 2 Combined	-£21	£11	0.7
<b>Agriculture, Food &amp; Drink</b>	Preferred Option	£18	£24	2.1
	Test 1 – Job Creation 20% Lower	£11	£17	1.7
	Test 2 – Additionality Factors 20% Higher	£5	£11	1.3
	Test 3 – Tests 1 & 2 Combined	£1	£7	1.0
<b>Strengthened Tourism Offer</b>	Preferred Option	£74	£109	2.1
	Test 1 – Job Creation 20% Lower	£64	£99	2.0
	Test 2 – Additionality Factors 20% Higher	£20	£54	1.3











Summary of Sensitivity Across Growth Deal Strategic Growth Priorities				
		Net Present Social Value on Public Sector Costs (£m) (including Discounting and Optimism Bias)	Net Present Social Value on Growth Deal Costs (£m) (including Discounting and Optimism Bias)	BCR
	Test 3 – Tests 1 & 2 Combined	£14	£48	1.2
Digital	Preferred Option	£85	£98	4.7
	Test 1 – Job Creation 20% Lower	£63	£77	3.8
	Test 2 – Additionality Factors 20% Higher	£44	£57	2.9
	Test 3 – Tests 1 & 2 Combined	£30	£44	2.3
Supporting Enterprises	Preferred Option	£64	£82	2.4
	Test 1 – Job Creation 20% Lower	£42	£60	1.9
	Test 2 – Additionality Factors 20% Higher	£22	£40	1.5
	Test 3 – Tests 1 & 2 Combined	£9	£27	1.2


## 2.5 Wider Benefits

As set out above, it is also important to recognise that there is a set of wider economic benefits delivered by the Mid Wales Growth Deal. These have not been monetised as it has not been possible to do this in a robust fashion. They are nonetheless a significant consideration in the value for money case for the programmes/projects. These include the following:

- Inward investment
- Key sector development and competitiveness
- Enhanced research and innovation capacity
- Retention of young people
- Rural sustainability

It should also be recognised that the Mid Wales Growth Deal is seeking to improve productivity of existing employment as well as delivering new employment opportunities. Typically, productivity is measured using GVA per job or per hour. As set out in the Strategic Case, Mid Wales continues to lag behind other Welsh and UK regions in real and per head terms due to the seasonality and structure of its employment base. As such, the following table presents which short-listed projects and programmes also aim to improve productivity of existing jobs and industries. The majority of projects/programmes have the potential to impact on productivity in Mid Wales. A number of the tourism-focussed projects are focussed more on responding to the need to generate additional employment (as set out in Business Needs in the Strategic Case).

Short-listed Projects / Programmes for the Mid Wales Growth Deal*			
Strategic Growth Priorities	Project / Programme	Rationale	Wider Productivity Change
Applied Research & Innovation	Green Futures Innovation Park	Seeks to expediate innovation and performance through STEM Research & Development.	
	National Spectrum Centre	Delivery of new technologies and innovations related to the NSC provides an opportunity for the sector to increase productivity.	
	Mid Wales Advanced Manufacturing Campus	Seeks to deliver skills into industry and provide a hub for collaboration, research and innovation related to advanced manufacturing.	
Agriculture, Food & Drink	Food Manufacturing Innovation Centre	Seeks to deliver productivity gains associated with existing employees as they develop significantly higher value skills.	
	Canolfan Tir Glas	Seeks to improve skills, encouraging the visitor economy to spend more money on higher quality food and hospitality. Which in turn would improve productivity of employees in the sector.	
Strengthened Tourism Offer	Cynefin – The Green Heart of Wales	Seeks to enhance the delivery of skills relating to sustainability, innovation and the low carbon economy.	
	Elan Valley Lakes	Seeks to improve visitor numbers to the area and create new employment opportunities. Unlikely to improve productivity of existing employees.	
	Montgomery Canal Wales - Restoration to Navigation	Seeks to improve visitor numbers to the area and create new employment opportunities. Unlikely to improve productivity of existing employees.	
	Aberaeron Harbour Development	Seeks to improve visitor numbers to the area and create new employment opportunities. Unlikely to improve productivity of existing employees.	
Digital	Digital Programme.	Seeks to improve digital connectivity for residents, businesses and the public sector.	

Short-listed Projects / Programmes for the Mid Wales Growth Deal*			
Strategic Growth Priorities	Project / Programme	Rationale	Wider Productivity Change
Supporting Enterprise	Mid Wales Sites and Premises.	Seeks to provide premises and facilities that will enable local enterprises and employees to improve productivity.	

## 3 THE COMMERCIAL CASE

The Commercial Case sets out the commercial and procurement arrangements for the Mid Wales Growth Deal's strategic portfolio and the delivery of enabling programmes and projects over the coming decade.

### 3.1 Commercial Strategy

An independently and impartially managed Workshop held on 1 September 2021 (see Appendix C for details) considered the commercial strategy for the successful delivery of the MWGD strategic portfolio, and the principles and standards that programmes and projects must adhere to for individual schemes.

The Workshop considered:

- the Government Commercial Operating Standards, which while designed to serve Government Departments are pertinent to all public sector organisations, including the Mid Wales Growth Deal
- the choice of procurement method and potential procurement routes for the delivery of strategic portfolio's programmes and projects in accordance with World Trade Organisation (WTO) and UK rules and regulations, including available pre-competed arrangements within the UK and Wales
- the degree to which market research and early consultation with the supply side is required
- the extent to which lead organisations should be acting as a single procurement entity or procuring more collaboratively with other public bodies within Mid Wales in order to secure economies of scale and improved public value.

#### *The UK Government Commercial Operating Standards*

The GMW Board considered the eight key principles and is committed to taking appropriate actions to adhere to them in delivering the Growth Deal. The key points are set out below.

##### **1. Plans/Blueprints and resources**

*The standard sets out the need for public sector organisations to have the right workforce in place to deliver the organisation's pipeline of activity.*

In accordance with the Standard, the Portfolio Management Office (PoMO) will put in place a signed off blueprint (plan) that indicates their expected commercial activity, details Grants (where appropriate) and sets out their resource and capability for the next 3 years.

The blueprint will be reviewed annually against associated metrics for assessing how the Mid Wales Growth Deal is improving commercial capability (training staff); changing the grade mix to reflect the target operating model (achieving capability requirements); improving the efficacy of commercial functions; and putting in place the resources required.

##### **2. Pipeline and Planning**

*The intent is that public sector organisations will prepare and retain a comprehensive view of current and future contracts.*

The PoMO will monitor commercial activity through a commercial pipeline, refreshed regularly (every six months with major changes as they happen) and ensure that programmes and projects plan commercial activity in good time.

Consideration will be given to creating a comprehensive commercial pipeline (minimum of 18 months) of contracts that are high risk or complex; and using management information to support effective demand and category management.

### **3. Senior Responsible Owners and Expertise**

*The intent is that the public sector will maintain senior management engagement throughout the commercial process.*

The PoMO will ensure that all commercial activity on the pipeline has a senior officer (or SRO if appropriate) appointed or identified, so as to ensure that the Growth Deal maintains a clear understanding of overall requirements and ensures strong and effective commercial engagement.

### **4. Early cross-functional analysis of options**

*The intent is that the public sector, through widely sourced cross-functional analysis, will consider all relevant commercial options prior to agreeing a sourcing pathway, and produce timely commercial cases with options for appraisal.*

The PoMO will ensure that all the programmes and projects comprising the strategic portfolio give due consideration to sourcing and service delivery options when preparing their programme (PBC) and project business cases (SOC, OBC and FBC).

Specifically, the PoMO will ensure that all schemes undertake: Workshop 1 (Making the Case for Change); Workshop 2 (Identifying and assessing the options – including service delivery and sourcing options using the options framework filter); Workshop 3 (Assessing the short-listed options) and Workshop 4 (Developing the commercial strategy and Deals for the programme/project) in accordance with HM Treasury and Welsh Government Business Case Guides during the development of their proposals.

### **5. Maximising competition**

*The intent is that the public sector will maximise competition by engaging with the market early, and design service requirements that are accessible to as many suppliers as possible (including small and medium sized businesses where appropriate).*

The PoMO will ensure that programmes and projects consider options and instruments for early engagement with the supply side and potential small and medium sized suppliers (SMEs) in Mid Wales. This includes the consideration of Periodic Indicative Notices (PINs).

### **6. Contracting**

*The intent is that the public sector will make use of flexible commercial contracts that can adapt to future changes. When appropriate, the public sector will use model terms/standard forms of contracts with minimal amendments.*

The PoMO will:

- promote the use of model terms/standard forms of contract with minimal amendments (when appropriate)
- promote greater accessibility and awareness of commercial terms; and ensure programmes and projects put in place contracts that outline agreement on the cost of potential future options
- put in place the appropriate risk allocation between parties
- create a mechanism for tracking the deliverability of mobilisation obligations and transition arrangements (where appropriate).

### 7. Contract management

*The intent is that the public sector will ensure the implementation of adequate contract management processes to ensure measurable performance against the requirements throughout the contract lifecycle.*

The PoMO will ensure that programmes and projects put in place contracts that deliver the outcomes anticipated, effective contract management, and commercial contract management competency.

### 8. Supplier relationships

*The intent is that the public sector will develop a comprehensive view of its supply chain and apply relevant strategies to manage industry capacity.*

The PoMO will encourage programmes and projects to understand their supply chain and to create and maintain strategic supplier relationship management programmes with their highest impact suppliers, as required. This is likely to involve research to map the relevant supply chain in Mid Wales and supporting local supply chains to engage with larger contracts through supply chain briefings and joint bidding opportunities and pipeline of projects.

## 3.2 Procurement Strategy

The PoMO will ensure that programmes and projects are procured in compliance with the UK Government agreements with the World Trade Organisation (WTO).

Programmes and projects within the Mid Wales Growth Deal's strategic portfolio will explore, define and agree their own, individual procurement arrangements in line with the principles and standards outlined above, using available "pre-competed" arrangements and prices for national, regional and local arrangements involving 'call-off contracts' and management frameworks for specified services, supplies and works, as required.

The PoMO is committed to ensuring that the procurement approach for the Growth Deal helps to deliver on key Welsh policies, including the following:

- **A Vision for Growing Mid Wales** – The Mid Wales Growth Deal is a key component of delivering the vision for Mid Wales. Within *A Vision for Growing Mid Wales*, there is a desire to explore a regional procurement programme focusing on 'anchor' institutions such as local authorities, health boards, colleges, universities that will support regional

business through purchasing. There is also a need to provide support for businesses to tender and identify collaborative opportunities, alongside development of local supply chains.

- **The Wellbeing of Future Generation (Wales) Act** – The Act is focused on the principles of sustainable development and places a duty on Public Bodies to work in new ways to improve the economic, social, environmental and cultural wellbeing across Wales. The Act will provide an overarching framework for the procurement approach, and we will use the lens of the act to align with these principles below as a framework.

The Act promotes five ways of working – Long Term, Prevention, Integration, Collaboration and Involvement towards seven wellbeing goals. The ways of working and seven wellbeing goals will be incorporated within all Growth Deal project and procurement activities and project delivery will contribute to the 46 national indicators for well-being in Wales.

As set out in the Future Generations report 2020, sustainable procurement practices using the Act as a framework can:

- Reduce our greenhouse gas emissions and contribution to climate change (A Prosperous Wales and A Globally Responsible Wales)
- Improve our natural environment and protect biodiversity (A Resilient Wales)
- Build more cohesive communities with thriving social enterprises and Small and medium sized enterprises (A Wales of Cohesive Communities)
- Support better physical and mental health (A Healthier Wales)
- Deliver decent work with fair and equal pay conditions (A More Equal Wales)
- Reflect the diversity and culture of all our communities (A Wales of Thriving Culture and Vibrant Welsh Language) and
- Encourage greater ethical and global citizenship (A Globally Responsible Wales).

The figure below sets out the sustainable procurement practices from within the *Wellbeing of Future Generation (Wales) Act*:



Source: Future Generations Report, 2020: <https://futuregenerations2020.wales/english>



- **Public Contract Regulations 2015** – The overarching procurement legal framework, with which the Council and all other public bodies must comply. They are a key part of the Welsh Public Procurement Policy and compliance is required under the Accountable Body's Contract Procedure Rules.
- **Welsh Public Procurement Policy Statement** – A set of 10 principles by which the Welsh Government expects public sector procurement to be delivered in Wales.
- **Welsh Government Code of Practice Ethical Employment in Supply Chains** – To ensure lawful and ethical practices are evident throughout all commissioning, procurement and contract management activities and also the supply chain.
- **Socio Economic Duty** – The overall aim of the duty is to deliver better outcomes for those who experience socio-economic disadvantage. This is supported through a duty on specified public sector organisations ensuring that those taking strategic decisions take account of evidence and impact, engage and consult, understanding the needs of those who suffer socio economic disadvantage, being open to challenge and change the approach to decision making.
- **Prosperity for all: A low carbon Wales** – Aligning with the Paris Agreement focused on moving towards decarbonisation. The plan sets out the foundations for Wales to transition to a low carbon nation. Cutting emissions and moving towards a low carbon economy ensuring a fair and health society. The Environment (Wales) Act 2016 requires Welsh Government to reduce emissions of greenhouse gases in Wales by at least 80% for the year 2050.

The GMW Board is committed to maximising Social Value through its procurement activities. To this end, it will:

- work with the Public Service Boards (PSB) and directly support the local wellbeing plans and evolving community resilience plans for the region to recover and build back fairer and better
- promote and champion the delivery of social value and community benefits through procurement activity align with and test key policies such as the socio-economic duty and the social partnerships bill
- Engage in two-way exchange with partners, contractors and communities and ensure local and regional needs and priorities are part of the social value clauses
- Focus on innovative targeted recruitment and training working with our partners to ensure we support people to retrain, develop new skills through volunteering or contribute to education/apprenticeships
- Target opportunities and engage with existing mechanisms to support this and target specific groups such as young people or those in areas of deprivation to engage in education and learning/development
- Work with evolving projects and programmes to support contractors to engage and deliver learning and skills development for young people
- Support engagement and connections with schools to offer opportunities to all support the new Curriculum 2022 in Wales, with a focus on digital inclusion
- Work directly with the PSB to include community resilience and wealth building developing assets in our communities to include supporting positive mental health in workforces, supply chain and in communities

- Support and engage with the third sector in a valued based approach that support resilience in the third sector to work with and support contractors and the supply chain
- Ensure there are environmental considerations in contract opportunities, minimising the impact on the environment and supporting new technologies, approaches and innovation with contractors and the supply chain, with a focus on the circular economy
- Seek to minimise the carbon footprint of projects and support low carbon economy, focused on the commitment by Welsh Government to achieve a carbon neutral public sector by 2030, reducing greenhouse gases, improving our natural environment and protecting our biodiversity.

### 3.3 Contractual Relationships

#### *Key Partnerships*

The Growing Mid Wales Board acts as funders for the projects and programmes within the Mid Wales Growth Deal.

As a result, contractual relationships required will be between Ceredigion County Council as the Accountable Body for the Mid Wales Growth Deal and the relevant Project / Programmes 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.

#### *Stakeholder Relationships*

For each Growth Deal programme, the Programme Manager and Programme Board will be responsible for managing stakeholder relationships at the programme level. At project level this will be the responsibility of the Project Sponsor with the approach set out in the Project Business Case.

Each programme or project will make use of the established regional forums, such as the Private Sector Advisory Group, to ensure continued private sector engagement throughout the delivery of all programmes and projects.

### 3.4 Service Requirements, Outputs and Risk Allocation

Service requirements, outputs and risk allocation strategies will be set out within each project business case and will be a matter for the Project Sponsor to manage according to their own structure and procedures in line with the overall procurement and commercial strategies set out by the Growing Mid Wales Board. Specific detail on how the Project Sponsors will manage their risks will also be set out in the project business cases.

### 3.5 Charging Mechanism

Projects and programmes will be required to set out the appropriate charging mechanisms as part of the project business cases. This exercise should include an assessment of the appropriate charge mechanisms for pre-delivery, design and build phases and whether to apply a fixed price/cost mechanism or to use payment on delivery of agreed outputs/targets. To protect the supply chain and ensure fair and prompt payment, projects will be required to

put in place robust and efficient procedures for all significant procurements. This requirement is in line with Welsh Government policy.

## 3.6 Asset Ownership, Management and Accountancy Treatment

### *Ownership*

The assets delivered through the Mid Wales Growth Deal investment will be primarily owned by the Project / Programme Sponsors. Regional assets are covered in the 'Accountancy Treatment' section below.

### *Management*

The Project / Programme Sponsor will be responsible for the management, resourcing, service delivery and maintenance of the assets delivered through the programme.

### *Accountancy Treatment*

Assets that have physical substance and are held for use in the production or supply of goods or services, for rental to others, or for administrative purposes and that are expected to be used during more than one financial year are classified as Property, Plant and Equipment. Assets constructed or held as part of a project delivered within the Portfolio will be disclosed and held on the Balance Sheet within the Project Sponsor/Lead Organisation responsible for the delivery of said project.

Assets constructed or held as part of a programme or project led within the Portfolio will be proportioned accordingly or reside within the balance sheet of the Accountable Body or a special purpose vehicle established by the Growing Mid Wales Board.

The Growing Mid Wales Board will not hold any physical assets in relation to Portfolio delivery. Consideration will be given across the Programmes and Projects with the Project Sponsors/Lead Organisation as to the ownership of any assets developed with Growth Deal funding. Should the Programmes bring forward proposal for regional projects that may be under the Sponsorship of the Growing Mid Wales Board, consideration will be given accordingly to the ownership and the delivery of those proposals.

## 3.7 Subsidy Control

The Growth Deal and specifically projects to be funded will need to comply with the relevant Subsidy Control framework. EU State Aid regulations were predominately superseded by the Subsidy Control framework on 31<sup>st</sup> December 2020.

As a diverse and complex portfolio projects or programmes to be delivered across six Strategic Growth Priorities, it is acknowledged that there will be different Subsidy Control considerations across the portfolio.

The Subsidy Control implications of specific projects will be considered in detail during the development of the project business cases with specific legal advice sought where necessary.

The Subsidy Control advice received as part of the development of project business cases will inform what funding models the Mid Wales Growth Deal Board may consider for each project.

## 3.8 Managing Conflicts of Interest

Any Conflicts of Interest (CoI) issues will be managed through the appropriate policies and procedures which are to be established by the Growing Mid Wales Board. Governance

structures, communicated within the Management Case, will ensure that any CoIs are declared and mitigated appropriately throughout the decision making and delivery processes.

## **3.9 Personnel Implications**

**Portfolio and Programme Level** – The Mid Wales Growth Deal has created and resourced a Portfolio Management Office (PoMO) to oversee the delivery of the Growth Deal. These resources will be responsible for the delivery of the overall portfolio and for programme management arrangements.

**Project Level** – Each Project Sponsor will be responsible for ensuring the right resources are in place for the delivery of their projects.

## 4 THE FINANCIAL CASE

### 4.1 Capital Requirements

The Mid Wales Growth Deal is based on the delivery of a Portfolio of programmes and projects with an anticipated total capital expenditure of approximately **£315-380 million**,<sup>18</sup> based on the latest available estimates for the shortlist set out in the Economic Case. As set out in the Economic Case, £105.6 million of funding is to be provided for these interventions from the Growth Deal itself. It should be noted that the overall funding allocation of £110 million has been reduced by 4% since the previous version of the SPBC to cover the administrative and operational costs of the PoMO, leaving a remaining maximum funding allocation of £105.6 million.

The residual costs are to be funded by a mix of other public and private sector investment.

#### **NOTIONAL FUNDING ALLOCATIONS FOR SHORTLISTED PROJECTS**

At this stage of development of the Portfolio, the total cost of the short-listed proposals is only known in outline because the shortlisted projects and programmes have not all produced full costings due to the stage in their business case development.

Therefore, we have set out here indicative costs and funding allocations, by programme and project. This is informed by the available information provided through Project / Programme Proformas, SOCs and any other supplementary information. It is recognised that these allocations will shift as projects develop their cost plans further, but they represent the best estimate possible given available information.

In order to cover administrative and operational costs of the PoMO, the overall funding allocation of £110 million has been reduced by 4%, leaving a remaining maximum funding allocation of £105.6 million.

The total value of the Growth Deal funding request from both projects and programmes is estimated to be £153.5 million. Whilst the majority of projects have stated a funding request within their latest SOCs, some projects are yet to specify how much funding they are requesting from the Mid Wales Growth Deal. For projects/programmes that have not stated their funding request, it is assumed that one-third of total capital costs are being requested.

The Growth Deal funding requests for the two programmes has been ringfenced in line with the allocation from the previous version of the SPBC. However, the ringfenced allocations have been reduced by 4% in order to support with operational PoMO costs.

After adjustments for PoMO costs and ringfenced programme allocations, the remaining Growth Deal funding available for projects is £69.2 million. The assumed Growth Deal request from the projects is estimated to be £112.7 million, meaning a shortfall of £43.5 million which will need to be found through alternative funding public and private sector sources. The Growth Deal allocations for projects have been apportioned based on the total capital costs as a percentage of the overall capital costs of projects.

The balance of the residual funding needed between private and public sector sources is not known with precision at this stage, but the expectation is that, unless match funding has already been confirmed and stated otherwise, at least one-third of the total capital costs across the entire Portfolio will come from the private sector (with some variation across programmes and projects). The remaining funding is expected to be provided through alternative public

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<sup>18</sup> Note: All values expressed in the Financial Case are inclusive of VAT and inflation and are not discounted over time.

sector sources. For the purposes of the economic appraisal, the working assumption is, unless stated otherwise, that the total public sector funding share in the total capital cost will be 67%.

Strategic Growth Priorities	Project / Programme	Project Sponsor	Total Capital Costs (£m)	Growth Deal Ask (£m)	% of Total Capital Costs from MWGD Shortlist	Allocation of £105.6 million	Other Public Sector Investment (£m)	Private Sector Investment (£m)
Applied Research & Innovation	Green Futures Innovation Park	Aberystwyth University	£45.0	£15.0 <sup>1</sup>	14.3%	£14.3	£15.4	£15.4
	National Spectrum Centre	Aberystwyth University	£17.5	£5.8 <sup>1</sup>	5.6%	£5.6	£4.7	£7.2 <sup>3</sup>
	Mid Wales Advanced Manufacturing Campus	Powys County Council	£30.0	£10.0 <sup>2</sup>	9.6%	£9.5	£10.2	£10.2
Agriculture, Food & Drink	Food Manufacturing Innovation Centre	Ceredigion County Council	£8.8	£8.8	2.8%	£2.8	£3.0	£3.0
	Canolfan Tir Glas	Trinity St David's University	£16.3	£13.8	5.2%	£5.2	£4.3	£6.8 <sup>3</sup>
	Elan Valley Lakes	Dwr Cymru	£19.5	£13.0	6.2%	£6.2	£6.6	£6.8 <sup>3</sup>

Strategic Growth Priorities	Project / Programme	Project Sponsor	Total Capital Costs (£m)	Growth Deal Ask (£m)	% of Total Capital Costs from MWGD Shortlist	Allocation of £105.6 million	Other Public Sector Investment (£m)	Private Sector Investment (£m)
Strengthened Tourism Offer	Aberaeron Harbour Development	Ceredigion County Council	£5.3	£5.3	1.7%	£1.7	£1.8	£1.8
	Montgomery Canal – Restoration to Navigation	Canal and River Trust Glandŵr Cymru	£25.4	£8.8 <sup>2</sup>	8.1%	£8.0	£14.4	£3.0 <sup>3</sup>
	Cynefin – The Green Heart of Wales	Centre for Alternative Technology (CAT)	£41.5	£32.2	13.2%	£13.2	£10.1	£18.3 <sup>3</sup>
Digital	Digital Programme	Ceredigion County Council	£38.0	£10.7	12.1%	£10.3	£13.9	£13.9
Supporting Enterprise	Mid Wales Sites and Premises Programme	Powys County Council	£66.4	£30.1	21.2%	£28.9	£18.8	£18.8
<b>Total</b>	-		<b>£313.7</b>	<b>£153.5</b>	-	<b>£105.6</b>	<b>£103.1</b>	<b>£105.0</b>



*Additional Assumptions:*

- <sup>1</sup> Where the MWGD funding request has not been stated by the Programme / Project Lead, the assumed Growth Deal intervention rate is one third of total capital costs.
- <sup>2</sup> Growth Deal funding request estimated based on Levelling Up Fund allocation and outstanding public sector funding bids for the project.
- <sup>3</sup> Acknowledges confirmed or targeted private sector contribution.

The table below summarises the key assumptions and information available for each shortlisted programme and project in terms of costs/funding.

Strategic Growth Priorities	Project / Programme	Notes
Applied Research & Innovation	<p style="text-align: center;">Green Futures Innovation Park</p> <p>(Project Sponsor: Aberystwyth University)</p>	<p>Cost and funding information for the Innovation Park has been obtained through the latest SOC. As per the SOC, “we are using an assumed cost of £4 - 5k per m2 which suggests a cost of £40m - £50m for a park of 10,000 m2 excluding the value of the land and including an estimated £1m for professional fees”.</p> <p>Several match funding sources are being explored, including but not limited to Aberystwyth University, UK Research Institute (BBSRC/UKRI), UK Shared Prosperity Fund / ERDF EU replacement funds, alternative Welsh Government funding and private sector investment from large companies or developers. No match funding is committed or confirmed at this stage.</p>
	<p style="text-align: center;">National Spectrum Centre</p> <p>(Project Sponsor: Aberystwyth University)</p>	<p>Cost and funding information for the National Spectrum Centre has been obtained through the latest SOC. As per the SOC: “At this stage, the estimates of costs and revenue potential are indicative”.</p> <p>Several match funding sources are being explored, including but not limited to the Research Wales Innovation Fund (RWIF), Aberystwyth University, UK Research Institute (BBSRC/UKRI), UK Shared Prosperity Fund, alternative Welsh Government funding and private sector investment from large companies or developers. No match funding is committed or confirmed at this stage; however, a target figure of £2.5 million has been stated.</p>
	<p style="text-align: center;">Mid Wales Advanced Manufacturing Campus</p>	<p>No cost or funding information has been provided.</p>

Strategic Growth Priorities	Project / Programme	Notes
	(Project Sponsor: Powys County Council)	<p>The total capital costs have been estimated to be £30 million. T. The assumed Growth Deal funding request is one third of total capital costs.</p> <p>No match funding is committed or confirmed at this stage.</p>
Agriculture, Food & Drink	<p>Food Manufacturing Innovation Centre</p> <p>(Project Sponsor: Ceredigion County Council)</p>	<p>Cost and funding information for has been obtained through the latest SOC where a high-level cost estimate of £8.8m was developed by WSP, in collaboration with Ceredigion County Council and Food Centre Wales.</p> <p>No match funding has yet been allocated. However, funding has been allocated to support with the development of an Economic Strategy and CCC has purchased the land to the allow the project to come forward.</p>
	<p>Canolfan Tir Glas</p> <p>(Project Sponsor: Trinity St David's University)</p>	<p>Cost and funding information for has been obtained through the latest SOC, which estimates total capital costs to be £16.3 million, with a £13.8 million MWGD request.</p> <p>A match funding contribution of £2.4 million from the private sector via University of Wales Trinity Saint David is currently being explored.</p>
Strengthened Tourism Offer	<p>Elan Valley Lakes</p> <p>(Project Sponsor: Dwr Cymru)</p>	<p>Cost and funding information for has been obtained through the latest SOC, which estimates total capital costs at £19.5 million, with a £13.0 million MWGD request.</p> <p>£6.3 million is expected to be provided through DCWW and a further £800,000 through EVT.</p>
	<p>Aberaeron Harbour Development</p> <p>(Project Sponsor: Ceredigion County Council)</p>	<p>Cost and funding information for has been obtained through the latest SOC. Cost estimates were developed by Atkins on behalf of CCC, which estimates total capital costs at £5.3 million, with a £5.3 million MWGD request.</p> <p>No match funding has been stated.</p>

Strategic Growth Priorities	Project / Programme	Notes
	<p>Montgomery Canal – Restoration to Navigation</p> <p>(Project Sponsor: Canal and River Trust / Glandŵr Cymru)</p>	<p>Cost and funding information for has been obtained through the latest SOC and public information on the Levelling Up Fund allocation.</p> <p>Total capital costs are estimated to be £25.3 million.</p> <p>£2.6 of match funding is being provided by the National Lottery Heritage Fund. As per a UK Government announcement, just under £14.0 million is being provided through the Levelling Up Fund<sup>19</sup>. Therefore, the remaining funding has been assumed to be provided through the MWGD.</p>
	<p>Cynefin – The Green Heart of Wales</p> <p>(Project Sponsor: Centre for Alternative Technology (CAT))</p>	<p>Cost and funding information for has been obtained through the latest SOC.</p> <p>Total capital costs are estimated to be £41.5 million, with a £32.2 million request for the MWGD</p>
Digital	<p>Digital Programme</p> <p>(Programme Sponsor: GMW Board)</p>	<p>Cost and funding information for has been obtained through the draft <i>Digital Programme Business Case</i>. It is estimated that the total capital costs associated with the delivery of the Digital Programme will be in the region of £38 million.</p> <p>However, it is stated that the “<i>total value of potential projects with a probability of success of more than 50% is £15m</i>”, hence the total capital costs associated with this project are likely to change</p> <p>The ringfenced Growth Deal allocation has been assumed, excluding a 4% adjustment to cover PoMO costs.</p> <p>No details of match funding have been provided.</p>
Supporting Enterprise	<p>Mid Wales Sites and Premises Programme</p>	<p>Cost and funding information for has been obtained through the <i>Sites and Premises Programme Brief</i>.</p> <p>Total capital costs are estimated to be £66.4 million.</p>

<sup>19</sup> <https://www.gov.uk/government/case-studies/montgomery-canal-restoration>

Strategic Growth Priorities	Project / Programme	Notes
	(Programme Sponsor: GMW Board)	<p>The brief acknowledges the ringfenced allocation from the previous SPBC of £30.1 million. The ringfenced Growth Deal allocation has been assumed, excluding a 4% adjustment to cover PoMO costs.</p> <p>No details of match funding have been provided.</p>

Given the stage of development of the shortlisted proposals of the Portfolio, the capital expenditure requirements are best estimates based on the project and programme level material that is available. The wide range in the overall total costs reflects the fact the costs are outline in nature. In order to generate a reasonable range for the costs, an Optimism Bias factor of 44% has been applied to the costs provided by project sponsors, to generate an upper bound costing.

A breakdown of capital expenditure by strategic priority area is produced below. The Project Sponsor for each programme or project will be liable for any cost overruns.

<b>Indicative Total Capital Costs, by Strategic Priority Area (£m, nominal prices, undiscounted)</b>		
<b>Strategic Growth Priorities</b>	<b>Lower Bound</b>	<b>Upper Bound</b>
<b>Applied Research &amp; Innovation</b>	£93	£133
<b>Agriculture, Food &amp; Drink</b>	£25	£36
<b>Strengthened Tourism Offer</b>	£92	£132
<b>Digital</b>	£38	£54
<b>Supporting Enterprise</b>	£66	£96
<b>Total</b>	<b>£314</b>	<b>£452</b>

Source: Hatch calculations based on available project and programme level detail.

Note: Upper Bound is calculated by applying an Optimism Bias factor of 44% to the costs put forward by sponsors at this stage, to reflect their outline nature. Numbers may not sum to total due to rounding.

## 4.2 Revenue Requirements

No revenue funding is provided through the Growth Deal for the delivery of the programmes and projects, or the operational running costs of the project once completed. Operational revenue requirements for the projects once the capital expenditure is completed is the responsibility of the Project Sponsor for every project.

Based on established benchmarks for the share of capital costs in whole life costs, we can expect the total capital and revenue cost of the Growth Deal programmes and projects to be of the order of £1.3bn-£2.0bn over the Growth Deal term.<sup>20</sup> Projects and programmes will be expected to specify these revenue costs (and income streams) in their business cases in due course.

Revenue funding to support the Portfolio Management Office (PoMO) is currently provided through a combination of partner (Local Authority) match funding and ESF grant up to July 2023. This provides funding to support the existing team, and wider agile team roles to support elements of the wider vision and regional working. The Local Authorities are cognisant of the requirement to continue to support the revenue costs of the PoMO beyond July 2023. The PoMO has undertaken a review of its resource allocation and capacity requirements profiling expenditure once ESF ceases and is working with finance colleagues and the two local

<sup>20</sup> This is based on a benchmark of 20% for capital costs as a share of whole life costs.

authorities regarding future funding proposals to enable the continuation of the PoMO and support services.

It is envisaged that the revenue costs of the Growth Deal and PoMO will be met through top slicing the annual Government grant. The total value of these revenue costs is estimated to be 4% of the MWGD, which is estimated to be £4.4 million over the duration of the Growth Deal.

This detail will be developed and agreed with Government in advance of the grant offer letters being agreed.

### 4.3 Income and Expenditure Summary

A total of £110m grant contribution to the Mid Wales Growth Deal is to be provided by the UK and Welsh Government as per the agreed Final Deal Agreement over a 15-year period. The UK Government communicated its intention to accelerate the Growth Deal to a 10-year profile as part of Spending Review 2020 however the Welsh Government's funding remains 15-years as set out in the agreement.

For the purposes of Portfolio submission, in its current iteration – a 10-year appraisal period has been used for economic cost/benefit calculations.

Funding for projects will only be released by the Accountable Body upon the successful approval of project business cases by the Growing Mid Wales Board. The arrangements for the drawdown of funding from the Growth Deal to Project Sponsors will be set out in the project business cases and subsequent grant funding agreements.

Due to the nature of the Growth Deal grant payments from Government, which are to be paid annually in equal instalments over the 10-year (or 15-year) period, there could be a medium-term temporary funding gap between the expected expenditure profile of the Portfolio and the funding received. Conversely, there could be a scenario where there is surplus funding available due to Programme/Project underspend.

The Accountable Body will work closely with the PoMO to monitor the planning and delivery of the Portfolio; and will advise the Growing Mid Wales Board on the implications and subsequent options when the detail of the expenditure profile of the Portfolio is known.

The precise expenditure profile of capital funding is not yet known but based on an assessment of the constituent programmes and projects, the GMW Board has generated a best estimate, which is summarised in the table below.

**NOTE:** It should be absolutely clear that any delivery profile currently is an indicative estimate based on project asks at this stage based on outline information. A detailed delivery and implementation plan will be updated when programme/project information is profiled in greater detail and agreed by the GMW Board.

Indicative Profile of Total Capital Costs, by Strategy Priority Area (£m, nominal prices, undiscounted)*												
		2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33
Applied Research and Innovation	- lower bound	-	£12	£40	£18	-	£10	£9	-	-	-	-
	- upper bound	-	£15	£51	£25	-	£22	£22	-	-	-	-
Agriculture, Food and Drink	- lower bound	-	£10	£14	£5	-	-	-	-	-	-	-
	- upper bound	-	£12	£18	£6	-	-	-	-	-	-	-
Strengthened Tourism Offer	- lower bound	-	£5	£20	£26	£17	£5	£4	-	-	-	-
	- upper bound	-	£8	£36	£45	£27	£7	£7	-	-	-	-
Digital	- lower bound	-	-	£5	£5	£5	£5	£4	£4	£4	£4	-
	- upper bound	-	-	£7	£7	£7	£7	£7	£7	£7	£7	-
Supporting Enterprise	- lower bound	-	-	£7	£6	£5	£5	£4	£4	£4	£4	-

Indicative Profile of Total Capital Costs, by Strategy Priority Area (£m, nominal prices, undiscounted)*												
		2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33
	- upper bound	-	-	£12	£12	£12	£12	£12	£12	£12	£12	-
Total Growth Deal	- lower bound	-	£27	£87	£61	£28	£25	£23	£9	£9	£8	-
	- upper bound	-	£35	£124	£94	£46	£47	£47	£19	£19	£19	--

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Source: Hatch calculations based on available project and programme level detail.

Note: Upper Bound is calculated by applying an Optimism Bias factor of 44% to the costs put forward by sponsors at this stage, to reflect their outline nature. Numbers may not sum to total due to rounding. \* Indicative estimate developed from project asks at this stage based on outline information. A detailed delivery and implementation plan will be updated when programme/project information is profiled in greater detail and agreed by the GMW Board.



## 4.4 Private Sector Funding

As set out in the Economic Case, the precise funding mix for the programmes and projects is not yet known, but the Board is targeting an overall private sector contribution of one-third of the total capital costs. This implies a private sector contribution of approximately £70m for the Growth Deal portfolio, and this will vary across the programmes and projects. Programmes and projects will be expected to set out their own forecasts for private sector investment and to demonstrate that they have maximised these contributions.

## 4.5 Monitoring and Evaluation

The Growth Deal finances will be monitored by the Accountable Body for the Growth Deal (as defined in IAA3), with input from the Portfolio Management Office. Regular financial reports will be provided to Welsh Government and UK Government.

The financial monitoring processes will be agreed with UK and Welsh Government and be in line with best practice.

Project Sponsors will be required to submit claims for project funding in line with the arrangements set out in each project business case. The Portfolio Management Office will check and certify all claims before passing these onto the Accountable Body. All funding claims will be accompanied by a progress report including an assessment of risk and progress against agreed targets.

The Accountable Body may impose additional monitoring requirements on Project Sponsors where it deems them appropriate. Project Sponsors will be obliged to comply with any additional reporting requirements requested by UK and Welsh Government.

The Portfolio Management Office with input from the Accountable Body's Finance Department will produce quarterly financial updates on project expenditure including actual and forecast spend to support with the cashflow management of the portfolio.

## 4.6 Financial Risk Management and Audit Arrangements

### *Financial Risks*

Financial risks will be covered by the Risk Management Framework and will be managed accordingly at portfolio, programme and project level in line with best practice. See the Management Case for further information.

The PoMO will maintain a Portfolio Risk and Issue Register which will include any relevant financial risks. Project and programme financial risks will be escalated to the portfolio risk register according to the framework as required. Financial risks will be managed by the Section 151 Officer and the Accountable Body working closely with the PoMO.

At programme and project level the risks will be managed through the use of RAID (Risk, Assumptions, Issues, Dependency) logs.

The Accountable Body and Section 151 Officer will review any identified financial risks and issues on a regular basis to identify any actions necessary to be taken and make recommendations to the PoMO.

Regular updates on financial risks, issues, dependencies and interdependencies will be provided to the PoMO, GMW Management Group and Mid Wales Growth Deal Board via the Accountable Body.

### ***Internal and External Audit Arrangements***

A nominated Local Authority shall be responsible for providing internal audit services and audit reports (as defined in IAA3) shall be considered in accordance with its usual rules and practices. Internal Audit will undertake their work in accordance as far as is practicable with the Public Sector Internal Audit Standards and the Local Government Application Note for the United Kingdom Public Sector Internal Audit Standards. For the avoidance of doubt an annual internal audit report shall be submitted by the Accountable Body Audit Manager to the Joint Committee.

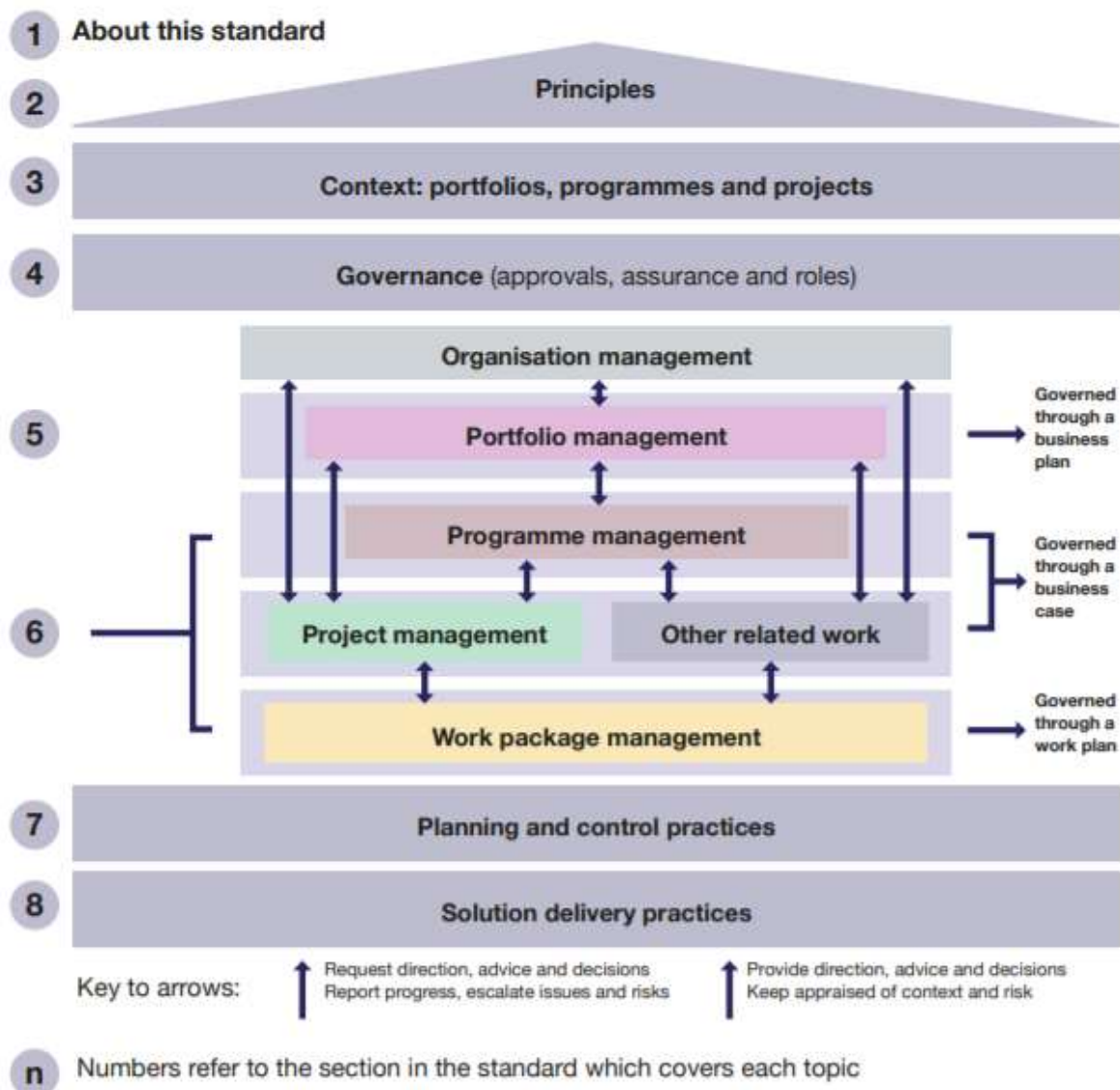
External Audit services are provided through the Wales Audit Office who will review and comment the financial aspects of Corporate Governance which include the legality of financial transactions, financial standing, systems of Internal Financial Control and standards of financial conduct and fraud and corruption.

## 5 THE MANAGEMENT CASE

The Management Case sets out how the Growing Mid Wales Board, through the Portfolio Management Office, will manage and deliver the Mid Wales Growth Deal programmes and projects in line with best practice, including but not limited to *Managing Successful Programmes (MSP)* – the Cabinet Office’s recommended methodology for the delivery of programmes – and *PRINCE2* – the Cabinet Office’s recommended methodology for the delivery of projects. The Mid Wales Growth Deal will be treated as a Portfolio of programmes and projects, ensuring alignment between the programmes and projects to enable the delivery of the deal and the achievement objectives put forward in *A Vision for Growing Mid Wales*.

### 5.1 Management, Governance and Co-Ordination

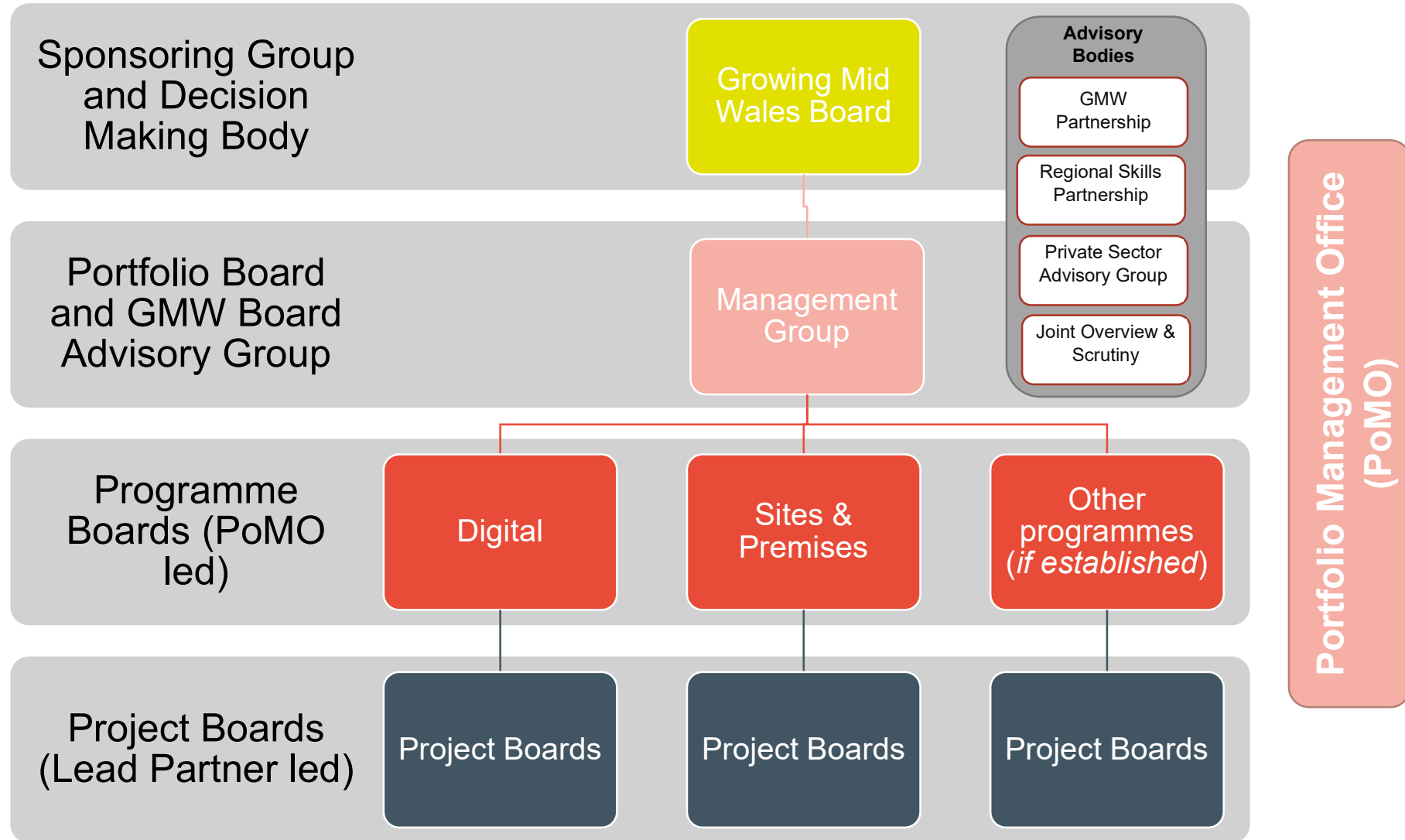
The Growing Mid Wales Board has adopted a delivery model based on a best practice approach to portfolio, programme and project management as set out in ‘*Government Functional Standard GovS 002: Project Delivery*’. Portfolio, programme and project management is an integrated way of meeting an organisation’s 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

### Mid Wales Growth Deal Governance Structure

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



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## Strategic and Portfolio Level – the following groups have been established.

**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 GMW Board decision. The GMW Board 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.

**GMW Management Group (Portfolio Board)** - This group is the advisory body to the GMW Board but also acts as the Portfolio Board for the Growth Deal providing managerial direction to supporting officers and challenging 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 either one of the joint Senior Responsible Owners (SROs) for the Portfolio or one of the Joint Growth Deal Strategic Lead Officers (SLOs). 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.

- Provide leadership and management to officers by setting objectives and priorities for work to be progressed in line with the work programme for submission of business cases.
- Monitor progress of the work programme, identify and manage risks and issues, and provide regular reports to the Board.
- To support the Board with reports that set out clear recommendations where decisions are required.
- To manage resources in line with budgets allocated to the work.

**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 GMW Board for the Mid Wales Growth Deal.

**Portfolio Management Office (PoMO)** – The PoMO provides a professional support team for the successful delivery of the agreed work programme of the GMW Board. It supports and coordinates 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.

## Programme and Project Level

**Programme Boards** - Each formal programme will have a formal Programme Board and an appointed Senior Responsible Owner (SRO). These boards will be focused on the development (initially) and delivery of the agreed Programme Business Case, with a specific focus on the benefits and outcomes to be achieved. Programme Boards escalate to the Portfolio Board via the Operations Manager.

**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. 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 project business case. Projects will report through to the relevant Programme Board or relevant tier within the Governance Structure, as advised by the Management Group. Terms of Reference for Project Boards will be agreed between the Project Sponsor and the Portfolio Management Office to ensure the appropriate links and reporting arrangements between the project and the Programme Board are understood by both parties.

## Individual Roles

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

**Senior Responsible Owners (SROs)** – The GMW Growth Deal has joint SROs in the form of a senior director from each of the local authorities. This ensures consistency across both authorities and facilitates openness and transparency.

**Strategic Lead Officers (SLOs)** – As with the SROs, two Strategic Lead Officers have been appointed, as part-time secondments to their substantive posts, in the form of a senior managers from each of the local authorities. This post enables more day-to-day management of the Growth Deal working closely with and in support of the Operations Manager.

**In summary the key roles within the Mid Wales Growth Deal governance structure are set out below:**

Key Roles	
Role	Function
<b>Joint Committee / Growing Mid Wales Board</b>	<ul style="list-style-type: none"> <li>To provide leadership, accountability and strategic decision making for the Growth Deal.</li> </ul>
<b>Growing Mid Wales Partnership</b>	<ul style="list-style-type: none"> <li>To inform, challenge and advise on the Growth Deal and to provide regional leadership of the wider vision.</li> </ul>
<b>Regional Skills Partnership</b>	<ul style="list-style-type: none"> <li>To identify and advise on the supply and demand of the Mid Wales labour market.</li> </ul>
<b>Private Sector Advisory Group</b>	<ul style="list-style-type: none"> <li>To support and provide an advocacy mechanism for the development and delivery of Growth Deal.</li> </ul>
<b>Joint Overview &amp; Scrutiny Sub-Committee</b>	<ul style="list-style-type: none"> <li>To undertake the monitoring and scrutiny role on behalf of the Councils.</li> </ul>
<b>Senior Responsible Owners (SROs)</b>	<ul style="list-style-type: none"> <li>Accountable for the Portfolio and Programmes or Projects meeting their objectives, delivering the required outcomes and realising the expected benefits.</li> <li>SROs are appointed at Portfolio, Programme and Project level – in line with best practice and government guidance (Govs002).</li> </ul>
<b>Strategic Lead Officers (SLOs)</b>	<ul style="list-style-type: none"> <li>Accountable for day-to-day management and delivery of the Growth Deal.</li> <li>Provides advice and guidance to the Operations Manager.</li> <li>Acts as the conduit between the Operations Manager and SROs/Senior Officers/Stakeholders.</li> </ul>



Key Roles	
<b>Management Group</b>	<ul style="list-style-type: none"> <li>To provide central operational leadership and management of regional activity. To support governance arrangements and strategic planning as part of the portfolio to deliver the Growth Deal.</li> </ul>
<b>Operations Manager</b>	<ul style="list-style-type: none"> <li>To oversee the delivery of the Growth Deal Portfolio and accountable to the Growing Mid Wales Management Group.</li> </ul>

**Note: the membership and Terms of Reference for each group within the governance structure is set out in IAA3.**

**Portfolio Management Office** – The formation of the PoMO has been 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 (Regional Engagement Team), Transport (TRaCC) & Regeneration Funding.

Core team roles have been recruited to enable key functions to be discharged - governance and management, assurance and audit, and overall co-ordination of the regional Portfolio. Initial recruitment of five posts to form the 'core' team was undertaken in 2021 with further recruitment in 2022 with successful appointments to the following roles:

#### **Operations Manager (July 2021)**

- **Role:** Operational Management of Regional Collaboration Office (GMW Growth Deal & Vision)
- **Post holder credentials:** High level of experience of delivering Government funded programmes including Regional Growth Fund, European Regional Development Programme, Growth Deal and Getting Building Fund. Over 16 years in Economic Development including two Local Enterprise Partnerships. Better Business Case (2016) Foundation qualification.

#### **Portfolio Support Officer (July 2021)**

- **Role:** Executive/Portfolio Support for team including performance analysis and management support, monitoring, document and systems management.
- **Post holder credentials:** Background as a Paralegal with responsibility for multiple infrastructure and planning case files, including negotiation and drafting agreements. Better Business Case (2016) Foundation qualification and PRINCE2.

#### **Digital Programme Manager (July 2021)**

- **Role:** Development, management and delivery of the Digital Programme
- **Post holder credentials:** Experienced in community engagement and relationship building; managed delivery of economic development programmes; development and

delivery of digital infrastructure projects. Better Business Case (2016) Foundation qualification.

#### **ESF Project Manager (August 2021)**

- **Role:** Support the operational management of the Regional Collaboration Office, enable development of agile team, compliance and monitoring of ESF funding.
- **Post holder credentials:** Monitoring Officer for Welsh Government for 11 years dealing with ESF projects. Ran own business in the rail industry for 4 years.

#### **Sites & Premises Programme Manager (August 2022)**

- **Role:** Development, management and delivery of the Sites & Premises Programme
- **Post holder credentials:** Extensive experience working in programme and project management particularly within capital/property field. Applied PRINCE2 and MSP techniques, including resource, risk and process planning and management. Better Business Case (2016) Foundation qualification.

Additional funding is in place within the current ESF project, to support the appointment of additional roles as part of an “agile” team, which will be identified on a case-by-case basis as the regional work and its needs evolve. This enables secondments from the partnering organisations under the same funding arrangements as the core team. Recruitment to the following posts has been made:

#### **Energy Lead (April 2022)**

- **Role:** Development, management and delivery of the regional energy strategy and action plan, and overseeing the development of the Local Energy Area Plans for Ceredigion and Powys
- **Post holder credentials:** Experienced Programme/Project Manager (MSP, Agile, APM qualified). Recent employment focussed on leading the development of the energy and decarbonisation agenda for the Mid Wales Region.

#### **Communications Officer (June 2022)**

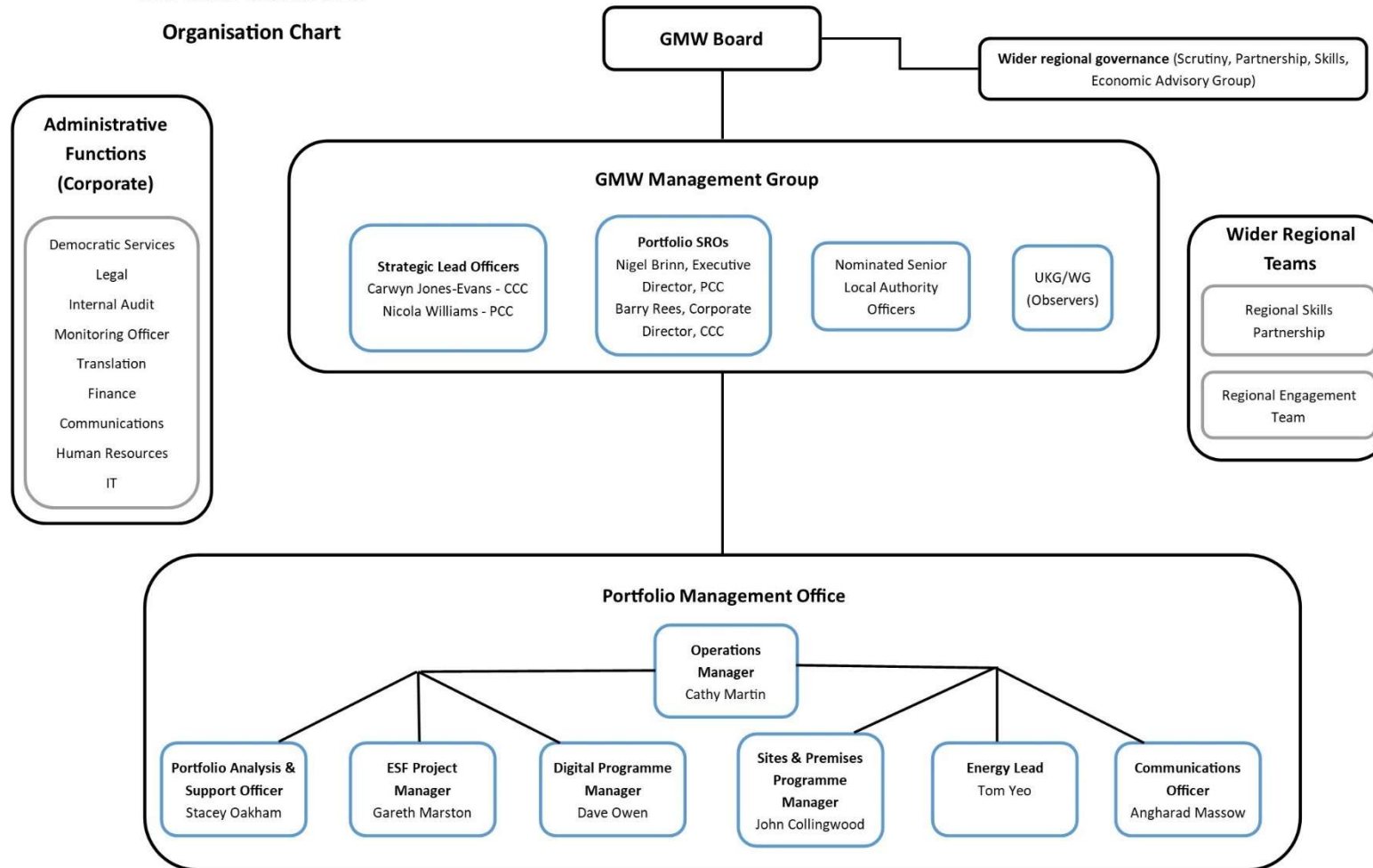
- **Role:** Development and implementation of a communications strategy and plan for Growing Mid Wales to include Growth Deal and wider regional activity.
- **Post holder credentials:** Worked in communications for Ceredigion County Council since 2017 covering a range of campaigns using a variety of media.

In addition, interviews have been held to appoint a Regional Energy Officer to facilitate the development of the Local Energy Area Plans and provide support to the wider regional energy work. It is anticipated that this post will start in March 2023.

The staffing structure of the office will continue to be developed in tandem with the evolving needs of the Growth Deal – and to align with the expectations of both Governments. The PoMO structure is set out on the following page within the overall Growing Mid Wales:



**Mid Wales Growth Deal  
Organisation Chart**



- **Programme 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 Boards escalate to the GMW Board via the Operations (Portfolio) Manager. Programme Boards will comply with the methodology set out in MSP.

Programme Boards	
Core Membership	
Role	Function
Lead SRO	<ul style="list-style-type: none"> <li>Appointed by the Growing Mid Wales Management Group</li> </ul>
Deputy SRO	<ul style="list-style-type: none"> <li>Appointed by the Growing Mid Wales Management Group</li> </ul>
Programme Manager	<ul style="list-style-type: none"> <li>Programme Manager within PoMO</li> </ul>
Partner Representatives	<ul style="list-style-type: none"> <li>Representatives for the Mid Wales Growth Deal Partners</li> </ul>
Non-Core Members (may occasionally attend Board)	
Role	Function
PoMO	<ul style="list-style-type: none"> <li>Operations (Portfolio) Manager</li> </ul>
Strategic Lead Officers	<ul style="list-style-type: none"> <li>As required</li> </ul>
Partner Representatives	<ul style="list-style-type: none"> <li>Invited at the discretion of the SRO for specific agenda items</li> </ul>
Regional Skills Partnership	<ul style="list-style-type: none"> <li>Invited at the discretion of the SRO for specific agenda items</li> </ul>
Economic Advisory Group	<ul style="list-style-type: none"> <li>Invited at the discretion of the SRO for specific agenda items</li> </ul>
Agenda Specific Attendees	<ul style="list-style-type: none"> <li>Invited at the discretion of the SRO to present specific agenda items.</li> </ul>
Corporate Services	<ul style="list-style-type: none"> <li>Representatives from Corporate Services as required e.g. Finance, Legal, Procurement.</li> </ul>

- **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 Board. For stand-alone projects that do sit within the current Growth Deal Programmes, the Management Group will look to establish an additional Programme Board that will provide a mechanism to report back to the PoMO.
- 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.

All appointed SROs will need to be appropriately trained and have undertaken the Better Business Cases Foundation training. The programme / project SROs are accountable for each intervention and for ensuring that it meets its objectives and delivers the expected benefits.

Personnel who undertake this role should be able to lead and champion the interventions and must be empowered to take decisions; for example, whether to delay or stop any part of the projects. SROs must have sufficient seniority and authority to provide leadership to the strategic portfolio and take on accountability for delivery.

Regular monitoring and reporting mechanisms will be established in accordance with the *HM Government, Governmental Functional Standard, GovS 002: Project Delivery* standard to ensure that Programmes and Projects provide regular updates on progress towards milestones, spend and benefit realisation. Subsequently formal reports will be submitted to the Mid Wales Growth Deal Management Group for review.

Programme and ‘thematic-level’ delivery arrangements, including Board details will be confirmed as the Growth Deal business cases are developed.

### ***Programme and Project Business Cases***

The Mid Wales Growth Deal Final Deal Agreement has been signed on the basis of an approved Strategic Portfolio Business Case and the potential programme and project proposals in consideration at that point. With the final deal agreed, project and programme business cases are being brought forward for the Mid Wales Growth 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) will 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) with each 'product' determined on a case-by-case basis to ensure the appropriate level is applied.

Programme business cases will first be considered by the relevant Programme Board and only presented to the Mid Wales Growth Deal Board following endorsement by that Programme Board. 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 Mid Wales Growth Deal Board.

## ***Delivery Experience***

The Mid Wales Growth Deal Portfolio Management Office was established in July 2021 to oversee the delivery of the Mid Wales Growth Deal Portfolio or any other activity for which the Mid Wales Growth Deal Board is the Project Sponsor. Whilst relatively newly established, officers within the PoMO have a breadth of experience in delivering major capital projects both within the public sector and private sector and includes programme and project management practitioners.

Members of the PoMO completed the Better Business Cases Foundation training in 2021, including the Operations (Portfolio) Manager, Programme Managers and any additional staff identified.

The PoMO will also be able to draw on the experience and expertise of the wider partnership and additional professional services/consultants, particularly the two local authorities who have significant experience and track record in delivering major capital projects.

## ***Risk Management***

### **Risk Mitigation**

Programme/project level SROs will seek to adopt recognised methods of risk mitigation during the lifespan of the interventions, including:

- **Early Consultation:** Engagement with the Private Sector Advisory Group and potential providers, suppliers and contractors from the private sector will provide a more informed understanding of scope and costs. Early consultation with the private sector will reduce potential for scope creep and escalating costs.
- **Irreversible Decisions:** Each SRO will seek to ensure a robust and comprehensive options assessment has been undertaken to ensure all alternative options have been considered. Sensitivity analysis should also be undertaken to further understand the implications of project delays on costs and benefits.
- **Pilot Studies/Benchmarking:** Each SRO should consider the use of pilot studies and benchmark analysis to further their understanding of potential risks and mitigation methods.
- **Design Flexibility:** Where future demand is uncertain, SROs should consider adopting a flexible design adaptable to future changes, rather than a design suited to only one particular outcome. Breaking a programme into stages, with successive review points at which the project could be stopped or changed can also increase flexibility.
- **Precautionary Action:** SROs should adopt the precautionary principle which states that some outcomes, although unlikely, would deliver negative externalities which justifies actions or mitigations.

- **Procurement and Contractual Intervention:** SROs should endeavour to transfer and/or allocate risk to other parties and maintain good contractual relationships, both informal and formal.
- **Intervention Abandonment:** Where programme or project risks escalate to unacceptable levels, SROs should not rule out abandoning interventions which become too high-risk to deliver successfully.

By reducing risks in these ways, the expected costs of an intervention can be lowered or the expected benefits increased. As can be seen, benefits and risks are simply two sides of the same coin and successful delivery depends on the effective identification, management and mitigation of risk.

### **Risk Management Framework**

The Mid Wales Growth Deal Board will consider the adoption of a Risk Management Framework for the delivery of the Mid Wales Growth Deal. The framework will clearly set out how risks and issues will be managed at the appropriate level across the portfolio with clear escalation processes in place.

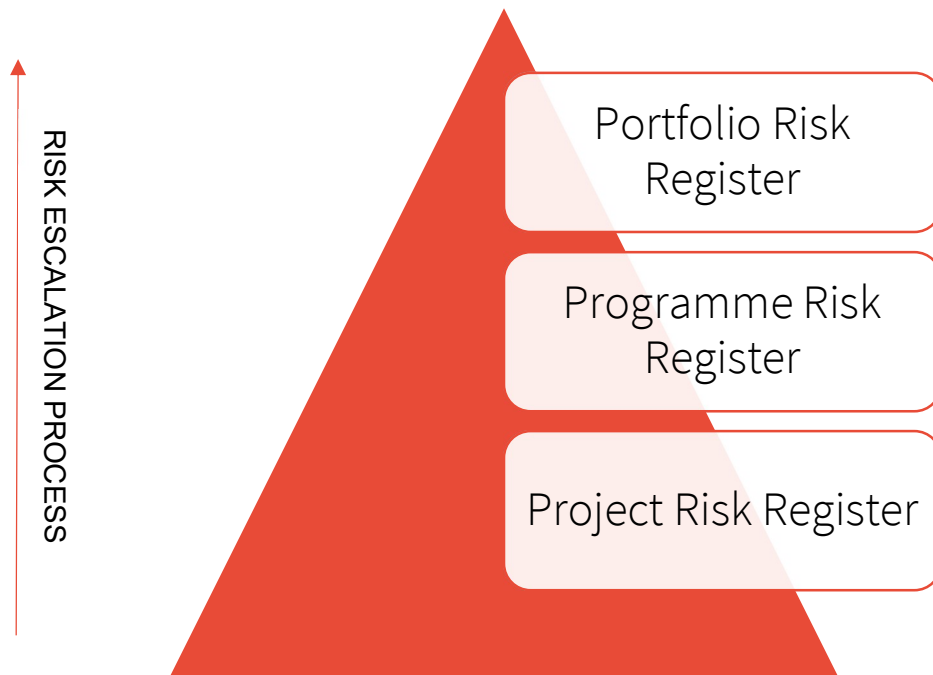
The Portfolio's approach to risk management will be considered in a Growth Deal Risk Management Framework. This document will define and articulate the risk management principles, concepts, structures, processes, tools and associated roles and responsibilities implemented to ensure that risks to Portfolio's objectives are effectively managed.

The key principles and concepts to be outlined in this strategy will be drawn from OGC Management of Risk literature. These principles and concepts will be appropriately tailored to the requirements of the Mid Wales Growth Deal.

The Risk and Issues Management Strategy will be owned by the PoMO and stored in their document management system.

The Strategy will set out the three levels of risk associated with the delivery of the Growth Deal:

- **Portfolio Level Risks** – A portfolio risk is an uncertain event or condition that, if it occurs has an effect on one or more of the strategic goals of the Growth Deal portfolio. There will be one portfolio risk register. This risk register will be owned by the Mid Wales Growth Deal Board and managed by the PoMO on its behalf. The Mid Wales Growth Deal Board will have additional strategic risks that sit outside this framework relating to the overall Growth Vision for Mid Wales.
- **Programme Level Risk** – A programme risk is an uncertain event or condition that, if it occurs, has an effect on at least one programme benefit. Each programme will have its own risk register. These risk registers will be owned by the PoMO and managed by the respective Programme Managers.
- **Project Level Risks** – A project risk is an uncertain event or condition that, if it occurs, has an effect on at least one project objective. Each project will have its own risk register. These risk registers will be owned by the Lead Delivery Partner for that project and managed by their respective Project Managers. Programme Managers will have access to and oversight of all project risk registers within their programme with a remit to challenge and provide a quality assurance function.



In line with the strategy, a clear risk escalation will process will be established:

- **Project > Programme Level Risks:** Project risks of significant concern will be escalated for consideration as part of the Programme Risk Register if they are considered to pose a threat to the wider programme and its expected benefits.
- **Programme Level > Portfolio Risks:** Programme risks of significant concern will be escalated for consideration as part of the Portfolio Risk Register if they are considered to pose a threat to the wider portfolio and/or the strategic goals of the Mid Wales Growth Deal Board.

Issues occur at differing levels within the Programme and are managed according to their impact. The approach to management of issues is set out in the Risk and Issue Management Strategy and mirrors the approach to risk management. The Strategy describes the processes for proactive identification, assessment and control of issues, both known and unexpected. It sets out the criteria for categorising issues by priority and severity to ensure that issues are managed at the appropriate level (Portfolio / Programme / Project). It also sets out the approach to tracking and monitoring issues through to resolution.

Issues are captured in the Programme RAID Log which is held by the PoMO. The issue management process is a responsibility of the Programme Board. The Programme Manager and PoMO provide support and advice for the process.

### **Portfolio Risk Register**

A Portfolio Risk Register was set out to capture the portfolio-level risks at the time of the original Strategic Portfolio Business Case (v1) and how they would be managed and mitigated. A further Risk and Issue Register was presented to the GMW Board in March 2022 and is reported against at each meeting of the GMW Board. A copy of the latest current Portfolio Risk & Issue Register can be found in GMW Board papers or via the Portfolio Management Office.



## 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 programme will be primarily managed via the Programme Board and relevant Project Board within tolerances delegated by the Mid Wales Growth Deal 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 Mid Wales Growth Deal 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 Mid Wales Growth Deal 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 Mid Wales Growth Deal Board partners.

## Partnership and Stakeholder Engagement

The Mid Wales Growth Deal delivery structure covers a wide range of internal and external stakeholders who are key to the successful delivery of the Mid Wales Growth Deal. These include the Mid Wales Growth Deal Board partners themselves, Welsh Government and UK Government, other regional public sector bodies such as the Health Board, local communities, businesses, contractors, sub-contractors, service providers and external advisors. A Private Sector Advisory Group has been established to ensure that the private sector is involved throughout the development and delivery process.

Each project will be required to set out their approach to stakeholder engagement and communications as part of their Business Case development.

## Provision of Training

All Programme and Project Sponsors will be required to undertake and complete both the Foundation and Practitioner Better Business Case Training.

## Specialist Advisors

As summarised below, a number of specialist advisors have already been involved with the development of the Mid Wales Growth Deal.

Specialist Advisors used to develop the Mid Wales Growth Deal			
Focus Area	Purpose	Timeframe	Provider
Business Case	Better Business Case training	June 2020 – LA Officers Autumn 2021 - PoMO	Joe Flanagan, Consultant

<b>Specialist Advisors used to develop the Mid Wales Growth Deal</b>			
<b>Focus Area</b>	<b>Purpose</b>	<b>Timeframe</b>	<b>Provider</b>
	Strategic Portfolio Business Case workshops	<b>October 2020 – September 2021</b>	<b>Joe Flanagan, Consultant</b>
	Strategic Portfolio Business Cases development and support	<b>July 2021 – April 2023</b>	<b>Hatch</b>
<b>Economic Analysis</b>	Economic baseline and Strategic Economic Plan	<b>2020</b>	<b>AECOM</b>
	Economic Case and analysis to determine spending objectives	<b>2021 – 2022</b>	<b>Hatch</b>
<b>Strategic Advice / Support</b>	Advisor	<b>2019 - 2022</b>	<b>Paul Griffiths, Consultant</b>
<b>Early Programme Business Case Discovery / Development</b>	Sites & Premises Programme	<b>2019 - 2020</b>	<b>BE Group, Hatch, PER Consulting</b>
	Digital Programme	<b>2020 - 2022</b>	<b>Spirit Public Sector</b>
<b>Ongoing technical support</b>	Digital Programme	<b>2023 - 2024</b>	<b>Spirit Public Sector</b>
<b>Options Assessment</b>	Sites & Premises Programme – detailed work to determine project shortlist	<b>2023 - 2024</b>	<b>Savills</b>

The GMW Board/PoMO will consider making use of further specialist advisers to support the continued development/delivery of the Portfolio, as required. Programmes and projects will be expected to consider their capacity/capability requirements throughout the planning and delivery of their proposals – and will be expected to follow a similar approach.

### ***Timeline and Milestones***

With the signing of the Final Deal Agreement this enabled programme and project business cases to be brought forward for the Mid Wales Growth Deal Board to consider from January 2022 onwards. As mentioned, 8 out of 9 project Strategic Outline Cases have been submitted with a further one to be developed in 2023. A draft Programme Business Case has been developed for the Digital Programme and will evolve with input from the Programme Board. A draft Programme Business Case will be developed in early to mid-2023 for the Sites & Premises Programme with support from the Programme Board and consultants who have been procured to undertake further options assessments of identified sites.

The Strategic Portfolio Business Case will be updated annually and at regular intervals deemed appropriate by the GMW Board/Governments and will evolve as programmes and projects are developed.

An indicative Project / Programme Delivery Profile for the Growth Deal is presented in Appendix D – INDICATIVE GROWTH DEAL PROJECT / PROGRAMME DELIVERY . This will evolve and will be regularly updated as the programme and project business cases are



produced. The existing timetable is based on the latest available programme and project information – it is therefore indicative only at this stage.

## Programme/Project Maturity Index

Projects within the Growth Deal are currently at different levels of maturity as shown by the table below.

Short-listed Projects / Programmes for the Mid Wales Growth Deal		
Strategic Growth Priorities	Project / Programme	Business Case Maturity Index
Applied Research & Innovation	Green Futures Innovation Park	SOC approved, progressing to OBC
	National Spectrum Centre	SOC approved, progressing to OBC
	Mid Wales Advanced Manufacturing Campus	Feasibility moving to SOC development
Agriculture, Food & Drink	Food Manufacturing Innovation Centre	SOC approved, progressing to OBC
	Canolfan Tir Glas	SOC assessed & to be resubmitted
Strengthened Tourism Offer	Cynefin – The Green Heart of Wales	SOC approved, progressing to OBC
	Elan Valley Lakes	SOC approved, progressing to OBC
	Montgomery Canal Wales – Restoration to Navigation	SOC assessed & to be resubmitted
	Aberaeron Harbour Development	SOC approved, progressing to OBC
Digital	Strategic Employment Site Connectivity.*	PBC (initial)
Supporting Enterprise	Mid Wales Sites and Premises.	PBC (initial)

\* This project is currently on hold in order to prioritise a similar project but one that will have a greater impact across the region. Other projects are being considered by the Programme Board for inclusion.

## Marketing

The PoMO is responsible for communications and marketing relating to the overall Growth Deal portfolio and the programmes. A Mid Wales communications and engagement sub-group has been established to provide a co-ordinated approach across all regional activity and a Communications Officer has been recruited.

The appointment of a dedicated Communications Officer resulted in a marked increase in the communications activity and enabled a more proactive approach to GMW comms. These include: -

- Communications Strategy updated.
- Contract with Business News Wales on a year trial basis to provide a dedicated Mid Wales Business News Channel on their website.
- Monthly GMW newsletter issued from July 2022.
- Brand guidelines produced.
- Increase in social media activity.

- Opportunities being explored for inclusion in various publications, e.g. Capital Investment Prospectus produced by Welsh Government.
- Draft outline for a Spring event celebrating the achievements of GMW, providing a forward look into future plans and highlighting the opportunities within the region.

At the project level, each Project Sponsor is responsible for engaging with stakeholders and community groups to highlight and market the offer. However the PoMO will work with them to support and develop communications activity as appropriate. The specific approach for each project will be set out in the project business cases.

### ***Performance Management, 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 our business needs.

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; and
- Robust and continual monitoring and evaluation that will continue to inform and shape the direction of the Portfolio.



### ***Benefits Realisation***

A key role for the PoMO is to ensure that the benefits of the Mid Wales Growth Deal are realised.

The strategic and economic case of the strategic portfolio business case sets out the benefits of the Mid Wales Growth Deal will be set out in the portfolio and programme business cases and assessed against the delivery of the Growth Vision.

Benefits management and benefits realisation is a key component in ensuring the successful delivery of the Mid Wales Growth Deal. The Mid Wales Growth Deal Board is seeking to maximise local and regional benefits from the delivery of its projects and through the associated procurement processes.

Each programme and project is responsible for benefits management through a Benefits Realisation Plan. The PoBC is based on limited information provided through SOCs, Project Proformas and Outline Programme Business Cases therefore robust information on the proposed benefits will be required and tested as programmes and projects are developed. A benefits realisation plan acts as an overview of the main milestones detailed in each benefit profile. It serves as a management tool to monitor, track and manage the collective set of benefits associated with a programme or project.

## ***Approvals and Assurance***

The PoMO, in consultation with the Welsh Government Assurance Hub, developed an Integrated Assurance and Approval Plan (IAAP) that sets out the approvals and assurance activities that will be undertaken at portfolio, programme and project level for the Mid Wales Growth Deal.

As part of the IAAP, assurance activities will take place across all levels of the Growth Deal – portfolio, programme and project. The Mid Wales Growth Deal will utilise the pre-defined Gateway 0-5 and flexible Project Assessment Reviews (PAR) as appropriate and proportionate. The IAAP will be regularly reviewed – with the GMW Board reserving the right to amend/evolve arrangements as required due to internal review/external review and/or assurance or additional guidance from Governments.

### **Approvals**

The Mid Wales Growth Deal Board is 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.

### **Assurance**

Alongside the Portfolio IAAP, detailed IAAPs have been 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 Mid Wales Growth Deal Board, UK or Welsh Government;
- Programme assurance reviews will take place periodically at agreed intervals unless requested sooner by the Mid Wales Growth Deal 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.
- 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.

## Appendix A – PROJECT / PROGRAMME PROFORMA



# HATCH

### Mid Wales Growth Deal – Individual Project Proforma

<b>Project Name:</b>		
<b>Growth Deal Strategic Theme:</b>		
<b>Workstream Lead and contact details:</b>		
<b>Officer Lead and contact details:</b>		
<b>Lead delivery organisation:</b>		
<b>Overview of Proposal (250 words max – focus on needs/opportunities addressed; objectives; what the funding will pay for; what activities will be delivered and what tangible impact they will have for Mid-Wales):</b>		
<b>Financial Summary</b>		
<b>Total Project Capital Cost:</b>	£	
<b>Total Funding Request from MWGD:</b>	£	% of total project costs
<b>Total Match Funding (capital):</b>	£	% of total project costs
<b>Source and status of Match Funding:</b>	Public/Private (please state) Confirmed / Pending	
<b>Summary of socio-economic benefits (c.200 words max. Make clear how the investment will deliver the benefits and their relevance to the Growth Deal; quantify if possible at this stage):</b>		
<ul style="list-style-type: none"> <li>•</li> <li>•</li> <li>•</li> <li>•</li> <li>•</li> </ul>		
<b>Key Risks (maximum of 5):</b>		
<ul style="list-style-type: none"> <li>•</li> <li>•</li> <li>•</li> <li>•</li> <li>•</li> </ul>		

**Business Case Development Stage (Concept, Strategic Outline Case, Outline Business Case, Full Business Case):**

**Key Dependencies (Use the bullets):**

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- 
- 
- 
- 

**Key Constraints (Use the bullets):**

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## Appendix B – SUMMARY OF OPTIONS APPRAISAL WORKSHOP

Strategic Growth Priorities	Project / Programme	CSF 1: Strategic	CSF 2: Business Needs	CSF 3: Social Welfare	CSF 4: Supply Side Capacity	CSF 5: Affordability	CSF 6: Achievability	Category
Applied Research & Innovation	Mid Wales Advanced Manufacturing Campus	High	High	High (needs further development)	Low	Low	Low	Shortlist
	Trawscoed Applied Research and Innovation Initiative	Medium/High	Medium	Low	High	Low	Low	Reserve list – Needs further development.
	Innovation Park	High	High	High	High	Low	High	Shortlist
	Spectrum Centre	High	High	Medium (needs further development)	High	High	High	Shortlist
	Beacon and Moving Towards Carbon Reduction	N/A	N/A	N/A	N/A	N/A	N/A	Reserve list – Insufficient details to make assessment at this stage.
	River Simple	High (needs further development)	Medium	High (needs further development)	Low	Low	Low	Reserve list – Needs further development and there are a number of unanswered questions.
Agriculture, Food & Drink	Food Manufacturing Innovation Centre	High	High	Medium	Medium	Medium	Medium	Shortlist
	Canolfan Tir Glas / University of Gastronomy	High	High	High	Medium	Medium	Medium	Shortlist
	Royal Welsh Showground	N/A	N/A	N/A	N/A	N/A	N/A	Reserve list – Insufficient details to make assessment at this stage.
	Elan Valley	High	High	High	High	Low	Medium (more detail required)	Shortlist



Strategic Growth Priorities	Project / Programme	CSF 1: Strategic	CSF 2: Business Needs	CSF 3: Social Welfare	CSF 4: Supply Side Capacity	CSF 5: Affordability	CSF 6: Achievability	Category
<b>Strengthened Tourism Offer</b>	Dwr Cymru – Brecon Beacon	High	High	Low	High	Low	Low	Reserve list – Further work required in terms of scoping programme.
	Green Man Festival	High	High	High	Low (unknown)	Low	Low (unknown)	Reserve list A number of outstanding questions, requires further development.
	Ceredigion Harbours	High	High	High	Aberystwyth – High Aberaeron - Low	Medium/High	Medium/High	Shortlist – Aberystwyth: Short-term, Aberaeron: Long-term
	Montgomery Canal – Restoration to Navigation	High	Medium	Medium	High	Low (match funding issue)	Medium	Shortlist
	Cynefin – The Green Heart of Wales	High	High	High	High	Medium (match funding issue)	High	Shortlist
<b>Digital</b>	Social Housing Connectivity	Low	Low	Low	Medium	Medium	Low	Reserve list – Needs further development.
	Strategic Employment Site Connectivity.	High	High	High	Medium	Medium	Medium	Shortlist
<b>Supporting Enterprise</b>	Mid Wales Sites and Premises.	High	High	High	Medium	Medium	Medium	Shortlist
<b>Skills &amp; Employment</b>	Black Mountain College Further and Higher Education Institution.	Medium	Medium	Medium	Low	High	Low	Reserve list- Initially classified as Shortlist. However, there are significant questions that needs to be addressed in the short-term,

Strategic Growth Priorities	Project / Programme	CSF 1: Strategic	CSF 2: Business Needs	CSF 3: Social Welfare	CSF 4: Supply Side Capacity	CSF 5: Affordability	CSF 6: Achievability	Category
								for it to be considered for Growth Deal funding. As such, following the workshop this was re-classified as Reserve listft

## Appendix C – SUMMARY OF WORKSHOPS

A significant amount of engagement and input has gone into the development of the Mid Wales Growth Deal since it was first announced as a potential funding source in the 2017 UK Government Autumn Statement.

The Vision for Growing Mid Wales (2020) was developed from content and ideas derived from extensive evidence gathering and engagement with a wide range of organisations and individuals across Mid Wales over the past 18 months:

- Marches and Mid Wales Freight Strategy (2018)
- Strategic Economic Priorities for the Mid Wales Region (AECOM, February 2019)
- Economic Baseline Report (AECOM, February 2019)
- Growth Deal Workshops (Spring/Summer 2019)
- Various 1:1 discussions and engagement across both LAs and with key stakeholders.
- Mid Wales Energy Strategy and Action Plan
- Mid Wales Employment Sites & Premises Needs Assessment & Action Plan

As the Heads of Terms agreement was being agreed in December 2020, a series of Portfolio development workshops were planned with UK and Welsh Governments, under the guidance of Joe Flanagan. These workshops were technical workshops attended by officers from the regional team of officers, including Welsh and UK Government officials as observers.

The workshops held were consistent with Government guidance for developing a five case model. Whilst official guidance for Portfolio development was not available at the time, the process was advised by Joe Flanagan – who was at the time writing the guidance for HM Treasury.

### **Workshop: 1a-1b (Determining the Case for Change)**

**When:** 24/25<sup>th</sup> September and 8/9<sup>th</sup> October 2020

#### **Attendees:**

Welsh Government – Assurance Division, Regional Office  
UK Government – Wales Office, Regional and Local Growth  
Ceredigion County Council – senior management, Growth Deal officers, regional team  
Powys County Council – senior management, Growth Deal officers, regional team  
Consultant – Joe Flanagan

**Purpose:** Held over a series of 4 days, with time in between to revise/review agreed detail. Reviewed existing strategy (Vision for Growing Mid Wales), determined key steps and actions on the Strategic and Economic Cases (Affirming scope, developing a long-list, CSFs, Investment Objectives and mechanism for shortlisting).

**Output:** Developed Strategic Case – strategic objectives set in SMART ranges, values to be defined.

### **Workshop: 2 (Appraising the long list)**

**When:** 16<sup>th</sup> December 2020

#### **Attendees:**

Welsh Government – Assurance Division, Regional Office  
UK Government – Wales Office, Regional and Local Growth  
Ceredigion County Council – senior management, Growth Deal officers, regional team  
Powys County Council – senior management, Growth Deal officers, regional team  
Consultant – Joe Flanagan

**Purpose:** Collated initial long-list of proposals. The essential, desirable and optional programmes and projects to be delivered in the short term (phase 1); medium term (phase 2) and long term (phase 3) outlined – at an early stage.

**Output:** Draft Strategic Portfolio Business Case with long-list for consultation (Economic Strategy Group 03/03/21; GMW Board 11/03/21) – mandated for further development.

**Workshop:** 3 (Appraising the short list)

**When:** 30<sup>th</sup> July 2021

**Attendees:**

Welsh Government – Assurance Division, Regional Office  
UK Government – Wales Office, Regional and Local Growth  
Ceredigion County Council – senior management, Growth Deal officers, regional team  
Powys County Council – senior management, Growth Deal officers, regional team  
Consultants – Joe Flanagan, Hatch Consulting Ltd

**Purpose:** Revisited long-list and invited proposal detail – following public call after GMW Board 11<sup>th</sup> March. Hatch Ltd and Joe Flanagan supporting the appraisal of the short list to determine tranching and short list selection.

**Output:** Revised Economic Case.

**Workshop:** 4 (Commercial); 5 (Financial); 6 (Management)

**When:** 1<sup>st</sup> September 2021

**Purpose:** Review and agree Economic Case. Develop and agree principles for the Commercial, Financial and Management Cases. Commercial (Commercial strategy, Procurement strategy, Contractual relationships); Financial (Capital/Revenue requirements, Appraisals); Management (Management, Governance and Co-Ordination; Risk Management, Change Management; Performance Management, Monitoring and Evaluation).

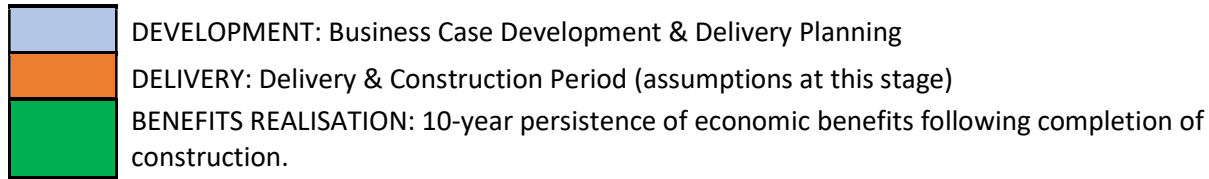
**Attendees:**

Welsh Government – Assurance Division, Regional Office  
UK Government – Wales Office, Regional and Local Growth  
Ceredigion County Council – senior management, Growth Deal officers, regional team  
Powys County Council – senior management, Growth Deal officers, regional team  
Consultants – Joe Flanagan, Hatch Consulting Ltd

**Output:** Revised Strategic Portfolio Business Case with all sections populated, for internal review – then for Board consideration, before submission to Governments for AOR review.

## Appendix D – INDICATIVE GROWTH DEAL PROJECT / PROGRAMME DELIVERY PROFILE

	Government Funding Profile (10 year assumed)																							
		Short-term				Medium-term			Long-term															
	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11	Year 12	Year 13	Year 14	Year 15	Year 16	Year 17	Year 18	Year 19	Year 20			
	2022 /23	2023 /24	2024 /25	2025 /26	2026 /27	2027 /28	2028 /29	2029 /30	2030 /31	2031 /32	2032 /33	2033 /34	2034 /35	2035 /36	2036 /37	2037 /38	2038 /39	2039 /40	2040 /41	2041 /42	2042 /43			
Innovation Park																								
National Spectrum Centre																								
Mid Wales Advanced Manufacturing Campus																								
Food Manufacturing Innovation Centre																								
Canolfan Tir Glas / University of Gastronomy																								
Dwr Cymru Elan Valley																								
Aberaeron Harbour Development																								
Montgomery Canal Wales - Restoration to Navigation																								
Cynefin - The Green Heart of Wales																								
Digital Programme																								



**NOTE:** It should be absolutely clear that any delivery profile currently is an indicative estimate based on project asks at this stage based on outline information. A detailed delivery and implementation plan will be updated when programme/project information is profiled in greater detail, and agreed by the GMW Board. For programmes, the benefit realisation period is assumed to commence in 2028/29.

## Appendix E – INDICATIVE ECONOMIC APPRAISAL: KEY PRINCIPLES & ASSUMPTIONS

Summary of Key Principles & Assumptions			
Strategic Growth Priority	Estimating and Valuing Gross Benefits	Estimating Additionality	Sensitivity Testing
Applied Research & Innovation	<p>Innovation Park:</p> <ul style="list-style-type: none"> <li>- 100 Direct FTE Jobs taken from SOC.</li> <li>- £42,931 (Ceredigion) in GVA per FTE job taken from <i>ONS Nominal (smoothed) GVA (B) per filled job (£); Local Authority District, 2002 – 2019 – Table B3</i>. Values adjusted to 2022 prices using GDP Deflators.</li> <li>- Indirect jobs estimated using Central Non-tradable (0.9) and Tradable (0.4) Place Based (i.e. Sub-UK) Employment multipliers from the <i>HM Treasury Green Book</i>.</li> </ul> <p>National Spectrum Centre:</p> <ul style="list-style-type: none"> <li>- 54 Direct FTE Jobs taken from SOC.</li> <li>- £42,931 (Ceredigion) in GVA per FTE job taken from <i>ONS Nominal (smoothed) GVA (B) per filled job (£); Local</i></li> </ul>	<p><b>Deadweight:</b></p> <p>Innovation Park: Sub-regional (mean) of 26.3% for 'People and skills' interventions taken from the HCA Additionality Guide Fourth Edition.</p> <p>National Spectrum Centre: Sub-regional (mean) of 26.3% for 'People and skills' interventions taken from the HCA Additionality Guide Fourth Edition.</p> <p>Mid Wales Advanced Manufacturing Campus: Sub-regional (mean) of 26.3% for 'People and skills' interventions taken from the HCA Additionality Guide Fourth Edition.</p> <p><b>Displacement:</b></p> <p>Innovation Park: Sub-regional (mean) of 17.9% for 'People and skills' interventions taken from the HCA Additionality Guide Fourth Edition.</p> <p>National Spectrum Centre: Sub-regional (mean) of 17.9% for 'People and skills' interventions taken from the</p>	<p><b>Test 1:</b> 20% Lower Job Creation</p> <p><b>Test 2:</b> Additionality Factors 20% Higher</p> <p><b>Test 3:</b> Tests 1 and 2 in Combination</p>

Summary of Key Principles & Assumptions			
Strategic Growth Priority	Estimating and Valuing Gross Benefits	Estimating Additionality	Sensitivity Testing
	<p><i>Authority District, 2002 – 2019 – Table B3. Values adjusted to 2022 prices using GDP Deflators.</i></p> <ul style="list-style-type: none"> <li>- Indirect jobs estimated using Central Non-tradable (0.9) and Tradable (0.4) Place Based (i.e. Sub-UK) Employment multipliers from the <i>HM Treasury Green Book</i>.</li> </ul> <p>Mid Wales Advanced Manufacturing Campus:</p> <ul style="list-style-type: none"> <li>- 50 Direct FTE Jobs based on average Direct FTE Jobs per £ of Capital Costs for other Applied Research &amp; Innovation projects.</li> <li>- £40,195 (Ceredigion and Powys) in GVA per FTE job taken from <i>ONS Nominal (smoothed) GVA (B) per filled job (£); Local Authority District, 2002 – 2019 – Table B3. Values adjusted to 2022 prices using GDP Deflators.</i></li> <li>- Indirect jobs estimated using Central Non-tradable (0.9) and Tradable (0.4) Place Based (i.e. Sub-UK) Employment</li> </ul>	<p>HCA Additionality Guide Fourth Edition.</p> <p>Mid Wales Advanced Manufacturing Campus: Sub-regional (mean) of 17.9% for ‘People and skills’ interventions taken from the HCA Additionality Guide Fourth Edition.</p> <p><b>Leakage:</b></p> <p>Innovation Park: Sub-regional (mean) of 13.5% for ‘People and skills’ interventions taken from the HCA Additionality Guide Fourth Edition.</p> <p>National Spectrum Centre: Sub-regional (mean) of 13.5% for ‘People and skills’ interventions taken from the HCA Additionality Guide Fourth Edition.</p> <p>Mid Wales Advanced Manufacturing Campus: Sub-regional (mean) of 13.5% for ‘People and skills’ interventions taken from the HCA Additionality Guide Fourth Edition.</p>	



Summary of Key Principles & Assumptions			
Strategic Growth Priority	Estimating and Valuing Gross Benefits	Estimating Additionality	Sensitivity Testing
	multipliers from the <i>HM Treasury Green Book</i> .		
Agriculture, Food & Drink	<p>Food Manufacturing Innovation Centre:</p> <ul style="list-style-type: none"> <li>- 100 Direct FTE Jobs taken from SOC.</li> <li>- £42,931 (Ceredigion) in GVA per FTE job taken from <i>ONS Nominal (smoothed) GVA (B) per filled job (£); Local Authority District, 2002 – 2019 – Table B3</i>. Values adjusted to 2022 prices using GDP Deflators.</li> <li>- No Indirect jobs estimated as facility is deemed to accommodate enterprises, hence indirect jobs may lead to double counting.</li> </ul> <p>Canolfan Tir Glas / University of Gastronomy:</p> <ul style="list-style-type: none"> <li>- 38 Direct FTE Jobs taken from SOC.</li> <li>- £42,931 (Ceredigion) in GVA per FTE job taken from <i>ONS Nominal (smoothed) GVA (B) per filled job (£); Local Authority District, 2002 – 2019 – Table B3</i>. Values adjusted to</li> </ul>	<p><b>Deadweight:</b></p> <p>Food Manufacturing Innovation Centre: Sub-regional (mean) of 26.3% for ‘People and skills’ interventions taken from the HCA Additionality Guide Fourth Edition.</p> <p>Canolfan Tir Glas / University of Gastronomy: Sub-regional (mean) of 26.3% for ‘People and skills’ interventions taken from the HCA Additionality Guide Fourth Edition.</p> <p><b>Displacement:</b></p> <p>Food Manufacturing Innovation Centre: Sub-regional (mean) of 17.9% for ‘People and skills’ interventions taken from the HCA Additionality Guide Fourth Edition.</p> <p>Canolfan Tir Glas / University of Gastronomy: Sub-regional (mean) of 17.9% for ‘People and skills’ interventions taken from the HCA Additionality Guide Fourth Edition.</p> <p><b>Leakage:</b></p>	<p><b>Test 1:</b> 20% Lower Job Creation</p> <p><b>Test 2:</b> Additionality Factors 20% Higher</p> <p><b>Test 3:</b> Tests 1 and 2 in Combination</p>

Summary of Key Principles & Assumptions			
Strategic Growth Priority	Estimating and Valuing Gross Benefits	Estimating Additionality	Sensitivity Testing
	<p>2022 prices using GDP Deflators.</p> <p>Indirect jobs estimated using Central Non-tradable (0.9) and Tradable (0.4) Place Based (i.e. Sub-UK) Employment multipliers from the <i>HM Treasury Green Book</i>.</p>	<p>Food Manufacturing Innovation Centre: Sub-regional (mean) of 13.5% for 'People and skills' interventions taken from the HCA Additionality Guide Fourth Edition.</p> <p>Canolfan Tir Glas / University of Gastronomy: Sub-regional (mean) of 13.5% for 'People and skills' interventions taken from the HCA Additionality Guide Fourth Edition.</p>	
Strengthened Tourism Offer	<p>Dwr Cymru Elan Valley:</p> <ul style="list-style-type: none"> <li>- 100 Direct FTE Jobs taken from SOC.</li> <li>- Indirect jobs estimated using Central Non-tradable (0.9) and Tradable (0.4) Place Based (i.e. Sub-UK) Employment multipliers from the HM Treasury Green Book.</li> </ul> <p>Aberaeron Harbour Development:</p> <ul style="list-style-type: none"> <li>- 28.5 Direct FTE Jobs based on average Direct FTE Jobs per £ of Capital Costs for other Strengthened Tourism Offer projects.</li> <li>- £42,931 (Ceredigion) in GVA per FTE job taken from <i>ONS Nominal (smoothed) GVA (B)</i></li> </ul>	<p><b>Deadweight:</b></p> <p>Dwr Cymru Elan Valley: Sub-regional (mean) of 26.3% for 'People and skills' interventions taken from the HCA Additionality Guide Fourth Edition.</p> <p>Ceredigion Harbours: Sub-regional (mean) of 7.5% for 'Regeneration through physical infrastructure' interventions taken from the HCA Additionality Guide Fourth Edition.</p> <p>Montgomery Canal – Restoration to Navigation: Sub-regional (mean) of 7.5% for 'Regeneration through physical infrastructure' interventions taken from the HCA Additionality Guide Fourth Edition.</p>	<p><b>Test 1:</b> 20% Lower Job Creation</p> <p><b>Test 2:</b> Additionality Factors 20% Higher</p> <p><b>Test 3:</b> Tests 1 and 2 in Combination</p>

Summary of Key Principles & Assumptions			
Strategic Growth Priority	Estimating and Valuing Gross Benefits	Estimating Additionality	Sensitivity Testing
	<p><i>per filled job (£); Local Authority District, 2002 – 2019 – Table B3. Values adjusted to 2022 prices using GDP Deflators.</i></p> <ul style="list-style-type: none"> <li>- Indirect jobs estimated using Central Non-tradable (0.9) and Tradable (0.4) Place Based (i.e. Sub-UK) Employment multipliers from the <i>HM Treasury Green Book</i>.</li> <li>- Includes additional GVA associated with Visitor Spending. Taken from benchmark interventions in Strengthened Tourism Offer.</li> </ul> <p>Montgomery Canal – Restoration to Navigation:</p> <ul style="list-style-type: none"> <li>- 40 Direct FTE Jobs taken from SOC.</li> <li>- £37,459 (Powys) in GVA per FTE job taken from <i>ONS Nominal (smoothed) GVA (B) per filled job (£); Local Authority District, 2002 – 2019 – Table B3. Values adjusted to 2022 prices using GDP Deflators.</i></li> <li>- Indirect jobs estimated using Central Non-tradable (0.9) and</li> </ul>	<p>Cynefin – The Green Heart of Wales: Sub-regional (mean) of 26.3% for ‘People and skills’ interventions taken from the HCA Additionality Guide Fourth Edition.</p> <p><b>Displacement:</b></p> <p>Dwr Cymru Elan Valley: Sub-regional (mean) of 17.9% for ‘People and skills’ interventions taken from the HCA Additionality Guide Fourth Edition.</p> <p>Ceredigion Harbours: Sub-regional (mean) of 38.7% for ‘Regeneration through physical infrastructure’ interventions taken from the HCA Additionality Guide Fourth Edition.</p> <p>Montgomery Canal – Restoration to Navigation: Sub-regional (mean) of 38.7% for ‘Regeneration through physical infrastructure’ interventions taken from the HCA Additionality Guide Fourth Edition.</p> <p>Cynefin – The Green Heart of Wales: Sub-regional (mean) of 17.9% for ‘People and skills’ interventions taken from the HCA Additionality Guide Fourth Edition.</p> <p><b>Leakage:</b></p>	

Summary of Key Principles & Assumptions			
Strategic Growth Priority	Estimating and Valuing Gross Benefits	Estimating Additionality	Sensitivity Testing
	<p>Tradable (0.4) Place Based (i.e. Sub-UK) Employment multipliers from the <i>HM Treasury Green Book</i>.</p> <ul style="list-style-type: none"> <li>- Includes additional GVA associated with Amenity Value and Visitor Spending. Information taken from SOC.</li> </ul> <p>Cynefin – The Green Heart of Wales:</p> <ul style="list-style-type: none"> <li>- 48 Direct FTE Jobs taken from Project Proforma / SOC.</li> <li>- £37,459 (Powys) in GVA per FTE job taken from ONS <i>Nominal (smoothed) GVA (B) per filled job (£); Local Authority District, 2002 – 2019 – Table B3</i>. Values adjusted to 2022 prices using GDP Deflators.</li> <li>- Indirect jobs estimated using information provided in SOC.</li> <li>- Includes additional GVA from Visitor Spending. Information taken from SOC.</li> </ul>	<p>Dwr Cymru Elan Valley: Sub-regional (mean) of 13.5% for ‘People and skills’ interventions taken from the HCA Additionality Guide Fourth Edition.</p> <p>Ceredigion Harbours: Sub-regional (mean) of 14.1% for ‘Regeneration through physical infrastructure’ interventions taken from the HCA Additionality Guide Fourth Edition.</p> <p>Montgomery Canal – Restoration to Navigation: Sub-regional (mean) of 38.7% for ‘Regeneration through physical infrastructure’ interventions taken from the HCA Additionality Guide Fourth Edition.</p> <p>Cynefin – The Green Heart of Wales: Sub-regional (mean) of 13.5% for ‘People and skills’ interventions taken from the HCA Additionality Guide Fourth Edition.</p>	
Digital	<p>Digital Programme:</p> <ul style="list-style-type: none"> <li>- 318 Direct FTE Jobs taken estimated using benchmarks of other digital Growth Deal</li> </ul>	<p><b>Deadweight:</b></p> <p>Digital Programme: Sub-regional (mean) of 26.3% for ‘People and skills’</p>	<p><b>Test 1:</b> 20% Lower Job Creation</p> <p><b>Test 2:</b> Additionality Factors 20% Higher</p>

Summary of Key Principles & Assumptions			
Strategic Growth Priority	Estimating and Valuing Gross Benefits	Estimating Additionality	Sensitivity Testing
	<p>programmes in Wales based on average Direct FTE Jobs per £ of Capital Costs.</p> <ul style="list-style-type: none"> <li>- £40,195 (Ceredigion and Powys) in GVA per FTE job taken from <i>ONS Nominal (smoothed) GVA (B) per filled job (£); Local Authority District, 2002 – 2019 – Table B3</i>. Values adjusted to 2022 prices using GDP Deflators.</li> <li>- Indirect jobs have not been estimated for programmes.</li> </ul>	<p>interventions taken from the HCA Additionality Guide Fourth Edition.</p> <p><b>Displacement:</b></p> <p>Digital Programme: Sub-regional (mean) of 17.9% for ‘People and skills’ interventions taken from the HCA Additionality Guide Fourth Edition.</p> <p><b>Leakage:</b></p> <p>Digital Programme: Sub-regional (mean) of 13.5% for ‘People and skills’ interventions taken from the HCA Additionality Guide Fourth Edition.</p>	<p><b>Test 3:</b> Tests 1 and 2 in Combination</p>
Supporting Enterprise	<p>Sites and Premises Programme:</p> <ul style="list-style-type: none"> <li>- 322 Direct FTE Jobs taken from PBC, and adjusted using latest capital spend.</li> <li>- £40,195 (Ceredigion and Powys) in GVA per FTE job taken from <i>ONS Nominal (smoothed) GVA (B) per filled job (£); Local Authority District, 2002 – 2019 – Table B3</i>. Values adjusted to 2022 prices using GDP Deflators.</li> </ul>	<p><b>Deadweight:</b></p> <p>Sites and Premises Programme: Sub-regional (mean) of 26.3% for ‘People and skills’ interventions taken from the HCA Additionality Guide Fourth Edition.</p> <p><b>Displacement:</b></p> <p>Sites and Premises Programme: Sub-regional (mean) of 17.9% for ‘People and skills’ interventions taken from the HCA Additionality Guide Fourth Edition.</p>	<p><b>Test 1:</b> 20% Lower Job Creation</p> <p><b>Test 2:</b> Additionality Factors 20% Higher</p> <p><b>Test 3:</b> Tests 1 and 2 in Combination</p>

Summary of Key Principles & Assumptions			
Strategic Growth Priority	Estimating and Valuing Gross Benefits	Estimating Additionality	Sensitivity Testing
	<ul style="list-style-type: none"> <li>- Indirect jobs have not been estimated for programmes. .</li> </ul>	<p><b>Leakage:</b>                      Sites and Premises Programme: Sub-regional (mean) of 13.5% for 'People and skills' interventions taken from the HCA Additionality Guide Fourth Edition.</p>	

# APPENDIX F – BUSINESS CASE ASSESSMENT FRAMEWORK



## Business Case Appraisal Framework

Strategic Outline Case: Key criteria and Checklist

The Portfolio Management Office will lead on the appraisal process independently of both Local Authorities with external technical support provided by Hatch Ltd – who supported the Portfolio Business Case development. This checklist is intended to guide the appraisals of Strategic Outline Cases (SOCs) for candidate projects for the Mid Wales Growth Deal. As part of the production of the initial Portfolio Business Case for the Growth Deal, candidate projects produced outline concept documents, which the Growing Mid Wales partnership used to assess their suitability for inclusion in the initial portfolio.

Since then, the projects have been tasked with producing full SOC. These need to be critically reviewed, in order to inform recommendations for their further development for Growth Deal funding.

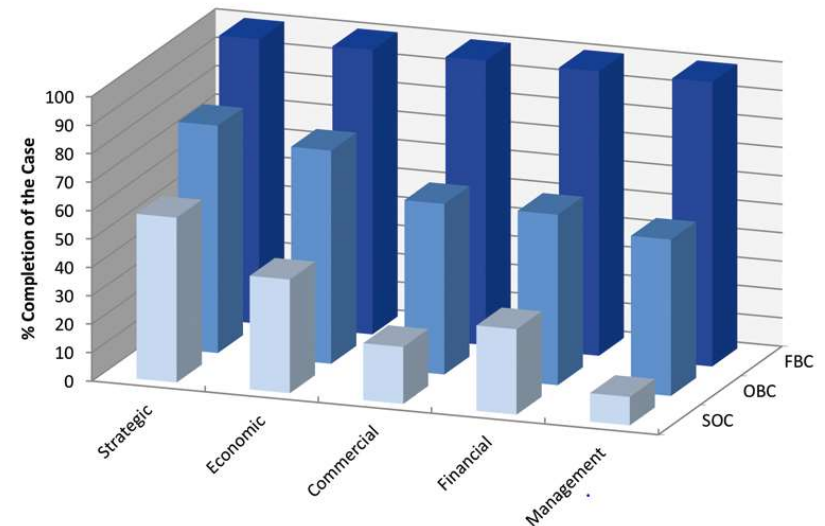
The purpose of a SOC is to detail the outcome of the scoping phase of a project. It should make the case for change and provide a sense of the “preferred way forward.”

In the classic business case development process, the SOC is the first of three stages. If a proposal progresses from the SOC stage it moves to develop an Outline Business Case (OBC), in which the scheme is planned and assessed in detail. The final stage in the process is the Full Business Case (FBC), in which the project moves towards procurement.

Essentially, this three-stage process ensures that review points are built in as the project is developed, enabling detail to be fleshed out over time with assurance that key criteria have been met. As the official guidance diagram opposite illustrates, this means that the detail within the Five Cases is built up steadily. At the SOC stage, it is anticipated that, indicatively, the Strategic Case is around 60% developed; the Economic Case 40% developed; and the remaining Cases are at a much lower level as the detail will not have been worked up yet. These points should be borne in mind when carrying out SOC reviews. The review needs to be proportionate to the SOC stage and the SOC should be providing enough detail to inform a decision on whether the project should proceed to OBC stage. This means that most of the focus will be on the strategic and economic cases.

The checklist below is intended to guide the SOC reviews, with some detailed criteria to consider. The overarching questions that guide the more detailed criteria in the table are essentially as follows (with more of an emphasis on 1 and 2 at this stage):

- 1. Does the project have a clear strategic fit with the Growth Deal and the Vision for Growing Mid Wales?**



The 5 Dimensions of the Case

2. *Is there evidence it will deliver value for money for the Growth Deal funding?*
3. *Is the project attractive to the supply side and feasible?*
4. *How will the project be funded and is it affordable for the organisation(s) concerned?*
5. *Is it clear how the project will be delivered and managed?*



**Business Case Appraisal Framework**

Key review criteria	Main evidence/detail required	Commentary	RAG Rating	Action <i>needs immediate improvement (specify); issues to address at OBC stage (specify); no action needed</i>
<b>Strategic Case – Rationale for the project</b>				
Has a workshop /discussion with stakeholders been undertaken?	<ul style="list-style-type: none"> <li>▪ Evidence on workshop and attendance</li> </ul>			
Does the proposal clearly align to the objectives of the Growth Deal and wider strategies and policies at Welsh/UK level?	<ul style="list-style-type: none"> <li>▪ Reference to relevant sections of Vision for Growing Mid Wales/Portfolio Business Case and explanation</li> </ul>			
	<ul style="list-style-type: none"> <li>▪ Reference to relevant UK, Wales and local strategies and explanation</li> </ul>			
Are there clear spending objectives?	<ul style="list-style-type: none"> <li>▪ Are they set at an appropriate level and SMART:                             <ul style="list-style-type: none"> <li>➢ Specific</li> <li>➢ Measurable</li> <li>➢ Achievable</li> <li>➢ Relevant</li> <li>➢ Timely</li> </ul> </li> </ul>			
	<ul style="list-style-type: none"> <li>▪ Will it make a clear and measurable contribution to the</li> </ul>			

**Business Case Appraisal Framework**

Key review criteria	Main evidence/detail required	Commentary	RAG Rating	Action <i>needs immediate improvement (specify); issues to address at OBC stage (specify); no action needed</i>
	Growth Deal objectives and targets?			
	<ul style="list-style-type: none"> <li>▪ Are they supported by stakeholders and customers – evidence (e.g. from workshop)</li> </ul>			
<p>Page 158</p> <p>Are there a clear case on the need and demand for: the project</p>	<ul style="list-style-type: none"> <li>▪ Evidence of relevant issues/opportunities/demand/barriers (e.g. economic, sectoral, market evidence); this may include direct evidence from the private sector, including letters of support where relevant.</li> </ul> <p><b>Note: At SOC stage these factors may not be fully evidenced but there should be a clear strategic story and a route to completing this evidence at OBC</b></p>			
	<ul style="list-style-type: none"> <li>▪ Does it clearly address the business needs identified in the PBC? <i>[Note these are: low productivity; declining/older population; narrow/vulnerable economic base;</i></li> </ul>			

**Business Case Appraisal Framework**

Key review criteria	Main evidence/detail required	Commentary	RAG Rating	Action <i>needs immediate improvement (specify); issues to address at OBC stage (specify); no action needed</i>
	<i>projected employment decline; static/weakening economic base; market failure; hidden nature of rural economy. See PBC for detail]</i>			
b) public sector funding for the project?  Page 159	<ul style="list-style-type: none"> <li>▪ Evidence of <b>market failure</b> driving the need for government investment</li> <li>▪ Evidence or ideas on what would happen in the event of no intervention (linking to Do Nothing/Reference Case in Economic Case)</li> </ul>			
	<ul style="list-style-type: none"> <li>▪ Evidence that other funding sources have been considered/exhausted and hence a need for Growth Deal funding</li> <li>▪ Evidence of private sector leverage</li> </ul>			
Is the proposed project scope clear and appropriate?	<ul style="list-style-type: none"> <li>▪ Clarity on the organisation that is delivering the project, and any partners</li> </ul>			
	<ul style="list-style-type: none"> <li>▪ Clarity on the project scope and what the funding is paying for</li> </ul>			

**Business Case Appraisal Framework**

Key review criteria	Main evidence/detail required	Commentary	RAG Rating	Action <i>needs immediate improvement (specify); issues to address at OBC stage (specify); no action needed</i>
	<ul style="list-style-type: none"> <li>▪ Clarity on how the project scope addresses the identified business needs</li> </ul>			
<p>Is there a well thought out theory of change/logic model?</p>	<ul style="list-style-type: none"> <li>▪ Logic model/ToC diagram setting out baseline conditions, project objectives, inputs, activities, outputs, and outcomes/impacts</li> <li>▪ Clear accompanying explanation running throughout Strategic Case</li> </ul>			
<p>Is there evidence of community/stakeholder support?</p>	<ul style="list-style-type: none"> <li>▪ Evidence of support and involvement from specific organisations including private sector if relevant</li> </ul>			
<p>Have the main benefits been clearly defined and are they comprehensive?</p>	<ul style="list-style-type: none"> <li>• Outline of key benefits and beneficiaries, with clear link to the project objectives and project scope, and clear link to programme level benefits</li> </ul>			
<p>Are they measurable?</p>	<ul style="list-style-type: none"> <li>▪ Split of benefits into monetised, non-monetised, indirect</li> </ul>			
<p>Are they realistic, given the scope of the investment?</p>	<ul style="list-style-type: none"> <li>▪ Outline of how the benefits will be achieved/by whom/by when and how will they be measured/monitored</li> </ul>			

### Business Case Appraisal Framework

Key review criteria	Main evidence/detail required	Commentary	RAG Rating	Action <i>needs immediate improvement (specify); issues to address at OBC stage (specify); no action needed</i>
Do they clearly link back to the project objectives and business needs?	<ul style="list-style-type: none"> <li>▪ Definition of appropriate baselines</li> </ul>			
Have the main risks been identified and are they appropriate?	<ul style="list-style-type: none"> <li>• Different categories of risk identified</li> <li>• Mitigations identified at this stage if possible</li> </ul>			
Have the key constraints and dependencies been identified?	<ul style="list-style-type: none"> <li>• Assessment of constraints and dependencies</li> </ul>			
Overall summary commentary: Strategic Case				

### Business Case Appraisal Framework

Key review criteria	Main evidence/detail required	Commentary	RAG Rating	Action <i>needs immediate improvement (specify); issues to address at OBC stage (specify); no action needed</i>
<b>Economic case – Is it value for money?</b>				
Was a workshop /discussion with stakeholders been undertaken?	<ul style="list-style-type: none"> <li>• Evidence on workshop and attendance</li> </ul>			
Have critical success factors been identified and are these appropriate?	<ul style="list-style-type: none"> <li>▪ Prioritised Critical Success Factors that align with the Better Business Case guidance and are tailored to the project</li> </ul>			
Have a wide range of options been considered as part of the long list?	<ul style="list-style-type: none"> <li>▪ Use of feasibility study/workshop to determine options</li> </ul>			
Have a wide range of options been considered as part of the long list?	<ul style="list-style-type: none"> <li>▪ Presentation of a long list of options using the options framework filter (scope, solution, delivery, implementation, funding)</li> <li>▪ SWOT analysis of long list with reference to CSFs</li> </ul>			

### Business Case Appraisal Framework

Key review criteria	Main evidence/detail required	Commentary	RAG Rating	Action <i>needs immediate improvement (specify); issues to address at OBC stage (specify); no action needed</i>
Are these appropriate in light of the CSFs and project objectives?				
Has an appropriate shortlist of options been identified and is it clear how this has been arrived at?	<ul style="list-style-type: none"> <li>▪ Clear statement on the shortlist to be examined at OBC stage</li> <li>▪ Minimum of 3-5 options including (at least including do nothing/BAU, do minimum and potentially do maximum)</li> </ul>			
Has a shortlist of options been subjected to robust analysis?	<ul style="list-style-type: none"> <li>▪ Indicative BCR /NPV if possible, based on indicative costs and benefits.</li> </ul>			
Overall summary commentary: Economic Case				

**Business Case Appraisal Framework**

Key review criteria	Main evidence/detail required	Commentary	RAG Rating	Action <i>needs immediate improvement (specify); issues to address at OBC stage (specify); no action needed</i>
<b>Commercial Case – Is it viable?</b>				
Has the procurement strategy been considered?  Page 10 Is it appropriate?  Does the strategy align to Mid Wales procurement strategy?	<ul style="list-style-type: none"> <li>▪ Does the Commercial case identify the procurement approach, and ensure alignment with legislation (Public Contracts Regulation and Subsidy Control)?</li> <li>▪ Has any consideration been given to the capacity of the supply side to deliver the required services?</li> </ul>			
Overall summary commentary: Commercial Case				



### Business Case Appraisal Framework

Key review criteria	Main evidence/detail required	Commentary	RAG Rating	Action <i>needs immediate improvement (specify); issues to address at OBC stage (specify); no action needed</i>
<b>Financial case – Is it affordable?</b>				
Key review criteria	Main evidence required			
Page 165 the solution affordable?	<ul style="list-style-type: none"> <li>• How will business case development costs be funded?</li> <li>• How will the project be funded? What other sources of funding have been identified and what stage are they at (application/secured)?</li> </ul>			
	<ul style="list-style-type: none"> <li>• How are ongoing operational costs of the project being funded?</li> <li>• Is there any sense at this stage on how the project will be sustainable over time after the initial Growth Deal capital funding?</li> </ul>			
<b>Overall summary commentary: Financial Case</b>				

**Business Case Appraisal Framework**

Key review criteria	Main evidence/detail required	Commentary	RAG Rating	Action <i>needs immediate improvement (specify); issues to address at OBC stage (specify); no action needed</i>
<div style="display: flex; justify-content: space-between;"> <span style="writing-mode: vertical-rl; transform: rotate(180deg);">Page 166</span> <div style="flex-grow: 1;"></div> </div>				
<b>Management Case - How will it be delivered?</b>				
<p>Is the project sponsor (delivery organisation) and any partners clear?</p> <p>And do they have the appropriate capacity and capability to manage and deliver the project?</p>				
<p>Are the governance and management arrangements clear and satisfactory?</p>				

**Business Case Appraisal Framework**

Key review criteria	Main evidence/detail required	Commentary	RAG Rating	Action <i>needs immediate improvement (specify); issues to address at OBC stage (specify); no action needed</i>
Have the relevant risks been identified?				
Overall summary commentary: Management Case				
<b>ADDITIONAL SECTION - NOT PART OF 5 CASE BUSINESS MODEL</b>				
<b>Decarbonisation Agenda:</b>				

### Business Case Appraisal Framework

Key review criteria	Main evidence/detail required	Commentary	RAG Rating	Action <i>needs immediate improvement (specify); issues to address at OBC stage (specify); no action needed</i>
<p><b>Has the Project Carbon Categorisation Form been completed?</b></p> <p><b>What was the outcome?</b></p>	<ul style="list-style-type: none"> <li>Carbon Categorisation Form</li> <li>Identification of actions or benefits</li> </ul>			
<p><b>Alignment with Net Zero Wales</b></p>	<ul style="list-style-type: none"> <li>Evidence of consideration of decarbonisation agenda</li> <li>Other considerations e.g. procurement, visitors, supplies</li> </ul>			
<p><b>Overall summary commentary: Decarbonisation Agenda</b></p>				

Page 16

<b>PROJECT TITLE:</b>		<b>COMPLETED BY:</b>		<b>DATE:</b>	
---------------------------	--	----------------------	--	--------------	--

The Appraisal checklist will be completed by each member of the review team who will focus on a particular section based on their experience in that area. Subsequently the reviews will be compiled, and a consensus agreed regarding an overall RAG rating and any actions required.

The RAG rating will be based on the following:

- **Green** - good strategic fit, may need some areas further developed/addressed at Outline Business Case stage
- **Amber** - recommend approve to Outline Business Case subject to certain areas/actions being addressed
- **Red** – poor strategic fit, various issues/concerns. Recommendation either to revise SOC for reconsideration or if serious concerns consider appropriateness for inclusion in Portfolio.

Subsequently a Business Case Appraisal summary will be presented, initially to the Management Group for review along with the Business Cases and recommendations then presented to the next available meeting of the GMW Board.

In addition to the review team assessment, formal Government assurance reviews of the business case will need to be undertaken providing an independent review. Further documents are required before the reviews can be commissioned (Risk Profile Assessments and Integrated Assurance and Approval Plans) which will ensure that the appropriate assurance 'product' is applied.

Once agreed, the reviews take circa 12 weeks to commission and plan.

## Appendix G – ECONOMIC CASE OUTPUTS FROM VERSION 1 of SPBC

SPBC Version 1:

Appraisal Summary Table: Mid Wales Growth Deal							
		Mid Wales Growth Deal	Applied Research & Innovation	Agriculture, Food & Drink	Strengthened Tourism Offer	Digital	Supporting Enterprise
<b>A</b>	<b>Net Present Social Value (£m)</b>	£260 (£215 – 305) (£290 - £375 on GD Costs)	£15 (£10 – 20) (£35 - £45 on GD Costs)	£40 (£35 - £45) (£35 - £45 on GD Costs)	£70 (£60 - £85) (£75 - £105 on GD Costs)	£75 (£65 - £85) (£85 – £105 on GD Costs)	£60 (£50 - £70) (£60 - £75 on GD Costs)
<b>B</b>	<b>Public sector cost (£m) (Undiscounted, excludes Optimism Bias and Inflation, includes VAT)</b>	£185 (£110 from GD)	£44 (£20 from GD)	£8 (£6 from GD)	£62 (£43 from GD)	£33 (£11 from GD)	£38 (£30 from GD)
<b>C</b>	<b>Appropriate Benefits Cost Ratio</b>	2.5 (2.2 – 2.7) (3.7 – 4.5 GD Investment)	1.4 (1.2 – 1.5) (2.6 – 3.2 GD Investment)	5.6 (5.0 – 6.1) 6.9 – 8.4 GD Investment)	2.2 (2.0 – 2.4) (2.8 – 3.4 GD Investment)	3.3 (3.0 – 3.6) 9.3 – 11.3 GD Investment)	2.7 (2.5 – 3.0) (3.1 – 3.8 GD Investment)
<b>D&amp;E</b>	<b>Significant unmonetizable costs/ benefits and unquantifiable factors</b>	<ul style="list-style-type: none"> <li>• Social Welfare Benefits</li> <li>• Environmental Benefits</li> <li>• Inwards Investment</li> <li>• Improved Perceptions</li> <li>• Reduced Deprivations</li> </ul>	<ul style="list-style-type: none"> <li>• Capitalising on internationally significant research and industrial strengths</li> <li>• Harnessing emerging specialisms</li> </ul>	<ul style="list-style-type: none"> <li>• Development of sector to nationally and internationally recognised standard.</li> </ul>	<ul style="list-style-type: none"> <li>• Capitalise on natural, heritage and cultural assets.</li> <li>• Drive sustainable and resilient tourism growth</li> </ul>	<ul style="list-style-type: none"> <li>• Facilitate Innovation.</li> <li>• Cluster growth.</li> <li>• Inward Investment.</li> </ul>	<ul style="list-style-type: none"> <li>• Facilitate Innovation.</li> <li>• Cluster growth.</li> <li>• Inward Investment.</li> </ul>

Appraisal Summary Table: Mid Wales Growth Deal							
		Mid Wales Growth Deal	Applied Research & Innovation	Agriculture, Food & Drink	Strengthened Tourism Offer	Digital	Supporting Enterprise
			<ul style="list-style-type: none"> <li>Strengthened industry engagement</li> </ul>		focusing on quality.		
<b>F</b>	<b>Risk costs by type &amp; residual optimism bias</b>	Through their own business cases, each programme/project will be expected to consider and demonstrate how they have mitigated potential optimism bias in their costings and proposed timetables. At this stage, to be conservative, we have applied the upper bound optimism bias benchmark factor for civil engineering projects buildings from HM Treasury guidance to the capital costs for all programmes/projects at 44%					
<b>G</b>	<b>Switching values (for the preferred option only)</b>	45% reduction in job creation and additional monetised benefits.	25% reduction in job creation.	80% reduction in job creation.	50% reduction in job creation and additional GVA benefits associated with local spending and amenity value.	70% reduction in job creation.	65% reduction in job creation.
<b>H</b>	<b>Time horizon and reason</b>	<p align="center"><b>10-year appraisal period post construction used</b></p> <p align="center"><b>All infrastructure assets will have a residual value at this point</b></p>					



## **Appendix H – VISION FOR GROWING MID WALES**

## **Appendix I – PORTFOLIO RISK & ISSUE REGISTER**

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

MID WALES GROWTH DEAL

Private Sector Investment Strategy (PSIS)

**August 2022**

**Version: 0.2**

**Status: Draft**

**DRAFT – Rev 0**



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## Document Control

Version	Author	Changes	Status	Issued to	Date
V0.2, rev 0	JC	Version uplift from V0.1 Rev 2	Draft	CEM	09.01.2023

## Sign Off

Version	Approved by	Status	Date
	Economic Advisory Group (EAG)		

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## 1. Strategic Context

The Growing Mid Wales Board, responsible for delivery of the Mid Wales Growth Deal, has brought forward a Portfolio of activities across eight Strategic Growth Priority themes to deliver its Vision. The Growth Deal has strong strategic alignment at the wider Welsh and UK levels, including with the Welsh Government’s Programme for Government and Economic Resilience and Reconstruction Mission, the UK Government’s Plan for Growth (Build Back Better) and Innovation Strategy.

The Strategic Portfolio Business Case (SPBC) sets out the Investment Objectives for the Mid-Wales Growth Deal, to deliver the following for Mid-Wales over the Growth Deal term:



Total capital investment of £280-400 million;

1,100 to 1,400 net additional FTE jobs;

£570-700 million in net additional Gross Value Added.

The full mix of growth opportunities is evolving and will determine the final benefits realisation framework for each Growth Priority theme.

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.

## 2. The Need for Private Sector Investment

The Growth Deal is a key catalyst to transform the regional economy as part of a broader funding mix and will contribute towards the delivery of the eight Strategic Growth Priorities. A significant part of the funding mix is expected to be a successful ability to attract and unlock private sector investment within the Region by ensuring the right environment for business growth. SPBC states the following in this regard:

<p>Private Sector Investment</p>	<p>Significant private sector investment is required to deliver the programme. There is a risk, particularly following the impact of COVID-19 on the regional economy that the level of private sector investment required will not be attained. In addition, there is a risk that competition from the North Wales Growth Deal, Cardiff Capital Region City Deal and Swansea Bay City Deal may constrain the ability to attract private sector investment.</p>
----------------------------------	---

Whilst the precise funding mix for the programmes and projects is not yet known, but the SPBC Economic Case targets an overall private sector contribution of one-third of the total capital costs. This implies a private sector contribution of approximately £90m-£130m for the Growth Deal portfolio, and this will vary across the programmes and projects. Programmes and projects are expected to set out their own forecasts for investment and to demonstrate that they have maximised these contributions.

### 3. Main Benefits of Private Sector Involvement

The key headline direct and indirect benefits that successful private sector involvement and investment will bring are:

- Augmenting the available funding and thereby broadening the impact of Growth Deal investment pan-region;
- Augmenting the individual viability of Programmes and Projects;
- Building lasting relationships with investors and key enterprises pan-region, leading to sustained economic growth opportunities for those and other businesses involved;
- Augmenting the Growth Deal response to the Well-Being of Future Generations Act (WBFGA) adopting a collaborative approach to tackling the challenges facing the Region, addressing inequalities, the need for jobs and sustainable growth.

### 4. Strategy Aim

The main aim of this strategy is to ensure that the funding provided by Welsh Government and UK Government is used as a catalyst for leveraging significant private sector investment to optimising the impact of Growth Deal investment pan-region.



It is also imperative that levels of confidence in sub-strategies for securing private sector investment, and the success of those sub-strategies, are maintained with Growth Deal primary and co-investors.

### 5. Overarching Principle - Regional Focus of Investment

The Mid Wales Growth Deal focus is the development and growth of business activity pan-region, developing growth from within. Focussing on local success will provide enhance the likelihood of sustained economic growth for the area.

The option to seek for inward investment from outside the region remains and is to be explored fully to mitigate the risk of the Deal struggling to realise the agreed benefits. Regional infrastructure relating to areas such as Digital and particular Sector support may require interventions outside the region and such investment might be supported beyond the boundaries of Mid Wales.

The Portfolio Management Office will maintain oversight and give direction to the Growth Deal Programmes and Projects and each Strategic Growth Priority/theme will develop individual response plans adopting the Strategic Initiatives identified below.

## 6. Strategic Initiatives

The following five Strategic Initiatives are intended to increase the likelihood of success of achieving identified levels of Private Sector Investment for the Growth Deal.

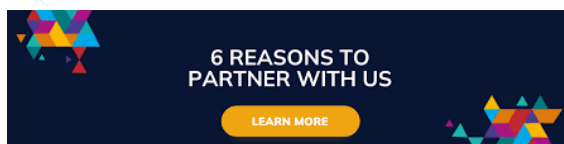


### Initiative 1 - Communication

To devise a holistic Private Sector Engagement Plan, which is multi-faceted and deliverable and details how Private Sector Investors will be approached.

#### Actions

- a) Appoint an Economic Advisory Group (EAG) of private sector leaders to advise and assist the development of the Growth Deal Programmes and Projects. Members to act as Growth Deal Champions amongst private sector community, and as a conduit to the PoMO.
- b) Devise a Comms Plan specifically for Private Sector engagement. Utilise the Comms Plan to ensure the Mid Wales Region, as well as Wales and cross border regions, are aware of the opportunities that the Mid Wales Growth Deal can provide potential private sector investors.
- c) Comms must be regular, up to date and optimise opportunity for Public Sector to interact with Growth Deal activity. Consider ease of communication channels and those that give most likelihood of success eg, SRM Database-generated comms, virtual meetings, webinars etc.
- d) Through the Engagement Plan, and with EAG support, continuously consult on, evolve and refine the “Growth Deal Offer” to optimise its attractiveness to the Private Sector.
- e) Promote the “Growth Deal Offer” and ensure the widest appropriate communication of the opportunities presented by the Deal.



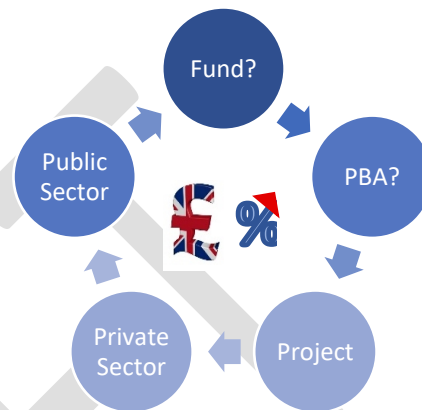
## Initiative 2 – Intervention Levels

To devise a Financial Model that recognises targets for Private Sector Investment, Intervention Levels and fiscal/cashflow arrangements necessary for Growth Deal delivery and that defines the “Growth Deal Offer”.

### Actions

- a) Design the Private Sector Financial Model and align with Growth Deal Financial management arrangements, noting the impact of VAT liability, cash-flow/draw-down, contractual and State Aid considerations and the present inflationary pressures being experienced across all industry sectors.

Note: some opportunities will have revenue streams associated with them and these should be considered as part of any financial modelling eg, rental incomes and income profiling, based on likely Intervention Scenarios eg, first 6 months free/nil cost to ‘partners’; second 6 months 50% picked up by ‘partners’; second year 85% picked up by ‘partners’.



Note: some opportunities will have capital streams associated with them and these should be considered as part of any financial modelling eg, capital receipts from land or other disposals, land or other capital purchases, infrastructure investment as enablers for projects with discouraging ‘on-costs’ or ‘abnormals’.

- b) Review intervention methodologies employed by Welsh Government Economic Infrastructure Departments working in commercial sectors to support economic development in areas where demand is not being or is not capable of being effectively met by the private sector and use best practice to support Growth Deal proposals. These may range from incentives such as property development grants, joint ventures with Local Authorities and the private sector and direct delivery of services.
- c) Devise and agree a series of Intervention Models that align with the profile and opportunities that exist within the Growth Deal Programmes and Projects, as exemplified in the following diagram (for the Sites & Premises Programme):

Option	Type	Intervention Level	
1	Private Sector Led/Private Sector Funded	Public   Private	
2	Mixed Use Development to cross-fund Employment Land		
3	Low Level Public Support Practical Advice		
4	Medium Level Public Support De-Risking Development		
5	Planning support & Local Development Orders		
6	Public Sector Land Acquisition		
7	Public Sector Support – Loans and Gap Funding		
8	Joint Venture Agreement		
9	Public Sector development (speculative)		
10	Long lease interest and Annuity Rent		Public   Private



### Initiative 3 – Expert Knowledge

To engage with those who have special knowledge, working within the Public Sector, but also the Private Professional Sector to ensure local market activity and demand is clearly understood used to map out Growth Deal opportunities that best address Regional needs.

#### Actions

- a) Support and engage with the Local Authority Economic Development Teams to identify and assist potential private sector sponsors to engage with Growth Deal opportunities.
- b) Appoint specialist technical advisers across relevant industry sectors who can bring sector intelligence to identify market demand for services and facilities that will reflect sector needs.

### Initiative 4 – Building Partnerships

To provide increased confidence to the Private Sector community that the Growth Deal has the ongoing potential to assist their business growth and development, advocating sustained partnering opportunities wherever possible.

#### Actions

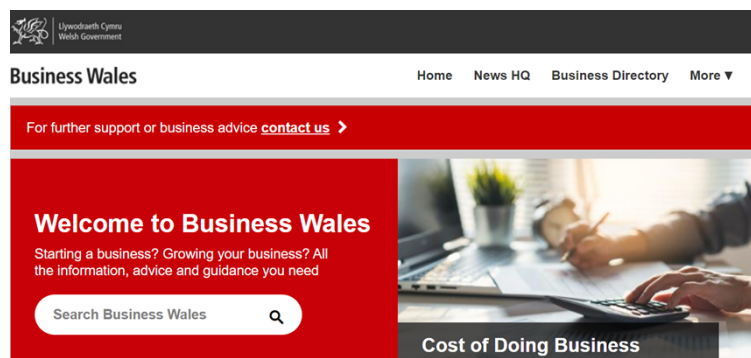
- a) Identify local business and trade groups and organisations operating in the Region eg, local trade associations, specialist forums and action groups.
- b) Identify established industry communities that provide services across the Region eg, professional service frameworks, contractor frameworks.
- c) Identify potential joint-venture models that might be deployed on the Growth Deal's Programmes and Projects.
- d) Devise a Portfolio, Programme and Project Level and SRM Database and maintain strategic supplier relationship management with highest impact suppliers.
- e) Build a pipeline of projects for delivery over the life of the Growth Deal, including those that can be brought forward to mitigate other schemes that fail to mature as expected.
- f) Using the above knowledge, and potentially under the auspice of the EAG, convene a private sector support group to continuously consult on, evolve and refine the "Growth Deal Offer" to optimise its attractiveness to interested 'partners'.

### Initiative 5 – Business Needs

To provide increased confidence to the private sector community that the Growth Deal has seeks to better understand their business growth and development needs.

#### Actions

- a) Appoint and engage with Busnes Cymru / Business Wales to bring business intelligence to the Private Sector Investment piece, seeking to understand what the local business community is, which sectors it operates in, the key issues facing those companies and where support for growth is most needed; all with a view to identifying potential mutual support arrangements for return of investment or commitments on growth within the Region.



## 7. Contractual and State Aid Considerations

Where joint-venture or 'partnering' solutions are considered detailed contractual arrangements will need to be put in place between all Parties, requiring appropriate legal resource and careful management to bring such arrangements to fruition.

In addition, careful consideration will be needed as to how State Aid / Subsidy Control might impact on these proposals. Available guidance must be considered by legal and finance colleagues who will advise the Portfolio Management Office with measures needed to ensure regulatory compliance. These may impact on financial modelling to some degree and individual project Economic and Commercial Cases.

## 8. Resourcing the Strategy

The Portfolio Management Office (PoMO) will be responsible for optimising available resource for activities relating to the Strategy. It is expected that Growth Deal Project Sponsors and PoMO Programme / Project Management resources will be deployed for the purpose and will be responsible for scoping and actioning specific investment/development opportunities as Growth Deal Programmes and Projects mature. This resource is likely to be augmented by the appointment of 3<sup>rd</sup> Party Technical Advisers with specialisms or special knowledge of particular Sectors or work activity.

## 9. Accountability and Responsibility

The Portfolio Management Office (PoMO) will reflect the Strategy Aim and Initiatives into an accountability matrix (RACI), which will define those responsible for leading the delivery of each Strategic Initiative. This will be extended to include the proposed Initiative Actions and the whole agreed with the EAG and GMW Governance to ensure Strategy accountabilities and responsibilities are clearly understood, and to secure buy-in to those. The EAG will also need to identify the scope and application of any KPIs/Measures deemed appropriate to apply to each Initiative or Action.



# MID WALES GROWTH DEAL

## Implementation Plan

**Version: 0.6**  
**Status: Draft**

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

**VERSION CONTROL**

<b>Version</b>	<b>Date</b>	<b>Details of changes or comments (Author)</b>
v0.5	01/10/21	Initial draft for AOR, subject to any regional approval. Developed from known Government guidance and examples in other Deal areas. (CM)
V0.6	21/03/23	Updated in line with latest version of Strategic Portfolio Business Case (v2)

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# 1 INTRODUCTION

## 1.1 Purpose

The purpose of this document is to set out the arrangements for the implementation of the Mid Wales Growth Deal – in accordance with the requirements of the UK and Welsh Governments.

It outlines the work of the Growth Mid Wales Board and supporting structures, including portfolio/ programme governance, stakeholder engagement and programme implementations. It also sets out the arrangements in place for monitoring and evaluation.

The Implementation Plan is intended to be an operational document supporting the Strategic Portfolio Business Case (SPBC). ***It is not intended to replicate/duplicate*** the information contained within the SPBC, but rather supplement and draw out detail underneath the SPBC.

The Mid Wales Board will review the Implementation Plan annually in line with the annual assurance process – subject to confirmation of any special conditions/terms in the Grant Offer Letter.

## 1.2 Guidance and Functional Standards

The Mid Wales Growth Deal is governed by the Governance and Assurance Framework for Welsh City and Growth Deals, managed on behalf of both Governments by the Welsh Cities and Growth Deals Implementation Board (WCGIB).

Within the framework, it establishes the principles for the Swansea, North Wales and Mid Wales Deals:

- Governments are accountable for the use of C&GD Government funding
- Regional Partners are responsible for the delivery of C&GD outputs, outcomes and benefits
- Government funding is released to C&GDs annually on a broadly flat profile over the lifetime of the Deal (15 – 20 years)
- Decisions to approve the release of Government funding are taken by Ministers of the WG and the UKG annually
- The C&GD Accountable Body allocates and distributes annual Government funding to approved projects

The approach is based on the appropriate and proportionate application of best practice Governance, Assurance and Programme & Project Management (PPM), underpinned by an Integrated Assurance and Approval Plan (IAAP) in order to balance Government oversight and Regional Delivery Partner requirements.

This implementation plan has been drafted to be consistent with this Governance and Assurance Framework, and is also consistent with guidance from the HM Treasury's Infrastructure and Projects Authority<sup>1</sup>. Particularly, in relation to the governance and management arrangements outlined – these are derived from and are consistent with the Project Delivery Functional Standard (Govs002)<sup>2</sup>.

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<sup>1</sup> [Infrastructure and Projects Authority - GOV.UK \(www.gov.uk\)](http://www.gov.uk)

<sup>2</sup> [Government Functional Standard GovS 002: Project Delivery - GOV.UK \(www.gov.uk\)](http://www.gov.uk)

## 1.3 Background

In May 2020 the Vision for Growing Mid Wales<sup>3</sup> was published – a strategy document outlining ambitious plans for economic recovery and growth across the Mid Wales region, which comprises the local authority areas of Ceredigion and Powys. The Vision document sets out the context and roadmap to the Mid Wales Growth Deal which will see an investment of £110m from UK and Welsh Governments into the region.

The Vision for Mid Wales by 2035 is:

***“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, and will contribute towards the delivery of the eight strategic growth priorities for the region articulated within the Vision for Growing Mid Wales:



All sectors within the Mid Wales economy have a role to play to deliver economic growth. We will, however, have to determine the appropriate strategic investments for achieving our

<sup>3</sup>[http://growingmidwales.co.uk/media/11185/A-vision-for-growing-mid-Wales/pdf/Vision for Growing Mid Wales FINAL ENG.pdf?m=1612436327177](http://growingmidwales.co.uk/media/11185/A-vision-for-growing-mid-Wales/pdf/Vision%20for%20Growing%20Mid%20Wales%20FINAL%20ENG.pdf?m=1612436327177)

growth objectives that build on the track record of success of our existing industrial, research and labour market strengths – it has to relate to, and address the needs of, Mid Wales.

With the role of the Growth Deal clearly identified to:

***“take full advantage of the opportunities available to create and support economic and social growth by overcoming its challenges to become a fairer, smarter region that contributes to its full potential to address its productivity challenge.”***

A Heads of Terms was signed in December 2020 agreeing the contribution over a 10-15 year period, and in September 2021 the Growing Mid Wales Board approved an initial version of the Strategic Portfolio Business Case for submission to Government in October 2021 as part of the Accounting Officer Review, alongside supporting documents. This was a key milestone in the development of a Final Deal Agreement for the Growth Deal which was signed in January 2022.

Growth Deal funding across the UK has specific key characteristics:

- is Capital only (no revenue);
- is long-term (average 10-15 year profile);
- is deal-driven – it has to align and be agreed by the UK and Welsh Government;
- has to demonstrate a strong case for investment and additionality above ‘business as usual’ (has to be transformational);
- leverages additional match funding from a range of sources (including private sector); and has strong public-private partnership and clear, robust and accountable governance, management and assurance processes

## 1.4 Investment Objectives and Benefits

The Mid-Wales Growth Deal aims to deliver the following for Mid-Wales over the Growth Deal term:

- Total capital investment of £280-400 million<sup>4</sup>
- 1,100 to 1,400 net additional FTE jobs
- £570-700 million in net additional Gross Value Added.<sup>5</sup>

The key headline direct and indirect benefits that the Growth Deal is expected to contribute towards are:

- Growth in regional prosperity – through improved productivity, inward investment and the creation of new jobs.
- Creation of better-quality jobs for the local labour market – through targeted interventions in high value sectors to create new jobs.
- A more skilled workforce within the region – through supporting skills and training initiatives and targeted interventions in high value sectors to create opportunities.
- Improvements in standards of living across the region- inclusive growth that provides opportunities, reduces poverty, inequality and deprivation.

The key benefits the Portfolio will be delivering will evolve as the detail of the Programmes/Projects evolve.

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<sup>4</sup> Note: nominal prices, undiscounted.

<sup>5</sup> Note that this is the cumulative total increase in GVA over the period (nominal prices, undiscounted).



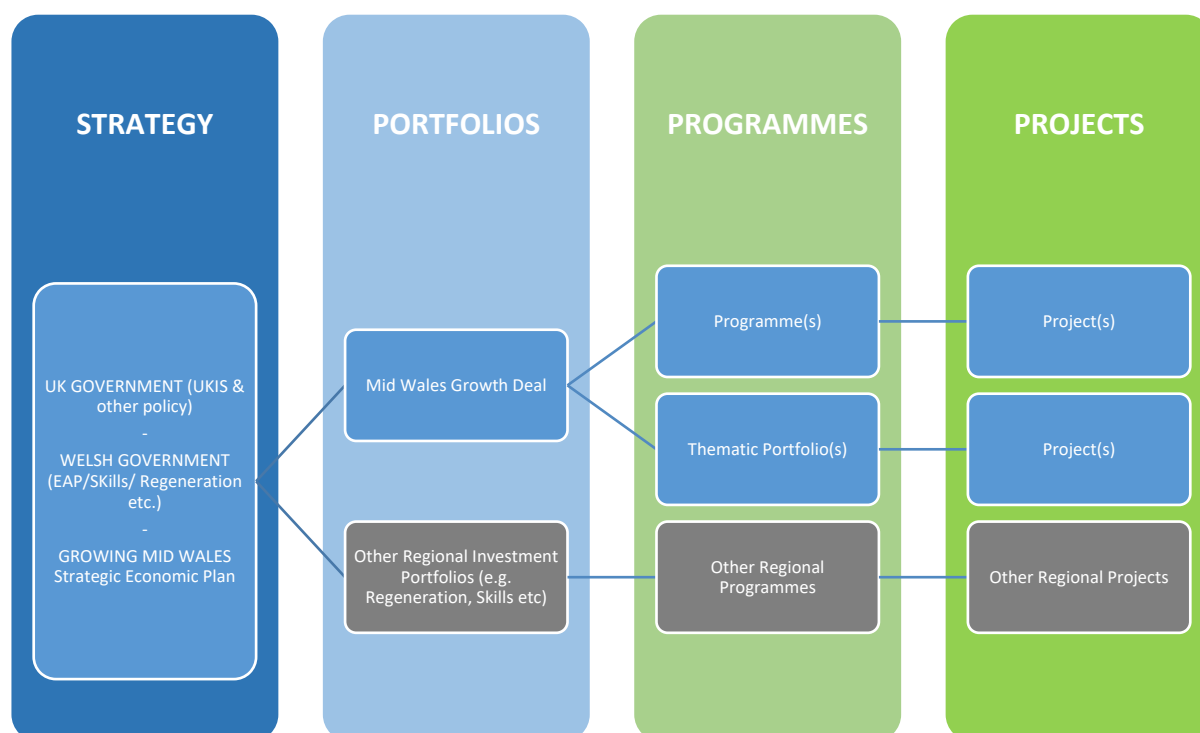
The Strategic Portfolio Business Case is a live and iterative document, that will be updated regularly to reflect the updated objectives and benefits from the Deal.

## 2 THE MID WALES GROWTH DEAL PORTFOLIO

The Growth Deal is being developed and delivered as a **Portfolio** – a collection of programmes, projects and other activities that the organisation requires to deliver its mission, vision, goals and strategic objectives over the short, medium and long terms.

Portfolio management is about making informed choices about the programme and projects required to deliver the organisation’s strategy – the **Vision for Growing Mid Wales**. The Mid Wales Growth Deal has been brought forward and is to be structured with the principles of Portfolio, Programme and Project Management at its heart from the outset. Not all programmes/projects will deliver all outcomes at the same time or through the same activity.

Managing the Growth Deal as a Portfolio will ensure there is an appropriate balance of investments that meet the investment objectives set out, and there is clear relationship between its investments and the strategic context within which it operates.



Portfolio, programme and project management is an integrated way of meeting the government’s ambitions, driving better decisions and increasing the likelihood of successful outcomes.

A **portfolio** comprises part or all of an organisation’s investment required to achieve its objectives. Governed through its portfolio (or business) plan, a portfolio comprises work components, such as other portfolios, programmes, projects and other related work.

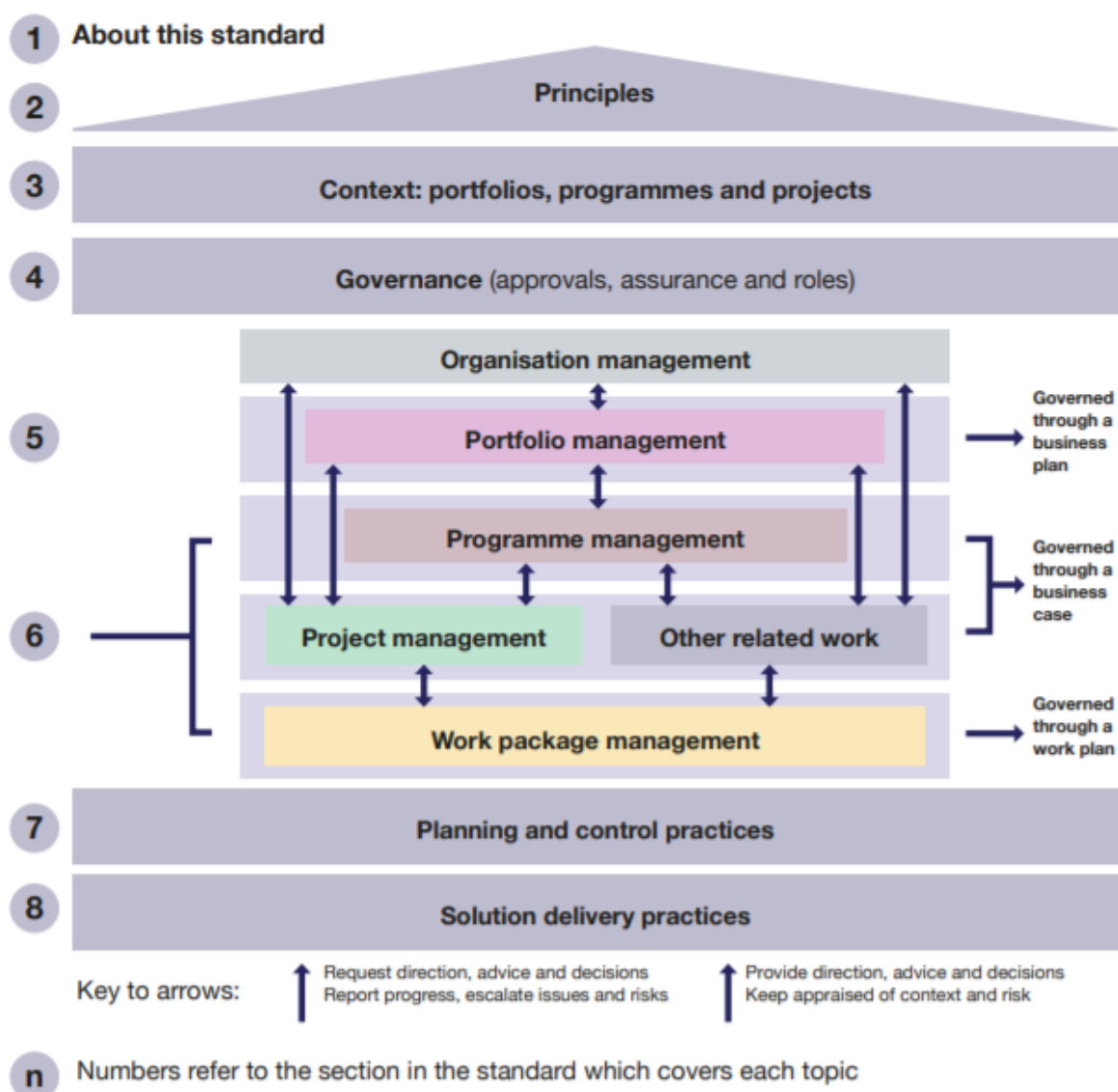
A **programme** is a unique, temporary, flexible organisation created to co-ordinate direct and oversee the implementation of a set of projects and other related work to deliver outcomes and benefits related to a set of strategic objectives. Programmes can be undertaken in one or more tranches (phases), each of which is structured around distinct step changes in the solution delivered and the resultant benefit realised.

A **project** is a unique, temporary management environment, undertaken in stages, created for the purpose of delivering one or more business products or outcomes. A project might be standalone within a portfolio or part of a programme.

Following the development of the Vision for Growing Mid Wales, the Portfolio Business Case sets out the optimal choice of programmes/projects for the delivery of the Mid Wales Growth Deal. It is a live document, and is iterative, and therefore will be regularly updated over the Growth Deal term to reflect the evolution of its constituent programmes and projects, and changes in the policy and economic context. Initially, this is expected to be on a more frequent basis as programme and project information is developed – before settling into an anticipated annual review cycle.

The Mid Wales Growth Deal will utilise the pre-defined Gateway 0-5 and flexible Project Assessment Reviews (PAR) as appropriate and proportionate.

The delivery structure for the Mid Wales Growth Deal broadly follows the below standard:

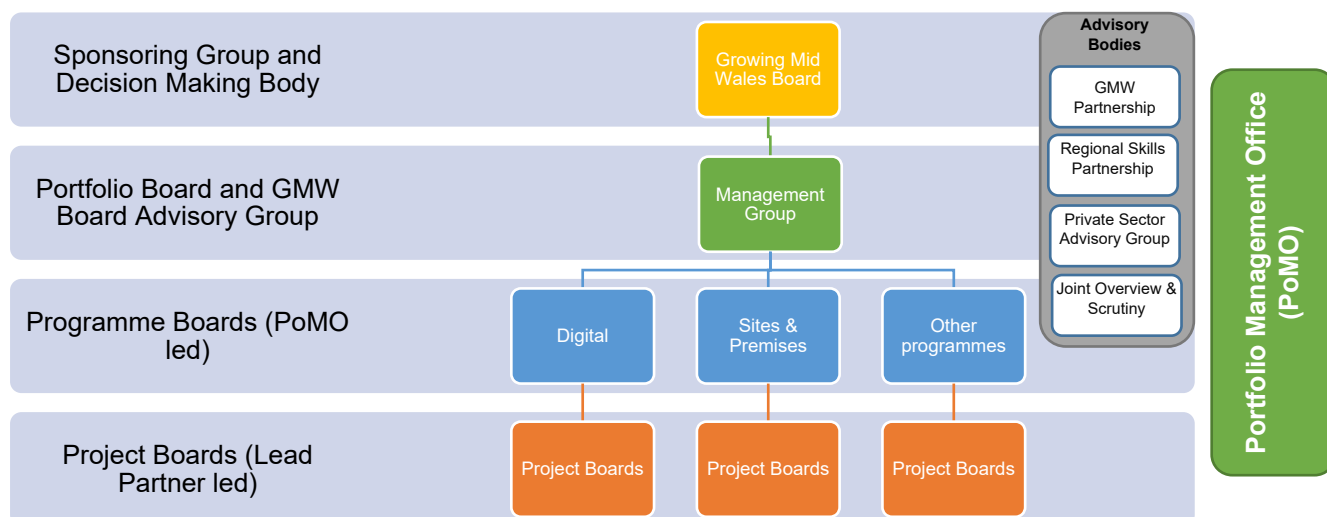


Source: HM Government, Governmental Functional Standard, GovS 002: Project Delivery, 15<sup>th</sup> July 2021

### 3 GOVERNANCE & ASSURANCE

The Mid Wales Growth Deal is governed by the Governance and Assurance Framework for Welsh City and Growth Deals, managed on behalf of both Governments by the Welsh Cities and Growth Deals Implementation Board (WCGIB).

The diagram below sets out the Governance structure for the Mid Wales Growth Deal (as set out in the Portfolio Business Case):



The membership and Terms of Reference for each group within the governance structure is set out in the Inter-Authority Agreement (IAA3 and any subsequent iterations) and will be reviewed and updated as the Growth Deal progresses to ensure that they are fit for purpose and meet the necessary requirements.

#### ***Growing Mid Wales Management Group (Portfolio Delivery Board)***

As can be seen in the above structure, the Growing Mid Wales Management Group plays a pivotal role in overseeing the development and delivery of the Growth Deal, providing managerial direction to supporting officers and advice to the Growing Mid Wales Board. This includes:

- Provide leadership and management to officers by setting objectives and priorities for work to be progressed in line with the work programme for submission of business cases.
- Monitor progress of the work programme, identify and manage risks and issues, and provide regular reports to the Board.
- To support the Board with reports that set out clear recommendations where decisions are required.
- To manage resources in line with budgets allocated to the work.

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

The formation of the PoMO in July 2021 was 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 and issues, strategic planning and activity reporting
- Programme / Project Development: Organising and co-ordination of workstreams, project engagement, and programme / project development / sponsor support

- Communication and Stakeholder Engagement: Co-ordinating key messages and communications activity
- Co-ordination across wider regional activity: EU funding (Regional Engagement Team), Transport (TRaCC) and Regeneration Funding.

Core team roles have been recruited to enable key functions to be discharged - governance and management, assurance and audit, and overall co-ordination of the regional Portfolio. Initial recruitment of five posts to form the 'core' team was undertaken in 2021 with further recruitment in 2022 with successful appointments to the following roles:

- **Operations Manager** – Operational Management of Portfolio Management Office and the delivery of the Growth Deal.
- **Portfolio Analysis & Support Officer** - Executive/Portfolio Support for team including performance analysis and management support, monitoring, document and systems management;
- **Digital Programme Manager** - Development, management and delivery of the Digital Programme; and
- **ESF Project Officer** – Support the operational management of the Regional Collaboration Office, enable development of agile team, compliance and monitoring.
- **Sites & Premises Programme Manager** - Development, management and delivery of the Sites & Premises Programme

Funding for the core team is from a mix of European Social Fund (ESF) grant and match funding from Ceredigion and Powys County Councils up to July 2023.

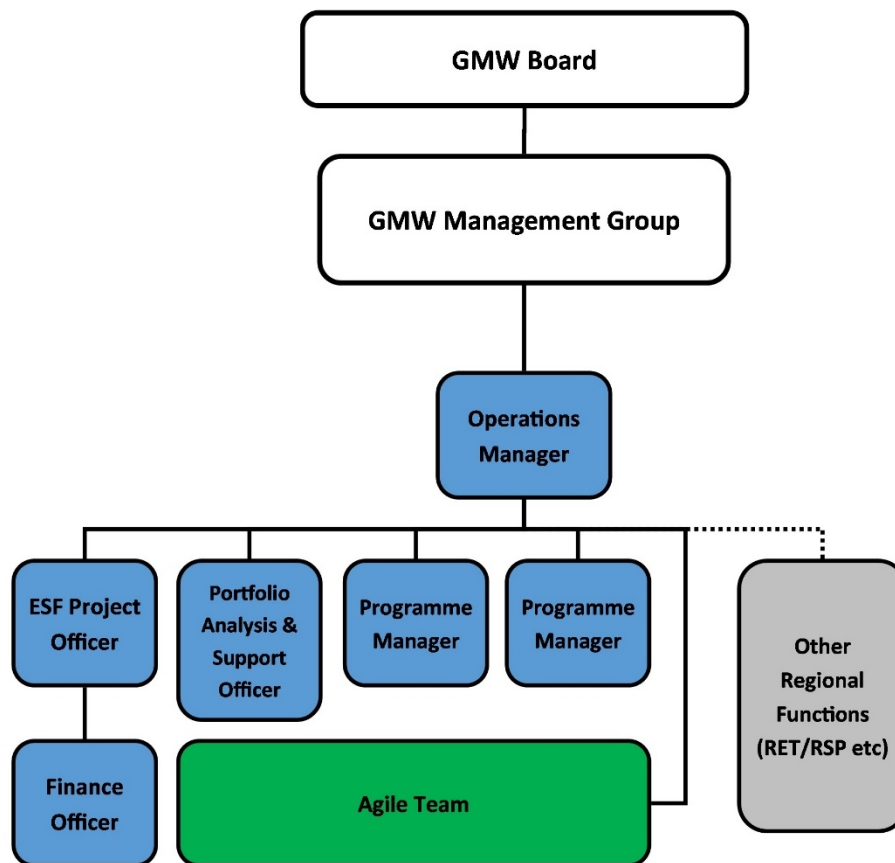
Additional funding is in place within the current ESF project, to support the appointment of additional roles as part of an “agile” team; which will be identified on a case by case basis as the regional work and its needs evolve. This enables secondments from the partnering organisations under the same funding arrangements as the core team. Recruitment to the following posts has been made:

**Energy Lead** - Development, management and delivery of the regional energy strategy and action plan and overseeing the development of the Local Energy Area Plans for Ceredigion and Powys.

**Communications Officer** - Development and implementation of a communications strategy and plan for Growing Mid Wales to include Growth Deal and wider regional activity.

In addition, a Regional Energy Officer full funded by Welsh Government has been appointed to facilitate the development of the Local Energy Area Plans and provide support to the wider regional energy work (from March 2023).

The staffing structure of the office will continue to be developed in tandem with the evolving needs of the Growth Deal – and to align with the expectations of both Governments. The chart below shows the current PoMo structure and its fit within the wider Growing Mid Wales organisation ensuring close alignment with the wider regional Vision and Portfolio approach:



### ***Programme Boards***

Where a programme exists, each will have a formal Board and an appointed Senior Responsible Owner (SRO). These boards will 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 Boards will report to the Management Group and escalate to the GMW Board via the Operations Manager.

Programme and ‘thematic-level’ delivery arrangements, including Board details will be confirmed as the Growth Deal business cases are developed.

Programme Boards have been established for the Digital Programme and Sites & Premises Programme – the latter in shadow format until the draft Programme Business Case has been developed and approved by GMW Board along with formalisation of Board.

Programme Boards	
Core Membership	
Role	Function
Lead / SRO	<ul style="list-style-type: none"> <li>Appointed by the Growing Mid Wales Management Group</li> </ul>
Deputy SRO	<ul style="list-style-type: none"> <li>Appointed by the Growing Mid Wales Management Group</li> </ul>
Programme Manager	<ul style="list-style-type: none"> <li>Programme Manager within PoMO</li> </ul>
Partner Representatives	<ul style="list-style-type: none"> <li>Representatives for the Mid Wales Growth Deal Partners</li> </ul>
Non-Core Members (may occasionally attend Board)	
Role	Function
PoMO	<ul style="list-style-type: none"> <li>Operations Manager</li> </ul>
Strategic Lead Officers	<ul style="list-style-type: none"> <li>As required</li> </ul>
Partner Representatives	<ul style="list-style-type: none"> <li>Invited at the discretion of the SRO for specific agenda items</li> </ul>
Regional Skills Partnership	<ul style="list-style-type: none"> <li>Invited at the discretion of the SRO for specific agenda items</li> </ul>
Private Sector Advisory Group	<ul style="list-style-type: none"> <li>Invited at the discretion of the SRO for specific agenda items</li> </ul>
Agenda Specific Attendees	<ul style="list-style-type: none"> <li>Invited at the discretion of the SRO to present specific agenda items.</li> </ul>
Corporate Services	<ul style="list-style-type: none"> <li>Representatives from Corporate Services/Accountable Body as required e.g. Finance, Legal, Procurement.</li> </ul>

## 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. Membership will be determined by the Project Sponsor in line with Growth Deal requirements.

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 Board. Where a project does not naturally sit within a Growth Deal Programme, the Management Group will look to establish project monitoring boards that will provide a mechanism to report back to the PoMO.

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 all parties.

## ***Senior Responsible Owners (SROs)***

SROs will be appointed for each tier of the Portfolio:

- Portfolio
- Programme(s)
- Project(s)

All appointed SROs will need to be appropriately trained and have undertaken the Better Business Cases Foundation training. The programme / project SROs are accountable for each intervention and for ensuring that it meets its objectives and delivers the expected benefits.

Personnel who undertake this role should be able to lead and champion the programme/project and must be empowered to take decisions; for example, whether to delay or stop any part of the projects. SROs must have sufficient seniority and authority to provide leadership to the strategic portfolio and take on accountability for delivery.

The day-to-day leadership of the project may be undertaken by a project director, but this is not an alternative to the SRO role.

## ***Strategic Lead Officer (SLOs)***

SLOs lead on the day-to-day management of the Growth Deal working closely with and in support of the Operations Manager. The role is undertaken on a part-time secondment basis in the form of a senior managers from each of the local authorities. The SLOs sit between the SROs and the Operations Manager,

## ***Programme/project manager(s)***

The programme/project manager is accountable to the senior responsible owner for establishing the governance and management framework and for the day-to-day management of a programme/project, to deliver the outputs and desired outcomes, and realise the required benefits.

## ***Accountable Body***

The Accountable Body is responsible for discharging the Councils' obligations in relation to the MWGD. It agrees to:

- act as the primary interface (on behalf of itself and the other Council) with the Welsh Government, the UK Government 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 Welsh Government, the UK Government (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.

Further detail on the role and function of the Accountable Body is set out in IAA3.



## 4 BETTER BUSINESS CASES: investment decision-making framework

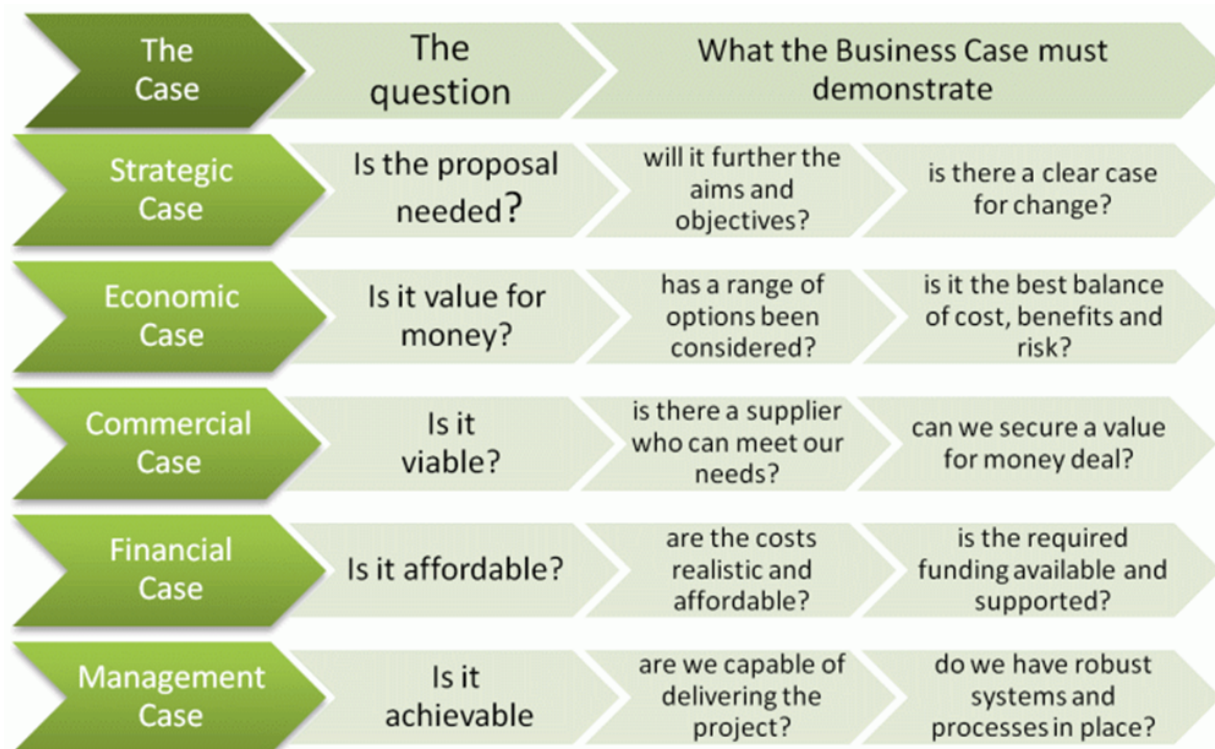
The Growth Deal bid is being developed and delivered on the principles of the Five Case Model (Welsh Government – Better Business Case) – the approach for developing business cases recommended by HM Treasury, the Welsh Government and the UK Office of Government Commerce.<sup>6</sup>

The Five Case Model provides a discipline and structure to arrive at the best possible decision. It can be applied in a wide range of situations and is typically used for major capital schemes that will result in something being built or procured. This business planning process provides a framework for the systematic and holistic development of policies, regulations, organisational strategies, programmes and projects. The process provides synergy and aims to ensure that projects are delivered as part of well-defined programmes in support of organisational strategies and their portfolios, in accordance with clear policies and regulations.

The development of the Portfolio Business Case and the Growth Deal arrangements up to the point of Final Deal Agreement (FDA) has been supported throughout by UK and Welsh Government officials, the WG Assurance Hub and Joe Flanagan.

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 strategic fit, maximise public value, is commercially viable, is affordable and is fundable over time.

The Five Case Model comprises five dimensions and the answers to the following key questions:



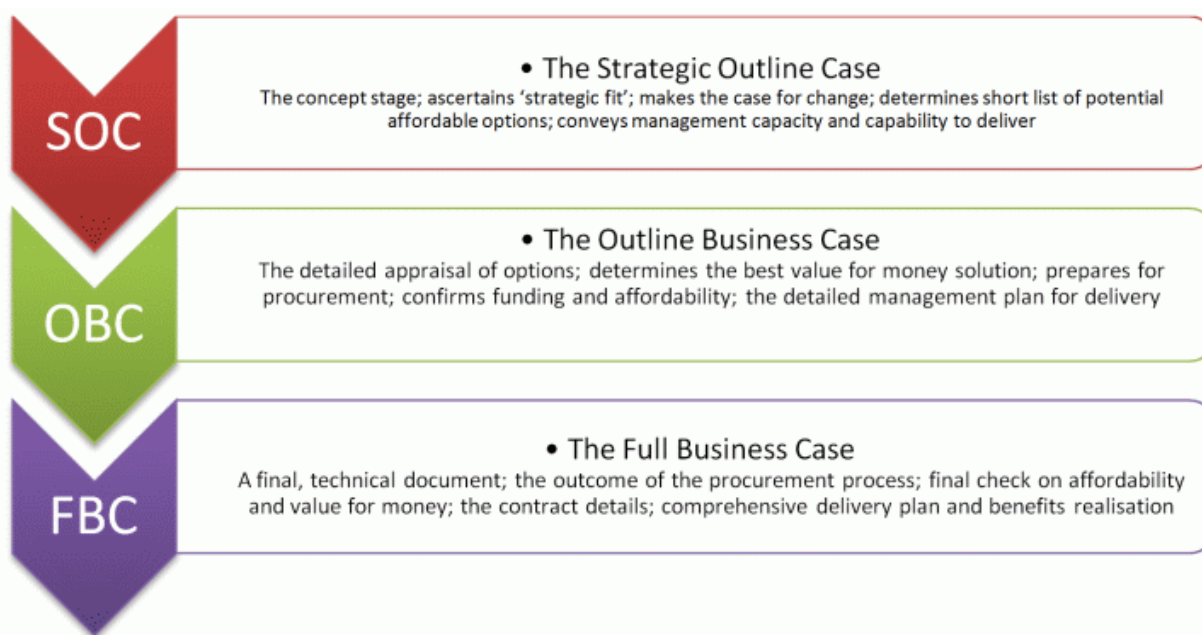
<sup>6</sup> [Better business cases: investment decision-making framework | GOV.WALES](https://gov.wales/better-business-cases-investment-decision-making-framework)



This approach applies to the Portfolio and any Programmes and Projects within, therefore the initial Portfolio Business Case has been developed on these principles. In July 2021 proposals were received detailing potential interventions to refine the scope against the eight Strategic Priority Areas, and define the initial Growth Deal portfolio. Delivery of the portfolio requires the use of different types of business cases:

**Programme Business Cases (PBC)** for delivery of improved services and outcomes in the medium term.

**Project Business Cases** for significant, complex and enabling outputs requiring procurement in the short-term; and the use of the Strategic Outline Case (**SOC**), Outline Business Case (**OBC**) and the Full Business Case (**FBC**) for the development of the Project Business Case over time.



Programmes cover a wider scope of strategic interventions which together have a much greater impact on a region's economy. They take into account not only any potential inter-related projects in scope for funding through the Growth Deal but also wider projects and activities funded through other sources. The Vision is not just about Growth Deal, it is about wider regional interventions to support the growth of the region's economy.

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.

## 4.1 Approvals and Assurance

The PoMO, in consultation with the Welsh Government Assurance Hub, developed an Integrated Assurance and Approval Plan (IAAP) that sets out the approvals and assurance activities that will be undertaken at Portfolio, Programme and Project level for the Mid Wales Growth Deal.

The IAAP will be regularly reviewed – with the GMW Board reserving the right to amend/evolve arrangements as required due to internal review/external review and/or assurance or additional guidance from Governments.

### *Approvals*

The Mid Wales Growth Deal Board will be responsible for the consideration and approval of project and programme business cases within the portfolio; with responsibility for delivery delegated to the relevant programme and project boards.

The region has established its own assessment and approvals/assurance process within this framework which sets out a pathway within the region by which Programmes/Projects are brought forward for development and delivery.

### *Assurance*

The Cabinet Office Gateway Process is the recommended tool and approved standard for programme and project assurance within the public sector. Programme and project assurance are essential, and the Gateway method aligns with the business case development process. Gateway 1 (business justification) must be undertaken prior to the approval of the Strategic Outline Case (SOC); Gateway 2 (Delivery Strategy) prior to the approval of the Outline Business Case (OBC) and Gateway 3 (Investment Decision) prior to the approval of the Full Business Case (FBC).

The Mid Wales Growth Deal will utilise the pre-defined Gateway 0-5 and flexible Project Assessment Reviews (PAR) as appropriate and proportionate.

In addition to the Portfolio IAAP, detailed IAAPs have been 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:

- Portfolio assurance reviews will take place annually with an appropriate timeline agreed, unless requested sooner by the Mid Wales Growth Deal Board, UK or Welsh Government;
- Programme assurance reviews will take place periodically at agreed intervals unless requested sooner by the Mid Wales Growth Deal 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.

Each project or programme business case will be subject to gateway reviews following consideration by the relevant Programme Board. Business cases will only be presented to the Mid Wales Growth Deal Board following endorsement by the relevant Programme Board and the completion of required gateway reviews. The PoMO retains the right to commission external reviews of business cases where required.

## 5 MONITORING & REPORTING

In terms of reporting requirements Project Boards will meet, as a minimum, on a monthly basis. Programme Managers within the PoMO will attend as required, otherwise they will have monthly meetings with the Project Sponsors/SRO – or more as appropriate particularly in the early stages.

A standard report template will be created for projects so that the information provided is consistent, comparable and in a consistent format. This will be used to report into the Programme Boards (or projects monitoring board) who will discuss the development/performance of the Programmes/Projects including issues/risks.

Subsequently summary reports will be provided to the Growing Mid Wales Management Group and presented by the SROs from further discussion/input and recommendations for actions. Further details on timescales are yet to be worked out but potential the Growth Deal papers will be presented bi-monthly with other regional matters tabled at alternative bi-monthly meetings of the Group.

The private sector advisory group, established in 2022, will be consulted with as required to support and provide advice on the development/delivery of the projects.

Reports on the Growth Deal will be presented to the Growing Mid Wales Board (who meet generally on a quarterly basis) providing regular updates and presenting any issues for decision.

To aid with reporting requirements the PoMO will:

- Develop, maintain and monitor a comprehensive performance management system and evaluation framework that will operate at both the corporate level and the project level;
- Ensure that “due diligence” is undertaken on each Growth Deal project;
- Be responsible for the management and co-ordination of the Growth Deal Portfolio, gateway reviews, including performance and financial management of the delivery;
- Provide executive support of new entities created as part of the implementation of the Growth Deal, including the Programme/Project Boards;
- Provide research and analysis on impact and wider benefit realisation, as well as market trends.

### 5.1 Arrangements post approval

As the programmes and projects develop, we will gain a better understanding of the timescales for delivery and potential spend profiles. It is currently anticipated that

expenditure will not be incurred until the latter part of 2023 by which time the PoMO will have developed processes and monitoring requirements. Initial comments on process are below:

Growth Deal Funding Agreements for successful projects, detailing the terms and conditions of the funding including clawback clauses, will be prepared on the basis of the information contained in the Full Business Case to include outputs, milestones, timescales and funding amounts.

Monitoring and claim forms will be developed by the PoMO for completion by projects on a quarterly basis once funding agreements are in place and these will inform reports to the various boards/management group.

Within four weeks of the Funding Agreement being issued the Programme Manager will hold inception meetings to go through the claim and monitoring process, evidence required for claims/outputs etc., and address any queries regarding terms and conditions.

For financial claims the supporting information will be checked to ensure that claims are made against the appropriate costs and that the funds have been defrayed. Spend forecasts will be provided to the Accountable Body on a quarterly basis to enable cash flow managements.

Each Project Sponsor will be responsible for ensuring the right resources are in place for the delivery of the projects. For regional projects where the Mid Wales Growth Deal Board is the Project Sponsor, these resources will be provided from the PoMO.

## 5.2 Programme Monitoring

A detailed Programme Plan will be developed for the Growth Deal in line with the Implementation Plan. This will be jointly developed between the Portfolio Management Office and the Project Sponsors.

The Operations Manager will have day to day responsibility for managing the monitoring and evaluation processes for projects.

Monitoring and evaluation information will be presented to the GMW Board on a quarterly basis by the Operations Manager. This will be in the form of a suite of specified monitoring information submitted on a retrospective basis.

The GMW Board will continually assess the monitoring and evaluation information collected and use it to inform the Vision and future investment proposals and to identify opportunities to achieve enhanced outcomes and impacts.

A dashboard will be used across the Governance Structure to monitor progress across all aspects of the Growth Deal. A RAG (Red, Amber, Green) scale is assigned to programmes and projects by the Operations Manager, acting on advice from the Programme/Project Boards.

This table shows the guidelines used when determining the RAG status, and the action required:

RAG Status	Projects/Programme Status	Action Required
Green	On track for completion within desired timescales	No management action required

<b>Amber</b>	Project may be at risk to meet deadlines if issues are not addressed	Management action is in place by the PoMo and/or senior management to address issues
<b>Red</b>	Project is at risk to miss a schedules completion date	Immediate action is required by senior management and relevant Boards as appropriate to address issues

The GMW Management Group will consider the RAG Dashboard, and advise the Operations Manager which concerns should be escalated to the GMW Board.

Project Sponsors will be responsible for collecting and submitting their monitoring data to the Operations Manager in accordance with a series of pre-agreed timescales, most probably on a quarterly basis.

Once the GMW Board, they will be reported to both Governments – again, on a quarterly basis.

To assess how the Growth Deal is aligning towards the Vision and the strategic outcomes for the region, the Operations Manager will produce an Annual Report on all Growth Deal activity. The template for the Annual Report will be agreed with Government.

Monitoring and evaluation reporting will also be provided to the Accountable Body.

In order to effectively discharge their responsibilities in relation to the programme management of Growth Deal, the Accountable Body monitor information on a pre-determined frequency in support of claims for funding from individual projects. This is determined during the development of the formal Growth Fund Agreements/Memorandums of Understanding for individual projects.

This ensures that the Accountable Body is satisfied that funding is being released appropriately in accordance with contracted arrangements. It also provides the mechanism for the Accountable Body to track the achievements of agreed project activity, spend, milestones, outputs and outcomes.

All programme level reporting in relation to the Growth Deal and its associated projects will follow a clear process as set out in the following model:

## 5.3 Benefits Realisation

Benefits management and benefits realisation is a key component in ensuring the successful delivery of the Mid Wales Growth Deal, and a key role for the PoMO.

A Benefits Realisation Framework/Plan will be developed and monitored at Portfolio level. This will incorporate the forecasted benefits from each programme and project although the programmes and projects will be responsible for its benefits management. Robust information on the proposed benefits will be required and tested as programmes and projects are developed. A benefits realisation plan acts as an overview of the main milestones detailed in each benefit profile. It serves as a management tool to monitor, track and manage the collective set of benefits associated with a programme or project.

A dedicated Monitoring and Evaluation plan with a clear baseline will be developed upfront of Deal delivery.

## 5.4 Risk management and mitigation

As set out in the Strategic Portfolio Business Case – and through a dedicated Portfolio Risk Register (and for each Programme and Project).

## 6 COMMUNICATIONS & ENGAGEMENT

The Mid Wales Growth Deal is supported by a dedicated Portfolio Management Office (PoMO), spanning both Powys and Ceredigion Councils. The PoMO works closely with and alongside other regional functions under the Growing Mid Wales agenda.

A Communications Strategy 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 strategy will apply to the wider regional functions of the Regional Engagement Team and Regional Skills Partnership as well as the Growth Deal.

The Strategy encompasses the following elements:

- Communications Protocol
- Stakeholder Map
- Activity Schedule

In addition a GMW Communications Sub-group has been established to lead on this framework, discuss upcoming events and activity in order to plan communication activity and agree areas of possible joint working across the respective regional teams. A website for Growing Mid Wales was established in Autumn 2020, this website will develop and be added to in a phased approach as required.

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.

A Communications Officer has been appointed within the PoMO to support the communications and engagement activity in support of the Deal's further development and delivery.

## 7 NEXT STEPS (FDA to GRANT AWARD)

The Portfolio Business Case was developed drawing on initial feasibility work and a longlist of 18 potential programmes and projects. This was done with reference to the investment objectives and a set of Critical Success Factors: strategic fit, business needs, social welfare, supply side capacity, affordability, and achievability. This assessment was tested in detail through a stakeholder workshop in July 2021 under the guidance of experienced practitioners.

The assessment resulted in the potential proposals being split into two groups: nine shortlisted on the basis of having the strongest strategic fit and potential to deliver on the strategic objectives of the Growth Deal within a reasonable timeframe, and the remainder on the longlist in reserve. Projects remaining on the longlist at this stage may still develop into investable propositions for the Growth Deal over time. In addition two programmes have been proposed: Digital and Supporting Enterprise.

### 7.1 Board Approval/SPBC Review

Following approval by the Growing Mid Wales Board, the SPBC was submitted to government on 1 October 2021 and subject to an Accounting Officer Review (AOR) with a



report issued early November. Any immediate actions required were addressed and the Final Deal Signed in January 2022.

A Portfolio Assurance Review (PAR) was undertaken in March 2022 and subsequently, as part of the annual assurance of the Mid Wales Growth Deal, a further PAR took place February 2023. The report from this PAR gave the Mid Wales Growth Deal an AMBER/GREEN rating. The report also forms part of the assurance process with Government and supports the release of the Growth Deal funding.

The SPBC, and supporting documents, have subsequently been updated to version 2 and are being presented to GMW Board for approval as part of assurance to Governments that the region is ready to move to the delivery phase of the Growth Deal.

## 7.2 Programme Development

In terms of the programmes there will be two main immediate actions:

- Development, submission and approval of the Programme Business Cases
- Approval for and establishment of the Programme Boards

The Digital Programme is at a more advanced stage than the Sites and Premises therefore a draft Programme Business Case was presented to Board in March 2022. With the addition of resources for the Sites & Premises Programme it is anticipated that a Programme Business Case will be presented to Board c June 2023.

## 7.3 Project Business Case Development

Following the workshop on 30 July 2021 feedback was provided to project sponsors on the projects' current positioning within the Portfolio and issues/concerns raised, and sponsors were urged to continue to develop projects with this feedback in mind. This included those on the 'reserve' list who were encouraged to continue development in case of changes to the Portfolio and should any other funding become available to them.

In October the PoMO contacted all project sponsors, for those on the shortlist, requesting updated information on timescales for development/delivery; resource/capacity; project team/management structure; match funding position (identified/secured). This was important in gauging the current position of the projects and particularly identifying risks in terms of ability to develop the business cases and what support will be required by the project sponsors. Responses were used to update risk registers and provide a clearer understanding of project development timescales.

In 2022 projects were asked to submit their completed SOC's which were received between June and October. An appraisal framework was developed to assess the SOC's with a review team set up comprising members from the Portfolio Management Office and wider GMW team alongside Hatch Ltd, which enabled the appraisals to be conducted independently of the Local Authorities.

In addition to the SOC's a Carbon Assessment form was submitted for each project to provide an early-stage view of carbon impact and encourage projects to consider the decarbonisation agenda at this stage.

A review was also undertaken of skills within the SOC's as a cross-cutting theme, again to provide an early-stage view and enable further consideration and identification of skills opportunities and potential benefits.

The assessments were put forward to the GMW Management Group where the process and outcomes were discussed before taking to the GMW Board for decision. Following Board meetings project sponsors were notified of the decision and provided with a copy of the SOC assessment form in order to provide further detail on how the decision was made and in particular to highlight those areas that need improvement. A workshop has also been held to go through some of those areas and to provide guidance on process and considerations for the next stage of business case development.

Projects on the 'shortlist' will be required to establish Project Boards. As part of the review of the current status of project, sponsors will be required to provide information on membership and/or when they will be established if not already in place.

## 7.4 Portfolio Assurance Reviews

In consultation with Welsh Government Assurance Hub colleagues (and UK Government representatives), a Gateway 0 /PAR review is being arranged for February/March 2022. This will tie in with the further developed detail of programmes and projects being available.

The expectations is then to undertake a Gateway 0 review of the Portfolio on an annual basis as part of our Portfolio assessment. This will provide independent review and provide recommendations on the current performance of the Portfolio and its shortlist of Programmes and Projects.

Should a review of the Portfolio shortlist be required, then a review of the long-list will be undertaken – with a call for potential new projects as part of pipeline development.

A similar process to summer 2021 shortlisting will then be held to review long-list options to bring forward to the short-list, for the GMW Board to consider and approve.

Any potential projects that come forward outside of this cycle will be required to complete a basic pro-forma and subsequently listed on a pipeline database for further consideration when a call is required to update the long-list.

If the Gateway review determines that all programmes/projects are on track then a review of the Portfolio will not be required. However if business cases don't satisfactorily meet requirements then this will be picked up through the assurances reviews with recommendations for actions made to the Growing Mid Wales Board.





<b>Name of Portfolio</b>	Growing Mid Wales		
<b>Version Number</b>	0.6	<b>Last Updated</b>	11/02/22
<b>SRO Name</b>	Eifion Evans/Caroline Turner		
<b>Programme/Project Manager</b>	Cathy Martin (Portfolio)		
<b>RPA - date submitted to IAH</b>	28/07/20	<b>RPA - Outcome</b>	High
<b>WG Major Programme/Project Portfolio</b>	Yes	<b>IAH Ref</b>	

An Integrated Assurance and Approvals Plan is a tool to plan assurance and approval points from discovery to the final stage of delivery of the Programme/Project lifecycle. A Portfolio/Programme/Project should have an IAAP that covers independent assurance reviews.

The UK Government and the Welsh Government are committed to working collaboratively to ensure that both Governments are content with the use of funding for city region and growth deals. A joint Government oversight board, the Welsh Cities and Growth Implementation Board (WCGIB) has been established for this purpose. The WCGIB is accountable for the oversight of the effectiveness of the governance, assurance and programme/project management arrangements at regional delivery level for each city and growth deal. The WCGIB has no role in the delivery of the City & Growth Deal Portfolios.

Both the UK Government and Welsh Government recognise that Programme and Project Management in conjunction with formal assurance approval points helps manage risk and improve delivery confidence. This approach supports all those responsible for successful delivery whilst providing funders and other stakeholders with confidence that the Programme can deliver to time, budget and quality.

Both the UK Government and the Welsh Government require that the Programme Management Office (PMO) for each city and growth deal submit a Risk Potential Assessment Form (RPA) for assessment by the WG Office for Project Delivery for each Portfolio/Programme and Project. An RPA is a mandatory requirement for all Welsh Government funded or part funded Portfolios/Programmes and Projects. Following assessment, the PMO for each city and growth deal is required to submit an Integrated Assurance and Approval Plan (IAAP) to the WCGIB for review.

Implementation of the IAAP by the PMO for each city and growth deal will provide the WCGIB with the foundation of appropriate and proportionate assurance throughout the life of each city and growth deal. It is however, recognised that additional assurance may be necessary at key decision points as required by the WCGIB. This additional assurance may be conducted jointly or separately by the UK and Welsh Governments as circumstances dictate.

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Assurance / Approval / Reporting	Activity/Product	Primary client	Last review date	2022/2023												2023/2024												Comments
				Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	
<b>Governance</b>																												
Sites and Premises 'Shadow' Programme Board - to steer development and delivery of a Programme of activity	Governance Group	GMW Board	Sep-22						x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	Shadow Programme Board established Sep 22 following recruitment of Programme Manager (Aug 22) - Monthly meetings		
Terms of reference	Document	GMW Board	Oct-22							A																Agreed by Programme Board		
Membership	Document	GMW Board	Aug-22					A																		Initial membership agreed August 2022		
GMW Board	Meetings	GMW Board	Dec-22					x																		Update provided to GMW Board Sep 22. Quarterly reporting thereafter.		
Management Group	Meetings	Management Group	Nov-22																							Initial presentation to Management Group Nov 22. Quarterly reporting thereafter.		
Programme Board	Meetings	SRO, PoMO, PB																								Full Programme Board to direct the live programme beyond Programme Definition Stage and PBC approval - Monthly meetings once established.		
Programme Business Case	Live Document	SRO, PoMO, PB																								To be developed in parallel with consultancy work during the Programme Definition Stage, estimated for June 2023.		
<b>Project Level</b>																												
Project Board -	Meetings	SRO, PoMO, PB																								To be established once projects identified.		
Project Business Case -	Live Document	SRO, PoMO, PB																										
Project Board -	Meetings	SRO, PoMO, PB																										
Project Business Case -	Live Document	SRO, PoMO, PB																										
<b>Assurance</b>																												
<b>Programme Level</b>																												
Gateway Process	Risk Potential Assessment	SRO, PoMO, PB																								Light touch as part of Growth Deal PAR Feb 2023 /Governance arrangements. Formal Summer 23 - tbc.		
Programme Implementation Plan	Live document	SRO, PoMO, PB	Sep-22						x																	Currently the Programme Preparation Plan (comprising the Programme Brief and attendant Gantt Plans) to steer the Programme Definition Stage - Quarterly review (minimum)		
Programme Risk Register	Live document	SRO, PoMO, PB	Sep-22						x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	Established Sep 2022. Monthly review		
Benefits Realisation Plan	Live document	SRO, PoMO, PB																								TBC		
Monitoring Evaluation plan	Live document	SRO, PoMO, PB																								TBC		
<b>Project Level</b>																												
Gateway Process	Risk Potential Assessment	SRO, PoMO, PB																								TBC		
Gateway Process	GWR1 or GWR2	SRO, PoMO, PB																								TBC		
Gateway Process	GWR3 or GWR4	SRO, PoMO, PB																								TBC		
Gateway Process	GWR5	SRO, PoMO, PB																								TBC		
Project Business Cases	Live document	SRO, PoMO, PB																								annual review (TBC)		
Project Implementation Plans	Live document	SRO, PoMO, PB																								quarterly review (minimum)		
Project Issues Logs	Live document	SRO, PoMO, PB																								quarterly review (minimum)		
Project Risk Logs	Live document	SRO, PoMO, PB																								quarterly review (minimum)		
Project M&E Plans	Live document	SRO, PoMO, PB																								quarterly review (minimum)		
<b>Audit</b>																												
Internal Audit	GMW Board																									As required		
External Audit	GMW Board																									As required		
Scrutiny	GMW Board																									As required		

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Assurance / Approval / Reporting	Activity/Product	Primary client	Last review date	2022/2023												2023/2024												Comments	
				Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec		
<b>Assurance</b>																													
<b>Governance</b>																													
PMGD/GMW Management Group - to steer development and delivery of the project activity	Governance Group	GMW Board	Jan-22	x	U																								Assessment Framework developed by PMGD and approved by MG June 22
Management Group	Meetings	Management Group	Apr-22			x	x	x	x	x																			SOC assessment to Management Group Apr 22. Chair's report thereafter. OBC to MG in Feb.
GMW Board	Meetings	GMW Board	Sept-22				x	x	x	x																			SOC assessment to Board Sept 22. Quarterly reports thereafter.
Monitoring Board for Stand Alone Projects	Meetings	SRO, PMGO, Programme Board																											To be established 2023
Project Board	Meetings	SRO, PMGO, Project Board																											Indicative Project Board outlined in the SOC, not yet set up. To be established Spring 23.
<b>Approvals</b>																													
Strategic Outline Case (SOC)	Product	SRO, PMGO, PB			U	R	A																						SOC received 27th June, reviewed by SOC review team on 22nd July, to Management Group 4th August, to GMW Board 26th September. RPA form submitted July. A Custom form Agreement to come to OBC.
Outline Business Case (OBC)	Product	SRO, PMGO, PB																											OBC submission due October 23. Re-use assessment to Management Group in Feb, Board in March unless otherwise agreed.
Final Business Case (FBC)	Product	SRO, PMGO, PB																											TBC
<b>Assurance</b>																													
<b>Programme Level</b>																													
NA Stand alone project	Activity	SRO, PMGO, PB																											
<b>Project Level</b>																													
Risk Profile Assessment (RPA) completed	Risk Potential Assessment	SRO, PMGO, PB					U																						Received
RPA and RAMP submitted to MG	Activity	SRO, PMGO, PB					R																						
Gateway Review Scoping/Planning	Activity	SRO, PMGO, PB						x	x	x																			Discussions with Assurance Hub Review team. On submission of OBC.
Gateway Review Process	Activity	SRO, PMGO, PB																											TBC in line with OBC submission
Gateway Review Report/Actions	Activity	SRO, PMGO, PB																											TBC
Project Implementation Plan	Document	SRO, PMGO, PB																											To be established - thereafter quarterly review
Project risk register	Document	SRO, PMGO, PB																											To be established - thereafter quarterly review
Benefits Realisation Plan	Document	SRO, PMGO, PB																											To be established - thereafter quarterly review
Monitoring & Evaluation plan	Document	SRO, PMGO, PB																											To be established - thereafter quarterly review
<b>Audit</b>																													
Internal Audit	Activity	GMW Board																											As required
External Audit	Activity	GMW Board																											As required
Scrutiny	Activity	GMW Board																											As required

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UK Government  
Llywodraeth y DU

## Welsh Cities & Growth Deals Integrated Assurance and Approval Plan



Llywodraeth Cymru  
Welsh Government

Assurance / Approval / Reporting	2022/2023												2023/2024												Comments
	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	
<b>Governance</b>																									
PoMO/GMW Management Group - to steer development and delivery of the Project activity	x	U			x			x			x														Assessment framework developed by PoMO and approved by MG June 22.
Management Group					x			x			x						x					x			SOC assessment to Management Group Aug 22. Quarterly reporting thereafter. OBC to MG May.
GMW Board						x			x			x										x		x	SOC assessment to Board Sep 22. Quarterly reporting thereafter.
Monitoring Board for Stand Alone Projects																									To be established 2023
Project Board																									CAT's Board of Trustees is responsible for the overall strategic direction and oversight of the organisation. Under this project, a new Cynefin Steering Group (CSG) has been established with delegated oversight and responsibility for the project.
<b>Approvals</b>																									
Strategic Outline Case (SOC)			U	R	R	R	A																		SOC received 27th June, reviewed by SOC review team on 22nd July, to Management Group 4th August, to GMW Board 26th September. RPA form & Carbon form received 30th June. Approved to move to OBC.
Outline Business Case (OBC)										x												R	R	R	OBC submission due end of March 23. Review assessment to Management Group in May, Board in June.
Final Business Case (FBC)																									If OBC approved move to FBC circa June 2023
<b>Assurance</b>																									
<b>Programme Level</b>																									
N/A Stand alone project																									
<b>Project Level</b>																									
Risk Profile Assessment (RPA) completed					U																				RPA received 30 June 22
RPA and IAAP submitted to WG					R																				
Gateway Review Scoping/Planning						x	x		x															R	Discussions with Assurance Hub Review team. On submission of OBC.
Gateway Review Process																								R	TBC in line with OBC submission.
Gateway Review Report/Actions																									TBC
Project Implementation Plan																									To be established - thereafter quarterly review
Project risk register																									To be established - thereafter quarterly review
Benefits Realisation Plan																									To be established - thereafter quarterly review
Monitoring & Evaluation plan																									To be established - thereafter quarterly review
<b>Audit</b>																									
Internal Audit																									As required
External Audit																									As required
Scrutiny																									As required

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Assurance / Approval / Reporting	Activity/Product	Primary client	Last review date	2022/2023												2023/2024												Comments
				Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	
<b>Governance</b>																												
PoMO/GMW Management Group - to steer development and delivery of the Projects activity	Governance Group	GMW Board	Jun-22		x	U																					Assessment framework developed by PoMO and approved by MG June 22.	
Management Group	Meetings	Management Group	Aug-22					x																			SOC assessment to Management Group Aug 22. Quarterly reporting thereafter. OBC to MG May.	
GMW Board	Meetings	GMW Board	Sep-22						x																		SOC assessment to Board Sep 22. Quarterly reporting thereafter.	
Monitoring Board for Stand Alone Projects	Meetings	SRO, PoMO, Project Board																									To be established 2023	
Project Board	Meetings	SRO, PoMO, Programme Board	Jul-22																								The outline delivery arrangements (following initial SOC approval) will establish a robust governance framework (Project Board/Steering Group) to ensure successful project delivery. To be established Spring 23.	
<b>Approvals</b>																												
Strategic Outline Case (SOC)	Product	SRO, PoMO, PB	Jul-22			U	R	R	R	A																	SOC received 27th June, reviewed by SOC review team 22nd July, to Management Group on 4th August, to GMW Board 26th September. RPA form & Carbon form also received on 30th June. Approved to OBC.	
Outline Business Case (OBC)	Product	SRO, PoMO, PB																									OBC submission due end of March 23. Review assessment to Management Group in May, Board in June.	
Final Business Case (FBC)	Product	SRO, PoMO, PB																									If OBC approved move to FBC circa June 2023	
<b>Assurance</b>																												
<b>Programme Level</b>																												
N/A Stand alone project	Activity	SRO, PoMO, PB																										
<b>Project Level</b>																												
Risk Profile Assessment (RPA) completed	Risk Potential Assessment	SRO, PoMO, PB	Jul-22					U																			RPA received 30 June 22	
RPA and IA submitted to WG	Activity	SRO, PoMO, PB						R																				
Gateway Review Scoping/Planning	Activity	SRO, PoMO, PB							x	x																	Discussions with Assurance Hub Review team. On submission of OBC.	
Gateway Review Process	Activity	SRO, PoMO, PB																									TBC in line with OBC submission.	
Gateway Review Report/Actions	Activity	SRO, PoMO, PB																									TBC	
Project Implementation Plan	Document	SRO, PoMO, PB																									To be established - thereafter quarterly review	
Project risk register	Document	SRO, PoMO, PB																									To be established - thereafter quarterly review	
Benefits Realisation Plan	Document	SRO, PoMO, PB																									To be established - thereafter quarterly review	
Monitoring & Evaluation plan	Document	SRO, PoMO, PB																									To be established - thereafter quarterly review	
<b>Audit</b>																												
Internal Audit	Activity	GMW Board																									As required	
External Audit	Activity	GMW Board																									As required	
Scrutiny	Activity	GMW Board																									As required	

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UK Government  
Llywodraeth y DU

## Welsh Cities & Growth Deals Integrated Assurance and Approval Plan



Llywodraeth Cymru  
Welsh Government

Assurance / Approval / Reporting	Activity/Product	Last review date	2022/2023												2023/2024												Comments
			Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	
<b>Governance</b>																											
PoMO/GMW Management Group - to steer development and delivery of the Projects activity	Governance Group	Jun-22	x	U																						Assessment framework developed by PoMO and approved by MG June 22.	
Management Group	Meetings	Aug-22				x			x																	SOC assessment to Management Group Aug 22. Quarterly reporting thereafter. Re-submitted SOC to MG in Sept.	
GMW Board	Meetings	Sep-22					x			x																SOC assessment to Board Sep 22. Then Sep 23. Quarterly reporting thereafter.	
Monitoring Board for Stand Alone Projects	Meetings																									To be established 2023	
Project Board	Meetings					x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	Montgomery Canal Restoration Project Board (MCRPB) established - Terms of Reference within the SOC's schedule.	
<b>Approvals</b>																											
Strategic Outline Case (SOC)	Product	Jul-22		U	R	R	x																			SOC received 27th June, reviewed by SOC review team 22nd July, to Management Group 4th August, to GMW Board 26th September. RPA form & Carbon form received 30th June. Not approved to OBC, re-submit SOC, due end of July.	
Outline Business Case (OBC)	Product																									TBC	
Final Business Case (FBC)	Product																									TBC	
<b>Assurance</b>																											
<b>Programme Level</b>																											
N/A standalone project	Activity																										
<b>Project Level</b>																											
Risk Potential Assessment (RPA) completed	Risk Potential Assessment	Jul-22				U																				RPA received 30 June 22	
RPA and MAP submitted to WG	Activity					R																					
Gateway Review Scoping/Planning	Activity						x	x		x																Discussions with Assurance Hub Review team. On submission of OBC.	
Gateway Review Process	Activity																									TBC in line with OBC submission.	
Gateway Review Report/Actions	Activity																									TBC	
Project Implementation Plan	Document																									To be established - thereafter quarterly review	
Project risk register	Document																									To be established - thereafter quarterly review	
Benefits Realisation Plan	Document																									To be established - thereafter quarterly review	
Monitoring & Evaluation plan	Document																									To be established - thereafter quarterly review	
<b>Audit</b>																											
Internal Audit	Activity																									As required	
External Audit	Activity																									As required	
Scrutiny	Activity																									As required	

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## Welsh Cities & Growth Deals

### Integrated Assurance and Approval Plan

Assurance / Approval / Reporting	Activity/Product	Primary client	Last review date	2022/2023												2023/2024												Comments									
				Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar										
<b>Governance</b>																																					
PoMO/GMW Management Group - to steer development and delivery of the Projects activity	Governance Group	GMW Board	Jun-22	x	U																															Assessment framework developed by PoMO and approved by MG June 22.	
Management Group	Meetings	Management Group	Aug-22				x			x																										SOC assessment to Management Group Aug 22. Quarterly reporting thereafter. OBC to MG Sep.	
GMW Board	Meetings	GMW Board	Sep-22					x																												SOC assessment to Board Sep 22. Quarterly reporting thereafter.	
Monitoring Board for Stand Alone Projects	Meetings	SRO, PoMO, Project Board																																		To be established 2023	
Project Board	Meetings	SRO, PoMO, Programme Board																																		The University's Executive group have discussed the project on a number of occasions and have established a Management Board and an Oversight Group to monitor and report on progress.	
<b>Approvals</b>																																					
Strategic Outline Case (SOC)	Product	SRO, PoMO, PB	Jul-22		U	R	R	A																											SOC received 27th June, reviewed by SOC review team 22nd July, to Management Group 4th August, to GMW Board 26th September. RPA received 11th July/ Carbon form received 30th June. Approved to move to OBC.		
Outline Business Case (OBC)	Product	SRO, PoMO, PB																																		OBC due end of July 2023. Review assessment to Management Group in Sep, Board in Sep.	
Final Business Case (FBC)	Product	SRO, PoMO, PB																																		TBC	
<b>Assurance</b>																																					
<b>Programme Level</b>																																					
N/A stand alone project	Activity	SRO, PoMO, PB																																			
<b>Project Level</b>																																					
Risk Profile Assessment (RPA) completed	Risk Potential Assessment	SRO, PoMO, PB	Jul-22				U																													RPA received 11 July 22	
RPA and RPP submitted to WG	Activity	SRO, PoMO, PB					R																														
Gateway Review Scoping/Planning	Activity	SRO, PoMO, PB						x	x																												Discussions with Assurance Hub Review team. On submission of OBC.
Gateway Review Process	Activity	SRO, PoMO, PB																																			TBC in line with OBC submission.
Gateway Review Report/Actions	Activity	SRO, PoMO, PB																																			TBC
Project Implementation Plan	Document	SRO, PoMO, PB																																			To be established - thereafter quarterly review
Project Register	Document	SRO, PoMO, PB																																			To be established - thereafter quarterly review
Benefits Realisation Plan	Document	SRO, PoMO, PB																																			To be established - thereafter quarterly review
Monitoring & Evaluation plan	Document	SRO, PoMO, PB																																			To be established - thereafter quarterly review
<b>Audit</b>																																					
Internal Audit	Activity	GMW Board																																			As required
External Audit	Activity	GMW Board																																			As required
Scrutiny	Activity	GMW Board																																			As required

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## Welsh Cities & Growth Deals

### Integrated Assurance and Approval Plan

Assurance / Approval / Reporting	Activity/Product	Primary client	Last review date	2022/2023												2023/2024												Comments
				Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	
<b>Governance</b>																												
PoMO/GMW Management Group - to steer development and delivery of the Projects activity	Governance Group	GMW Board	Jun-22	x	A																							Assessment framework developed by PoMO and approved by MG June 22.
Management Group	Meetings	Management Group	Aug-22						x																			SOC assessment to Management Group Aug 22. Quarterly reporting thereafter. Re-submitted SOC to MG in Sept.
GMW Board	Meetings	GMW Board	Sep-22							x																		SOC assessment to Board Sep 22. Then Sep 23. Quarterly reporting thereafter.
Monitoring Board for Stand Alone Projects	Meetings	SRO, PoMO, Project Board																										To be established 2023
Project Board	Meetings																											The project would fit into the existing governance arrangements/framework. Details to be confirmed.
<b>Approvals</b>																												
Strategic Outline Case (SOC)	Product	GMW Bd, SRO, PoMO, PB	Oct-22						R	R	R																	SOC received 7 Oct, reviewed by SOC review team on 21 Oct, to Management Group 11 Nov, to GMW Board 8 Dec. RPA & Carbon form rec'd 27 July. Not approved to OBC, to re-submit SOC. Due May 23.
Outline Business Case (OBC)	Product	SRO, PoMO, PB																										TBC
Final Business Case (FBC)	Product	SRO, PoMO, PB																										TBC
<b>Assurance</b>																												
<b>Programme Level</b>																												
N/A Stand alone project	Activity	SRO, PoMO, PB																										
<b>Project Level</b>																												
Risk Profile Assessment (RPA) completed	Risk Potential Assessment	SRO, PoMO, PB	Jul-22																									TBC
RPA and IAP submitted to WG	Activity	SRO, PoMO, PB																										TBC
Gateway Review Scoping/Planning	Activity	SRO, PoMO, PB																										
Gateway Review Process	Activity	SRO, PoMO, PB																										
Gateway Review Report/Actions	Activity	SRO, PoMO, PB																										Discussions with Assurance Hub Review team. On submission of OBC.
Project Implementation Plan	Document	SRO, PoMO, PB																										TBC in line with OBC submission.
Project risk register	Document	SRO, PoMO, PB																										TBC
Benefits Realisation Plan	Document	SRO, PoMO, PB																										To be established - thereafter quarterly review
Monitoring & Evaluation plan	Document	SRO, PoMO, PB																										To be established - thereafter quarterly review
<b>Audit</b>																												
Internal Audit	Activity	GMW Board																										As required
External Audit	Activity	GMW Board																										As required
Scrutiny	Activity	GMW Board																										As required

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## Welsh Cities & Growth Deals

### Integrated Assurance and Approval Plan

Assurance / Approval / Reporting	Activity/Product	Primary client	Last review date	2022/2023												2023/2024												Comments
				Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	
<b>Governance</b>																												
PoMO/GMW Management Group - to steer development and delivery of the Projects activity	Governance Group	GMW Board	Jun-22		x	A																					Assessment framework developed by PoMO and approved by MG June 22.	
Management Group	Meetings	Management Group	Aug-22																								SOC due end of June. SOC assessment to Management Group Sep 23. Quarterly reporting thereafter.	
GMW Board	Meetings	GMW Board	Sep-22																								SOC assessment to Board Sep 23. Quarterly reporting thereafter.	
Monitoring Board for Stand Alone Projects	Meetings	SRO, PoMO, Project Board																									To be established 2023	
Project Board	Meetings																										Advisory Group currently in place.	
<b>Approvals</b>																												
Strategic Outline Case (SOC)	Product	GMW Bd, SRO, PoMO, PB	Oct-22																								Project moving from feasibility to SOC, due June 23.	
Outline Business Case (OBC)	Product	SRO, PoMO, PB																									TBC	
Final Business Case (FBC)	Product	SRO, PoMO, PB																									TBC	
<b>Assurance</b>																												
<b>Programme Level</b>																												
N/A Stand alone project	Activity	SRO, PoMO, PB																										
<b>Project Level</b>																												
Risk Profile Assessment (RPA) completed	Risk Potential Assessment	SRO, PoMO, PB	Jul-22																								TBC	
RPA and <del>Plan</del> submitted to WG	Activity	SRO, PoMO, PB																									TBC	
Gateway Review Scoping/Planning	Activity	SRO, PoMO, PB																										
Gateway Review Process	Activity	SRO, PoMO, PB																										
Gateway Review Report/Actions	Activity	SRO, PoMO, PB																									Discussions with Assurance Hub Review team. On submission of OBC.	
Project Implementation Plan	Document	SRO, PoMO, PB																									TBC	
Project risk register	Document	SRO, PoMO, PB																									To be established - thereafter quarterly review	
Benefits Realisation Plan	Document	SRO, PoMO, PB																									To be established - thereafter quarterly review	
Monitoring & Evaluation plan	Document	SRO, PoMO, PB																									To be established - thereafter quarterly review	
<b>Audit</b>																												
Internal Audit	Activity	GMW Board																									As required	
External Audit	Activity	GMW Board																									As required	
Scrutiny	Activity	GMW Board																									As required	

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

## **COMMUNICATIONS STRATEGY**

**Version: 7.6**  
**Updated 15/02/23**

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## Appendices

### Appendix A – Brand Guidelines

### Appendix B – Communications Action Plan template

## 1. INTRODUCTION

### 1.1. Growing Mid Wales Partnership

The Growing Mid Wales Partnership comprises representative bodies and key stakeholders from across the private, public, and voluntary sector in Mid Wales. It was established in 2015 to provide the leadership and vision to drive regional growth and prosperity in Mid Wales, through:

- Achieving improved economic outcomes across the region by working in partnership
- Leading the region's collaborative approach to economic development
- Agreeing priorities for jobs and economic growth in the region and
- Providing a strong voice for the predominantly rural regional economy in Mid Wales.

Membership includes representatives from manufacturing, agriculture and tourism businesses, Higher and Further Education providers, Welsh Government, Ceredigion County Council and Powys County Council.

### 1.2. A Vision for Growing Mid Wales and a Regional Growth Deal

Mid Wales faces a significant productivity challenge with Gross Value Added (GVA) and productivity levels amongst the lowest in the UK and has a declining graduate and working age population. However, it has significant strengths in its business assets (agriculture, food, tourism, manufacturing, and defence), its natural assets (outstanding natural landscape), and its human capital (high levels of educational attainment)<sup>2</sup>.

The rationale for investing in the Mid Wales economy is clear. Addressing and reversing these trends will require significant intervention through a clear and credible package of investments as part of a single and joined up vision, with a commitment between all the partners to work together collaboratively for a common purpose.

The partnership has identified its 5 key outline priorities for growth<sup>1</sup>:

- Diversifying the region's economic base
- Supporting and strengthening existing businesses
- Creating new and high-quality job opportunities
- Developing workforce skills
- Improving communications, accessibility & infrastructure

Building on these priorities, the partnership has undertaken an extensive programme of work to help inform a vision for regional growth. The strategic review of the region's economy by AECOM<sup>2</sup> helped to start frame and progress discussions with key stakeholders, including extensive engagement with the private sector through:

- A series of engagement workshops on general and specific thematic areas and specific groups (throughout early 2019)
- Continuing, and extensive engagement with key businesses and stakeholders (locally/regionally & further afield) and across wider sectors.

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<sup>1</sup> Growing Mid Wales Partnership (2016) Framework for Action: To grow productivity, innovation and jobs across Mid Wales

<sup>2</sup> AECOM (2019) Strategic Economic Priorities for Mid Wales

The partnership has also been active in addressing the governance and management considerations around implementing a regional vision of growth, by:

- Developing and strengthening regional governance structures to provide robust leadership and accountability for strategic direction and outcomes.
- Working to ensure a strong private sector voice to support, advice, and challenge.

This work culminated in the development and publication of the '[Vision for Growing Mid Wales – Strategic Economic Plan & Growth Deal Roadmap](#)' in May 2020. This regional vision document was formally approved by the Growing Mid Wales Board, and officially submitted to both UK and Welsh Governments supporting the region's bid for a Growth Deal for Mid Wales.

This Strategic Economic Plan plays a key role in outlining a clear vision of how we want to see the economy of Mid Wales develop for the next 15 years.

Our aim 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"

Through collaborative and integrated working, we will build on our unique assets to ensure that the region's economy is recognised by the following characteristics:



**ENTERPRISING** - Open for business, new and old. A place to start and grow enterprise to enhance regional productivity with a good quality of life



**SKILLED** - A skilled and flexible labour market supported by academic and vocational learning that responds to industry demands that reverses current population trends.



**INNOVATIVE** - A test bed for innovation, developing new products and processes capitalising on existing research and industry strengths and creating new/strengthening existing industrial clusters.



**CONNECTED** - A fully connected region, unlocking its economic potential driving business growth and innovation and improving social and labour mobility.



**PRODUCTIVE** - A strong, productive economy providing the right conditions for business to generate better quality, higher paid jobs alongside better employment opportunity.



**PROSPEROUS** - A regional economy that is rooted in fairness and equality of opportunity with accessible training and employment pathways.



**DISTINCTIVE** - A region with a unique natural and cultural landscape & heritage, offering an exceptional quality of life and potential to lead UK decarbonisation and clean growth.

Eight Strategic Growth Priorities were identified within the Vision economic plan which focus on the main strengths and opportunities to improve the economy of Mid Wales:



Delivering our ambitions and meeting our economic potential will mean significant investment in growing the size and productivity of our economy – funded through a mix of programmes and projects.

The **Mid Wales Growth Deal** is one part of this jigsaw, and a crucial component to catalyse and enable investment as part of a broader economic plan. However, the Vision cannot be achieved with the Growth Deal alone, strong partnerships, forging links across the region and taking advantage of other funding opportunities are an essential part of the wider approach.

### 1.3. Mid Wales Regional Teams:

Growing Mid Wales has three regional teams in place to ensure the development and delivery of the Vision for Growing Mid Wales, including the Mid Wales Growth Deal. While each team undertakes a specific function, they all work closely together to ensure alignment and integration of work across the region.

#### **Mid Wales Regional Engagement Team (RET)**

The RET works across all sectors to ensure the effective participation and success of European Union funded investments - adding value to existing and planned investments within the context of established and emerging regional and thematic activities and opportunities. The team delivers the strategy, planning and engagement functions to deliver the Vision for Mid Wales.

The RET includes Mid Wales Transportation (TraCC). TraCC encompasses the local authorities of Powys, Ceredigion and the Meirionnydd district of Gwynedd. The region also includes parts of the Brecon Beacons and Snowdonia National Parks. TraCC brings together the highways and public transport functions of the three local authorities to provide specific regional solutions to local integrated transport issues. TraCC assists the Welsh Government in delivering its national integrated transport policies on a regional basis and identifies priorities for future investment in collaboration with partners.

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

The PoMO is responsible for the development and delivery of a regional collaborative work programme (Portfolio) to help realise the Mid Wales Growth Deal and wider Vision for Growing Mid Wales. The Growth Deal is a capital programme supported with funding from UK and Welsh Governments to aid economic recovery and growth to support job creation and increase productivity and wider societal and environmental ambitions.

#### **Mid Wales Regional Skills Partnership (RSP)**

The RSP is a primarily business led partnership which works with business leaders,

partners and stakeholders across the region to understand the skills provision and labour market needs, in order to drive investment that meets the requirements of both employers and workforce. The RSP bridges the gap between education and regeneration to create a strong and vibrant economy underpinned by innovation, growth and a capable workforce.

#### 1.4. Mid Wales Growth Deal

The Mid Wales Growth Deal is supported by a combined commitment of £110 million from Welsh and UK Governments with the initial Heads of Terms signed in December 2020 and the Final Deal Agreement signed by the Welsh Government, UK Government and the region’s local authorities, Ceredigion County Council and Powys County Council in January 2022. The Agreement demonstrates a commitment by both governments and the local authorities to work together to deliver a deal to support the economy of the region.

The Growth Deal is being delivered as a Portfolio comprising 2 Programmes (Digital and Sites & Premises) and a shortlist of 9 stand-alone projects. In 2022, the initial Strategic Outline Business Cases were submitted for assessment and six projects given the mandate to progress to the development of Outline Business Cases within 2023. Further Strategic Outline Cases are also due to be submitted in 2023 alongside further development of Programme Business Cases.

In 2023 the key milestone for the Growth Deal is the unlocking of the capital funding to begin delivering the project proposals within the Portfolio. This will involve updating and approval of the Strategic Portfolio Business Case which sits behind the projects and programmes and going through an assurance review to ensure our governance and management process are robust.

#### 1.5. Growing Mid Wales Partnership: SWOT Analysis

STRENGTHS	WEAKNESSES
<ul style="list-style-type: none"> <li>• <i>High level of political support</i></li> <li>• <i>Multi-agency partnership</i></li> <li>• <i>Collective experience and expertise across partner agencies</i></li> <li>• <i>Final Deal Agreement of the Mid Wales Growth Deal signed</i></li> <li>• <i>Contribution towards local, regional, and national economic development objectives</i></li> <li>• <i>Development of new approach to partnership working</i></li> <li>• <i>Regional governance arrangements, including established Economic Advisory Group and new Regional Skills Partnership</i></li> </ul>	<ul style="list-style-type: none"> <li>• <i>Low level of public awareness of Growing Mid Wales</i></li> <li>• <i>Structures/protocols for both Local Authorities, Powys and Ceredigion, need to be considered and adhered to.</i></li> </ul>



<ul style="list-style-type: none"> <li>• <i>Regional Portfolio Management Office in place</i></li> <li>• <i>Mid Wales RSP established, and team is growing with new officers in post.</i></li> <li>• <i>Growing Mid Wales Communications Officer in post</i></li> </ul>	
<p><b>OPPORTUNITIES</b></p> <ul style="list-style-type: none"> <li>• <i>Implement private sector investment strategy</i></li> <li>• <i>Increase engagement opportunities</i></li> </ul>	<p><b>THREATS</b></p> <ul style="list-style-type: none"> <li>• <i>Lack of private sector engagement</i></li> <li>• <i>Lack of wider awareness of partnership and regional working</i></li> <li>• <i>Lack of understanding of economic development policy</i></li> <li>• <i>Uncertain policy landscape – potential for significant changes due to Brexit and economic impact post-coronavirus, inflationary pressures.</i></li> <li>• <i>Uncertain funding landscape</i></li> </ul>

## 2. STRATEGY

### 2.1. Purpose

The principal purpose of this document is to provide an overarching strategic framework to govern and direct all communications activity relating to the work of Growing Mid Wales and achieving the ambitions outlined in *The Vision for Growing Mid Wales*.

This framework will apply to the following regional functions:

- Mid Wales Regional Engagement Team (RET)
- Mid Wales Transportation (TraCC)
- Mid Wales Portfolio Management Office (PoMO)
- Mid Wales Regional Skills Partnership (RSP)

Supporting documents will sit underneath the framework, such as Brand Guidelines. Each individual regional function will produce their own respective communication plans following the Communications Action Plan template (Appendix B). All communication activity will be planned, prepared, and documented through a live spreadsheet managed by the Growing Mid Wales (GMW) Communications Officer.

Ensuring effective communications for the work of Growing Mid Wales and the wider partnership will be crucial to:

- help us achieve our overall objectives
- engage effectively with stakeholders
- demonstrate the success of our work
- ensure people understand what we do
- change behaviour and perceptions where necessary.

Our aim is to produce timely communications to stakeholders. The regional managers will have regular meetings to keep the GMW Communications Officer and the Growing Mid Wales Communication sub-group informed of activities.

## 2.2. Objectives

Our communications activity should ascribe to the following objectives:

- To raise the profile and awareness of the Growing Mid Wales Partnership and its ambition.
- To raise awareness and effectively communicate the aims and objectives of the Mid Wales regional Vision to key stakeholders and the general public.
- To raise awareness and effectively communicate the work of the Growing Mid Wales teams.
- To inform key stakeholders of progress towards achieving the Mid Wales Growth Deal.
- To highlight the distinct opportunities and strengths of the Mid Wales region and partnership approach.
- To ensure strong and consistent engagement with key stakeholders in the delivery of the vision for growth (incl. considering specific provisions for engaging with the private sector).
- To ensure wide ranging support for the Partnership's objectives and ensure backing for a Growth Deal proposition.
- To improve communication and partnership working within the Growing Mid Wales Partnership and with external stakeholders.
- To further develop our collaborative approach and consensus on shared priorities across the private, voluntary, and public sectors.
- Encourage, via the participation of all people living in and working in Mid Wales, to unlock the potential in our economy.
- To set up different communication methods to ensure stakeholders are being reached in as many ways possible when disseminating Growing Mid Wales news by setting up different communication methods, utilising a range of platforms and creating appropriate literature.
- To ensure all communications activity is planned and recorded allowing for metrics to be used to inform evaluations and to measure success.

## 2.3. Key Messages

These are the key messages that are applicable to all audiences (i.e. our main messages). More nuanced sub-messages for specific audiences are identified as part of section 3 (audience mapping):

- **Leadership:** providing cross-sector leadership and vision to drive regional growth and prosperity in Mid Wales.
- **Common purpose:** a commitment between all the partners to work together collaboratively for a common purpose.
- **Ambition:** “An enterprising and distinctive region delivering economic growth driven by innovation, skills, connectivity and more productive jobs supporting prosperous and bilingual communities”

- **Inclusive:** Strong cross-sector voice in the development and shaping of priorities. Specifically with the private sector, multiple channels and platforms established and developing to ensure continued advice and challenge to ensure vision reflects regional business reality.
- **Catalyst:** The Growth Deal will not be the sole intervention to support the aims and objectives of the wider vision for the region. The prioritised set of key interventions that will feature in the Growth Deal will play a vital enabling role in unlocking and attracting further investment across the broader public, private and third sectors to fully realise the vision for regional growth.
- **Long-term vision:** The region is working hard to demonstrate the case for investment in partnership with both Governments to ensure swift progress on securing a Growth Deal and securing wider growth priorities. Whilst the planning timeframe for interventions are long-term (10 to 15 years) – interventions will be realised at different timescales.

## 2.4. Tactics

- To ensure regular, frequent messaging is planned, created, and disseminated on team developments/achievements to range of stakeholders.
- To ensure the Growing Mid Wales website is up to date and readable.
- Production of a monthly Newsletter.
- Business News Wales proposal: this includes podcasts, online discussions, columns, and features that will be part of new mid Wales section Business News Wales are planning to set up on their website and weekly newsletter.
- To consider the setup of extra social media channels such as Facebook and Instagram to raise awareness of Growing Mid Wales with the public and increase followers.
- Establish a database to log all planned and published communication activities across all channels and to record metrics on published communication, including social media activity.
- Establish a list of stakeholders contact details and keep up to date by reviewing every quarter.
- Create a media library specific for Growing Mid Wales use.

## 2.5. Communication Principles

Throughout our communication activity we should endeavour to ensure it aligns to the following principles:

- Communicating clear and consistent messages; promoting Mid Wales' distinctive strengths and key propositions set against the identified priorities (Vision).
- Continually developing and strengthening links with strategic businesses and networks to inform, shape and deliver regional priorities.
- Managing relationships with key stakeholders and decision makers nationally, regionally and locally.
- Improving the perception and image of the Mid Wales region for supporting work and enabling investment.
- Using clear and consistent branding and accessibility of communications.
- Communicating the successful progress of partnership interventions/achievements.
- Agreeing high-level outcomes for a rolling summary of performance.

- Measuring the effectiveness of all communications actions – Action Plans for website, newsletter, tweets, PR, Business News Wales communication activity, publications, events, Ministerial visits.

## **2.6. Resources**

This section identifies the internal and external resources (financial, staff and assets/facilities) which are needed to support the implementation of the Communications Strategy.

Staff:

- Chairpersons
- Chief Executives & Senior Officers
- Leaders
- Local Authority Communications Teams (x2)
- Regional Teams – PoMO, RET, RSP
- GMW Communications Officer

Financial:

- Dedicated central budget for communications activity in addition to regional teams having their respective budgets, as do individual Local Authority Communications Teams.

Assets:

- Growing Mid Wales pop-ups
- Growing Mid Wales website
- Growing Mid Wales social media channels
- Business News Wales contract

## **2.7. Roles and Responsibilities**

Portfolio Senior Responsible Owners

- To lead on any communications and engagement activity of a political nature
- To have final sign off of main communications activity

Growth Deal Strategic Lead Officers

- To act as lead officers for communications activity related to the work of Growing Mid Wales
- To provide managerial oversight of the work of the Growing Mid Wales Communications Sub-Group, ensuring the function meets its aims and objectives, and provide direction where appropriate
- To ensure any relevant work or issues arising from the Growing Mid Wales Communications Sub-group is reported to the Portfolio Senior Responsible Owners where appropriate
- To ensure the work of the GMW Communications Sub-group is reported into the GMW Management Group, and to take any issues arising back to the sub-group

Growing Mid Wales Management Group

- To oversee the development and maintenance of a co-ordinated regional communications framework that align all aspects of regional work

- To oversee the Communications Strategy for the Mid Wales Growth Deal

#### Growing Mid Wales Communications Officer

- To lead on the development and operation of the GMW Communications Strategy.
- To lead, develop and operate a Communications Plan, Brand Guidelines and other communications related documents liaising with appropriate stakeholders.
- To prepare, develop and lead on GMW Brand Guidelines, overseeing compliance.
- Manage and maintain relationships with key stakeholders ensuring all communication is aligned with the Growing Mid Wales vision.
- Work with the press and media in Mid Wales and nationally to increase reputation and awareness of Growing Mid Wales and the Mid Wales Growth Deal.
- To work with each team within Growing Mid Wales and the GMW Communications sub-group to deliver effective communication in a timely manner.
- To create, maintain and review written and video content for social media platforms and the website.
- To creating and deliver communication and marketing resources such as newsletters.
- To assist in delivering key events, including media interviews or public events.

#### Ceredigion County Council

- To act as lead Local Authority for all Communications activity relating to Growing Mid Wales and the Mid Wales Growth Deal

#### Local Authority Press Offices

- To work with the Growth Deal Strategic Lead Officers, the GMW Communications Officer and the respective regional team leaders to respond to any press enquiries related to Growing Mid Wales
- To work with the Growth Deal Strategic Lead Officers, GMW Communications Officers and the respective regional team leaders to produce press releases to any press enquiries related to Growing Mid Wales
- To work with and support the communication activities of the regional functions where appropriate
- To attend GMW Communications Sub-group and provide comment on planned communications activity

#### Regional Teams

- To lead on the individual communication action plans/strategies for their respective regional functions
- Identify appropriate news items that can be disseminated under the Growing Mid Wales Communications banner
- Attend Growing Mid Wales Communications Sub-Group in order to share communications activity and identify potential areas of joint working
- To provide comment on any relevant communications activity, including press releases, for the Communications Teams

#### Portfolio Management Office

- To lead on activity in relation to the Mid Wales Growth Deal including partner and stakeholder engagement
- To act as the primary point of contact for UK and Welsh Government

- To ensure any communications / publicity material correctly acknowledges the support of funding bodies in line with guidelines
- To ensure stakeholders are consulted with as required, e.g., Welsh/UK Government, with regards to publicity relating to the Mid Wales Growth Deal. This includes sight of draft materials and opportunities for quotes from Ministers as appropriate.

## 2.8. Evaluation

The success of the communications campaign can be evaluated as follows:

- Achievement of project brief and outcomes
- Private sector and stakeholder input and support for proposals
- No. of engagement events held
- Social media and press coverage
- No. of survey responses received
- No. of website visits
- No. of newsletter sign-ups

NOTE: GMW Partnership officers with the GMW Communications Officer should ensure metrics are collated for each campaign/activity. Agreement should be reached how information on metrics is stored/logged.

## 3. AUDIENCE

### 3.1. Target Audiences

Target Audience	Communication Methods
Public	Media and social media
Politicians	Timed communications to gather support, political meetings
Local Members	Each LA will be responsible for keeping their members informed of activity
Private Sector stakeholders	Internal and external communications
Public sector stakeholders	Internal and external communications
Partner organisations The following organisations are represented on the Partnership: <ul style="list-style-type: none"> <li>•Trafnidiaeth Canolbarth Cymru</li> <li>•Federation of Small Businesses</li> <li>•Farmers Union of Wales</li> <li>•National Farmers Union Cymru</li> <li>•Mid Wales Regional Tourism Forum</li> <li>•Mid Wales Health Collaborative</li> <li>•Central Wales Economic Forum</li> <li>•Mid Wales Manufacturing Group</li> <li>•Powys Local Growth Zones.</li> <li>•Teifi Valley Local Growth Zone</li> <li>•Stronger Communities Programme Board (Powys)</li> <li>•Sustainable Futures - Ceredigion Regeneration Partnership</li> <li>•Regional Learning Partnership for South West and Central Wales</li> </ul>	External communications, timed communications to garner support

<ul style="list-style-type: none"> <li>•Aberystwyth University</li> <li>•University of Wales Trinity St David</li> <li>•Coleg Ceredigion</li> <li>•NPTC Group: Brecon Beacons Campus / Newtown Campus</li> <li>•Ceredigion Association of Voluntary Organisations</li> <li>•Powys Association of Voluntary Organisations</li> </ul>	
Welsh and UK Governments	External communications, timed communications to garner support

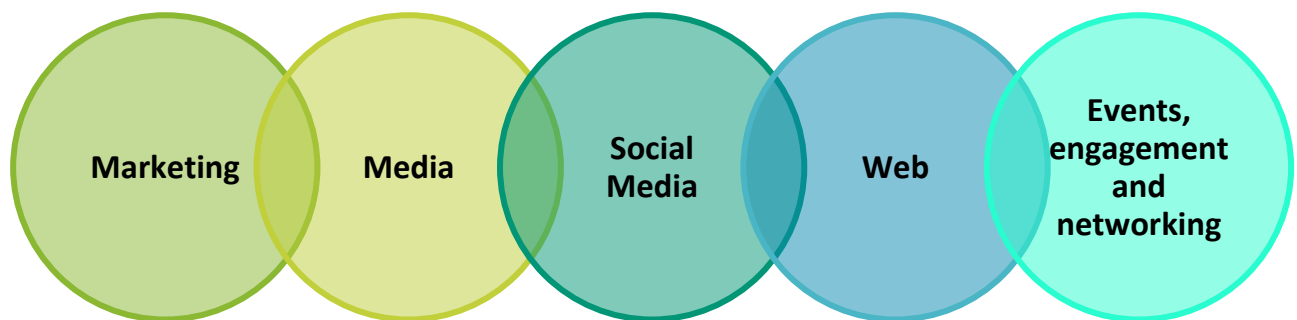
This is a high-level, strategic consideration of target audiences that need to be informed about the work of Growing Mid Wales. Individual regional functions will consider their specific audiences, stakeholder mapping and communications as part of their individual communication action plans.

### 3.2. Stakeholder Engagement Strategy

We should adopt an approach that seeks to access the widest available audience using a number of established sector specific forums that have the ability to filter the message to a wider membership. Utilising established forums will enable us to reach a wider audience and provide greater opportunity for private sector buy in than a casting net or blanket approach. Wider communication will be taken forward via our communication channels targeting the identified audience groups as required. We should attempt to maximise our voice through marketing, events, engagement and networking making best use of our partners, neighbouring counties and borders.

### 3.3. Communication Channels

The Growing Mid Wales Partnership will seek to use a variety of channels to communicate and engage with stakeholders These communication channels include:



The main communication channels the partnership will use to engage and communicate with our stakeholders are depicted in the table below.

Growing Mid Wales Partnership Main Communication Channels
Growing Mid Wales Website
Growing Mid Wales Newsletter
Growing Mid Wales Twitter
Growing Mid Wales LinkedIn
Local Authority Websites
Business News Wales Regional Page

**Internal:**

- Meetings
- Email
- Line managers

**External:**

- Newsletter
- Engagement events
- Consultation activities
- Business News Wales website and newsletter, including podcasts, audio, features and columns
- Website
- Email
- Social media
- Press releases

**4. PROTOCOL**

This section sets out the partnership's protocol to relations with the public and the media and follows the principles set out in the Code of Recommended Practice on Local Authority Publicity. The code was issued under the provisions of the Local Government Act 1986 and was updated in 2001 in recognition of the constitutional changes introduced by the Local Government Act 2000.

**4.1. GMW Communications Sub-Group**

The GMW Communications Sub-group will meet on a bi-monthly basis to discuss upcoming events and activity in order to plan communication activity and agree areas of possible joint working across the respective regional teams. This will include all communication and marketing output including media work and social media content. The meeting can be held face-to-face, by phone or video link.

The GMW Communications Sub-group will consist of representatives from:

- GMW Communications Officer
- Ceredigion County Council Press Office (represented by GMW Comms Officer)
- Powys County Council Press Office
- Growth Deal Strategic Lead Officers
- Mid Wales Regional Engagement Team
- Mid Wales Portfolio Management Office
- Mid Wales Regional Skills Partnership

The GMW Communications Sub-Group will be chaired by the GMW Communications Officer.

**4.2. Bilingualism**

Any content that is published proactively by the Partnership will be bilingual. This includes all media releases and social media content.



Any media enquiry will be responded to in the language of the enquiry. This also applies to interview requests, in that a spokesperson will be offered for interview using the language that it was requested.

### 4.3. News Releases

These deal proactively with news matters that the partnership wants to promote, publicise or explain. All news releases will be issued on behalf of the partnership by Powys and Ceredigion Communication Teams. All press releases will include a quote from the Chair and/or Vice-Chair of the partnership.

It is ultimately the role of the managers of the respective regional functions (RET, PoMO, RSP are to be copied in for awareness) to identify potential news items, then work with the GMW Communications Officer, and the Communication Teams to produce press releases for wider dissemination and ensure the protocol is followed.

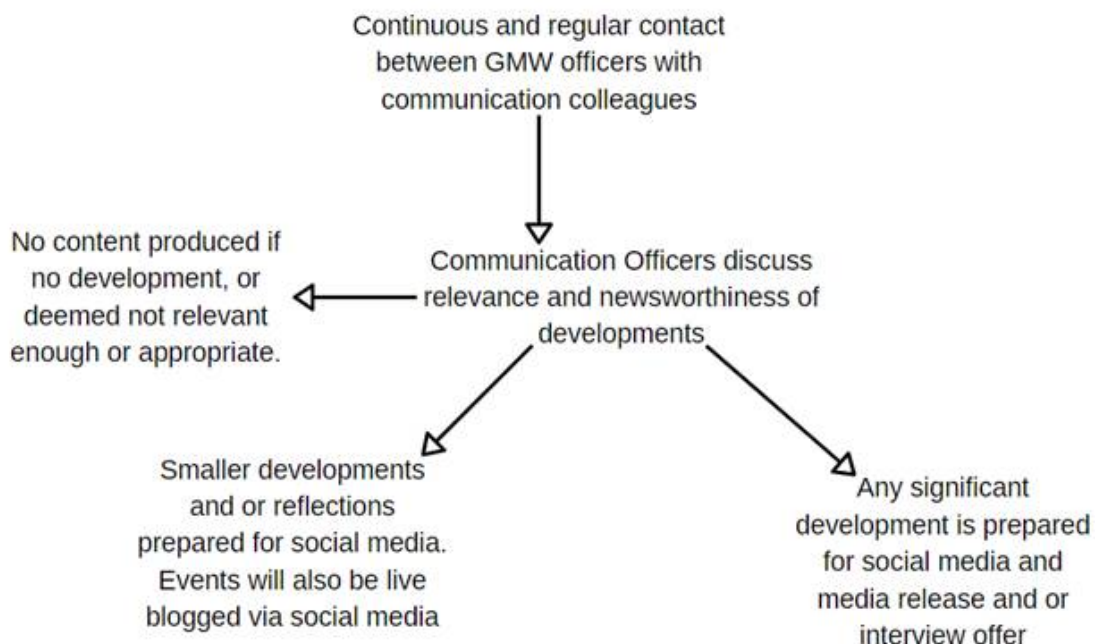
All releases must then be approved and authorised for distribution by both Communication Teams and the Partnership Senior Managers in conjunction with the relevant leader/cabinet member and senior officers. All managers of the respective regional functions should be copied into correspondence for awareness/comment. See GMW Proactive and Reactive Communication activity approval procedure flow chart in section 4.4 for sign-off protocol.

Senior officers should brief the Communications Team about possible good news stories as well as situations that may generate adverse publicity.

News releases/social media will be distributed to all relevant print, broadcast and specialist media (where possible/relevant) without prejudice as appropriate.

Copies of proactive news releases are published on the council websites – [www.powys.gov.uk](http://www.powys.gov.uk) / [www.ceredigion.gov.uk](http://www.ceredigion.gov.uk) and on the [Growing Mid Wales website](#).

### Identifying media stories for GMW



## 4.4. Media Enquiries

### *Enquiries*

The GMW Communications Officer (Communications Teams) will be the first point of contact for all media enquiries. Their role is to co-ordinate written and verbal responses from the appropriate spokesperson or officer and ensure deadlines are met.

It is recognised that partner organisations may submit media enquiries via regional functions, particularly with regards to joint projects etc. If this is the case the enquiry should be forwarded to both Communications Teams so they may take forward a coordinated response.

### *Interviews*

Members of the individual Executive Management Team, Board members, strategic directors and heads of service are authorised to speak to the media, following consultation with Communications. Other employees may be authorised by the Joint Portfolio Strategic Lead Officers and SROs to undertake interviews. Officers will only comment to confirm matters of fact and operational details and must not express personal opinion on policy issues. The Chair and Vice Chair of the partnership will be given priority to give interviews.

Employees who have not been authorised should not comment to the media about any aspect of their job and employment by the council or its policies. Employees who are approached by the media on council issues should direct them immediately to the Communications Team.

### *Spokesperson:*

- Councillor. Bryan Davies Leader of Ceredigion County Council, Co-chair of the Growing Mid Wales Partnership
- Councillor. James Gibson-Watt Leader of Powys County Council, Co-chair of the Growing Mid Wales Partnership
- Councillor. Clive Davies, Cabinet Member for Economy and Regeneration, including Growing Mid Wales, Ceredigion County Council.
- Councillor. David Selby, Cabinet Member for a more prosperous Powys, including the Mid Wales Growth Deal, Powys County Council.

### *Process*

The initial enquiry should be circulated to the Communications teams, the strategic lead officer and the three managers of the respective regional functions. Dependent on the subject matter of the media enquiry, the relevant team leader will then work with Communications on a suggested response/approach. Sign-off by the joint strategic lead officers is needed and sent to the SROs for information before response is sent back.

The following approved flowchart should aid understanding of the process in dealing with proactive and reactive communication activity:

### Growing Mid Wales Proactive Communication Activity Approval procedure Flow chart

(e.g. newsletter, Business News Wales article, press release)

Initial discussion on content with individual manager requesting work or manager deemed most appropriate for the subject being covered. Establish due date for completion (taking translation into consideration).



Draft document (GMW Comms Officer to make PCC and CCC aware & other relevant organisations as appropriate). Obtain relevant quotes/images (and permission) as required.



Following approval of first draft by appropriate manager, content is circulated with GMW Team managers (Cathy Martin, Claire Miles and Aggie Caesar-Homden) for consideration and approval. Request response by certain date.



Final draft shared with leading officer/manager.



Other organisations sign off as appropriate, including PCC and CCC.



Final draft to be sent for approval by Joint Portfolio Strategic Lead Officers (Carwyn Jones-Evans and Nicola Williams). Request response by certain date.



Send to translation.



Share final copy **for information** with Joint Portfolio Senior Responsible Owners (Barry Rees and Nigel Brinn)

Final copies sent out to a wider/public audience bilingually; cc' all officers involved for information. Record activity in communication planner.

### Growing Mid Wales Reactive Communication Activity Approval procedure Flow chart

(Press enquiry or emerging issue)

Press enquiry or emerging issue raised/ received by GMW Communication Officer or received by CCC /PCC Communications Teams and GMW Communication Officer has been notified.



GMW Communication Officer signposts to appropriate GMW Team Managers. Agree actions and timescales. Draft and agree initial response (if relevant, inform PCC and CCC Comms Officers and liaise with external organisations as appropriate).



If response is a quote for a press release or press enquiry, approved response needs to be attributed to appropriate GMW Cabinet Members or Chair(s) and/or external organisation so approval to be sought by them.



Final draft shared with leading officer/manager.



Other organisations sign off as appropriate, including PCC and CCC.



Final draft to be sent for approval by Joint Portfolio Strategic Lead Officers (Carwyn Jones-Evans and Nicola Williams). Request response by certain date.



Send to translation.



Share final copy **for information** with Joint Portfolio Senior Responsible Owners (Barry Rees and Nigel Brinn)

Final copies sent out to a wider/public audience bilingually; cc' all officers involved for information. Record activity in communication planner.

## 4.5. Social Media

Growing Mid Wales maintains social media presences on Twitter and Linked In.

The Twitter page for the Growing Mid Wales Partnership will be managed on a day-to-day basis by the GMW Communications Officer and the Mid Wales RET team, with the Growth Deal Operations Manager having oversight and authorisation duties with regards to content.

The LinkedIn page for the Growing Mid Wales Partnership will be managed on a day-to-day basis by the GMW Communications Officer and the Mid Wales RET team, with the Growth Deal Operations Manager having oversight and authorisation duties with regards to content.

Officers wishing to publish media onto social media channels should do so via the GMW Communications Officer. It is recognised that the value of social media is having timely and responsive communication from certain events/milestones.

The GMW Communications Officer will also be responsible for fielding any enquiries that come in via social media and making sure the relevant regional functions are aware of correspondence.

Hootsuite will be used to centrally manage and schedule content if needed.

## 4.6. Website

The website contains general information on Growing Mid Wales and on the various aspects of the Growing Mid Wales' governance structure (Joint Committee, EAG etc.) as well as hosting regional documents and promoting regional news.

A review of the existing website content took place during summer 2022 and will continue to be updated as the work of Growing Mid Wales develops. Future content will be discussed at meetings of the GMW Communications Group, with intended content, including resource implications, being reported to the Growth Deal Operations Manager for approval and sign off.

#### *Protocol for content*

As the lead for the Growing Mid Wales website the GMW Communications Officer will ultimately manage and lead on content creation for the website. Officers should liaise with the RET team with regards to content, and the GMW Communications Sub-Group will be given the chance to comment also. Any major content changes to the website will also be discussed with the strategic lead officer, who has final approval for all content of the website.

#### **4.7. Elections, Referendums and Petitions**

The period between the notice of an election and the election itself should preclude proactive publicity in all forms for candidates or other politicians involved in the election. The Communications Team will not deal with controversial issues or report views, proposals or recommendations in such a way that identifies them with individual councillors or groups of councillors.

It is, however, acceptable for the council to respond in appropriate circumstances to events and legitimate service enquiries provided the answers are factual and not political. Proactive events arranged in this period should not include councillors likely to stand for election.

A full copy of the Code of Recommended Practice on Local Authority Publicity is available on request to the communications team.



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Residual risk score	Current Total
Red	3
Amber	10
Yellow	16
Green	6
	35

Risk or Issue	Current Total
Risk	33
Issue	2
	35





<b>LIKELIHOOD</b>	Almost certain	5 Moderate	10 Major	15 Major	20 Severe	25 Severe
	Likely	4 Moderate	8 Moderate	12 Major	16 Major	20 Severe
	Possible	3 Minor	6 Moderate	9 Moderate	12 Major	15 Major
	Unlikely	2 Minor	4 Moderate	6 Moderate	8 Moderate	10 Major
	Rare	1 Minor	2 Minor	3 Minor	4 Moderate	5 Moderate
<b>Likelihood x Impact = Overall Risk Level</b>		Very low	Minor	Moderate	Major	Catastrophic
<b>IMPACT</b>						

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