



REPORT TO THE GROWING MID WALES BOARD

3rd February 2021

TITLE:	Mid Wales Growth Deal – Progress Briefing & Next Steps
AUTHOR:	Carwyn Jones-Evans, Strategic Manager – Mid Wales Growth Deal

1. Purpose of the Report

- 1.1. To provide a written briefing on progress to Members of the Growing Mid Wales Board in relation to the formal development of the Mid Wales Growth Deal.
- 1.2. To set out the anticipated activity and workplan to further develop the Deal.

2. Decision(s) Sought

- 2.1. To note the progress to date, and to provide comment on the anticipated next steps.

3. Progress Update

- 3.1. This section provides an update on progress achieved up to the date of the report.

Heads of Terms

- 3.2. Further to the last formal meeting of the GMW Board on 4th December, Heads of Terms for the Mid Wales Growth Deal was formally achieved on the 22nd of December. Good national and local media coverage of the signing was achieved, with strong interest and positive coverage of the event.

- 3.3. The final, signed document can be found in appendix 1 of this report.

- 3.4. The Heads of Terms document is a public document, and was available and promoted on the day of the formal signing on the GMW website at www.growingmid.wales

- 3.5. As was noted at the time, the Heads of Terms is the first formal agreement in which both Governments have accepted the case for our Growth Deal, and has set out the commitments and expectation by Government and the region now to develop the detail of the Deal in earnest to secure the next milestone (full deal agreement).

Governance & Assurance

- 3.6. Early planning work has continued on the development of a second governance agreement (inter-authority agreement 2). This will be required to be in place, and operational to cover the delivery arrangements for the Deal. Emerging legislation will also need to be considered in this context.

- 3.7. In the interim, it will be necessary for the two Local Authorities to consider the required arrangements moving from the existing Inter-Authority Agreement (IAA1) now that Heads of Terms has recently been achieved, to cover the anticipated further development period up to Full Deal Agreement. This will be considered by the Local Authorities in due course.

Communications and Engagement

- 3.8. The majority of the communications activity was focused around the coverage of the Heads of terms signing. However, further information about the Growth Deal and Growing Mid Wales is being uploaded on the GMW website regularly.
- 3.9. A meeting of the Economic Strategy Group (ESG) was held with both Leaders on the 7th of December. Providing a briefing and discussion on the progress to date on establishing the Growth Deal and nearing Heads of Terms; before discussing the key concerns, challenges and opportunities of business – with particular regard to the ongoing effects of Covid and the potential implications of Brexit.
- 3.10. Both Leaders were invited to offer their perspectives at a well-attended event organised by the Institute of Directors (IoD) and AberInnovation on the 15th December, bringing together an influential network of leaders across the public and private sectors to discuss the region's economy.
- 3.11. The IoD has recently written about the role and potential of the City and Growth Deals in Wales: [Think Big, Work Local - Business News Wales](#)

Capacity and Resourcing

- 3.12. Further work has been undertaken to secure funding from ESF Priority 5, matched by contributions from both Local Authorities – to establish a Portfolio Management Office (PMO) for the Growth Deal.
- 3.13. Officers have had a verbal indication that the application is progressing well, with the approval due to be communicated within the next fortnight.
- 3.14. Officers have been working with the Chief Executives and Senior Officers to establish the recruitment processes and underpinning legal agreements – so that work can continue immediately to recruit once the funding has been approved.

Portfolio Development

- 3.15. A further officer workshop with civil servants from both Governments, under the direction of Joe Flanagan was held on 16th December.
- 3.16. As we have previously noted, the Portfolio is scoped from the 8 strategic growth priorities set out in the Vision document (the strategy), and captured in the Heads of Terms document.
- 3.17. Officers are currently working on finalising the first draft of a Strategic Portfolio Business Case (SPBC), which will be consulted with the Board and the ESG shortly.
- 3.18. The main core components drafted to date are:
- Strategic Case: drafted in full.
 - Economic Case: partly drafted, long-list drafted and the workstreams further developing and refining the initial short-list
- 3.19. Commissioned scoping and feasibility work have also continued at pace.
- 3.20. The below table provides a brief update on the work underway and progress achieved to date under each heading:

<p>Applied Research and Innovation</p>	<p>SQW have been appointed to undertake a detailed mapping of applied research and innovation activity in Mid Wales. In conjunction and advised by key stakeholders, it will identify and assess tangible investment priorities that will best realise the economic potential of the regional strengths in this priority area for growth.</p>
<p>Agriculture, Food & Drink</p>	<p>No formally commissioned activity has been undertaken in this area yet.</p> <p>The activities within this area currently are more project-focused.</p> <p>Early potential project proposals are being considered by officers against growth deal parameters, and very early conversations being undertaken to scope tangible options.</p> <p>No decision or prioritisation will be made by officers. These are still very early discussions to shape early proposals that would need to be developed and consulted on further.</p>
<p>Digital</p>	<p>Work has been undertaken to commission expert support to scope potential interventions to address digital connectivity issues in Mid Wales. The work has been divided into two phases, with phase 1 underway now up to March 2021.</p> <p>The objective of the work will be to consult with key Government departments and industry, to establish proposals on where Growth Deal proposals would be best targeted.</p> <p>Outcomes of phase 1 will be communicated and discussed with key groups and the Board, before moving on to detailed development of the proposals in phase 2.</p> <p>A separate, more detailed briefing for GMW Board Members has been provided in the Appendix of this report (paper 4.3).</p>
<p>Energy</p>	<p>The majority of the work under this area has been in support of the work ongoing with the Welsh Government Energy Service and the Carbon Trust to develop a Regional Energy Strategy for Mid Wales. This document has been structured from a number of workshop and expert input – and has been circulated to various regional fora, and will be seeking Local Authority endorsement shortly.</p> <p>From a Growth Deal activity development perspective, the main area of focus at present has been to develop a feasibility proposal on the Hydrogen Economy in Mid Wales. Funding has been secured through a joint co-operation bid across the two Local Action Groups, supported by Rural Development Programme funding. This work will be commissioned by the end of January 2021, and will be delivering for the next 6 months.</p>

Strengthened Tourism Identity	<p>No formally commissioned activity has been undertaken in this area yet.</p> <p>The activities within this area currently are more project-focused.</p> <p>Early potential project proposals are being considered by officers against growth deal parameters, and very early conversations being undertaken to scope tangible options.</p> <p>No decision or prioritisation will be made by officers. These are still very early discussions to shape early proposals that would need to be developed and consulted on further.</p>
Supporting Enterprise	<p>The main area of focus under this theme is the ongoing Sites & Premises review.</p> <p>2 out of the 3 phases of the work have been completed (needs assessment and action plan).</p> <p>Phase 3 of the work entails further development of a potential intervention to address the needs identified.</p> <p>Further conversations with Welsh Government property division are sought to shape the proposals.</p>
Transport	<p>The main regional priorities under this heading are being considered as part of the ongoing work of the GMW Regional Transport and Connectivity Group.</p> <p>Officers are regularly reviewing any opportunities to accelerate or progress key strategic transport projects through a range of channels.</p>
Skills & Employment	<p>The main area of work to date in this area has been on working to establish a Regional Learning and Skills Partnership (RLSP) for Mid Wales. A separate update report on this is provided under item 6 of today's agenda.</p>

4. Headline work programme (next steps)

4.1. This section summarises

Full Deal Agreement

4.2. Officers are working to seek guidance and clarity from both Governments on the requirements and expectations of documentation and detail to support Full Deal Agreement.

4.3. This is required so that officers can adequately plan an informed critical path, and put the right resources in place to respond. A technical workshop with both Governments is being planned, to coincide with promised guidance from both Governments.

Portfolio Development

- 4.4. Work in each of the 8 strategic priority areas listed above will continue in a workstream structure.
- 4.5. Their initial work will feed upwards into an initial draft of the Strategic Portfolio Business Case – that will set out the initial shape of the Portfolio for the Board to comment and engage on, and to invite views and input from other key groups such as the ESG and Partnership. This is anticipated to happen by the next Board meeting in early March.
- 4.6. It is important to note that the requirements for Growth Deal funding are now clear, and have been set out in the Heads of Terms document in December. It is not a grant fund, therefore it is not the intention to hold an open project call. Project proposals need to be mature, and their proposer need to have the capacity and capability to develop and deliver.
- 4.7. It is also imperative that the proposals are able to attract funding, and have strong private sector backing.
- 4.8. Timescales are still evolving, and the critical path to Full Deal Agreement is not yet fully known.
- 4.9. Precedent from other regions in Wales would suggest a minimum of 12 months to move from Heads of Terms to Full Deal Agreement. Current mapping would indicate a period of 12-18 months from known tasks and milestones.
- 4.10. However, the approach to developing the Mid Wales Deal has been different to other regions, on the advice and guidance of Government – and it may be that we can secure Full Deal Agreement in a shorter space of time.
- 4.11. Officers are making progress on a broad work programme regardless, as follows:

January – March 2021

- Feasibilities to be progressed at pace – to provide the detailed evidence base and rationale for
- Strategic Portfolio Business Case – this will set out the strategic objectives, and initial shape of the investments that are being proposed.
- Early conversations invited with realistic and tangible project proposals – all investment proposals need to relate and align to the parameters set out in the Heads of Terms.
- Strengthened Communications and Engagement Activity – to raise awareness of the Growth Deal, to attract early conversations on proposals to be shaped.
- Establish the Portfolio Management Office (PMO).
- Further develop Governance and Assurance. (IAA2 and various assurance documentation will need to be developed and considered).
- Regional scrutiny arrangements to be considered across the two local authorities – ensuring the input and scrutiny of local members to inform regional decision making points.

- Early conversations with the Board, ESG and key groups on the detail of the emerging Portfolio.

March 2021 onwards

- Strengthened development work on the Portfolio, having had input and steer from regional governance, and with a PMO established.
- Shadow Portfolio, Programme and Project Boards to be considered and established to drive development.
- Strong communication and engagement work to raise further awareness of the developing Deal. Detailed work with the ESG and the private sector to shape and refine proposals, and maximise investment potential to the Portfolio.

5. Legal Implications

5.1. There are no legal Implications arising from this report.

6. Human Resources Implications

6.1. There are no HR implications arising from this report.

7. Financial Implications

7.1. There are no financial implications arising from this report.

8. Appendices

- Annex A: Heads of Terms for the Mid Wales Growth Deal (signed)
- Annex B: Digital Connectivity Workstream Update