

REPORT TO THE GROWING MID WALES PARTNESHIP

15th February 2021

TITLE:	Mid Wales Growth Deal – Progress Briefing & Next Steps
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1. Purpose of the Report

1.1. To provide an update on the development of the Mid Wales Growth Deal.

2. Progress Update

- 2.1. This report has been prepared as a summary of recent progress to bring forward the Mid Wales Growth Deal for the GMW Partnership. Further detailed information can be found online in the papers for Growing Mid Wales Board, in the committee section of both Local Authority websites¹.
- 2.2. Following agreement of Heads of Terms on 22nd December 2020², significant effort has gone into assembling the first iteration of the Portfolio Business Case. The Portfolio Business Case is a key document in which the scope and operation of the Growth Deal starts to be developed. It sets out the investment objectives, critical success factors and is developed iteratively over time.
- 2.3. The Portfolio is being scoped from the 8 Strategic Growth Priorities set out in the Vision for Growing Mid Wales document published last year. It is structured as per the five case business model – and is an approach designed to bring about the potential Programmes and/or Projects that could be considered as part of the Mid Wales Growth Deal.
- 2.4. The Growth Deal is not a grant fund. It is capital funding that is provided by both Governments over the course of a 15 year period. The combined investment from both Governments has been affirmed as £110m. Regional stakeholders are well-rehearsed in the expectations and requirements of the funding to leverage private sector investment, and to have a central focus on growing the jobs and the economy of Mid Wales.
- 2.5. A lot of the focus of effort to date has been on securing the Growth Deal by making the strategic case for it (the context by which programmes and projects can be funded). The Mid Wales Growth Deal was advised from the start to follow a structured approach to move from Strategy to Portfolio, and then to Programmes and Projects.
- 2.6. Work to develop Governance, Assurance and Management has stood the region well to make rapid progress and agree Heads of Terms at a high-level. It means the region now offers a credible framework of funding in which business cases can be commissioned/invited with a degree of certainty. It means that conversations with potential programme/project proposers can be held with a greater degree of confidence. It also allows Mid Wales to utilise the Growth Deal as a potential catalyst to draw down further investment alongside the Deal.

¹ [Committee details - Bwrdd Tyfu Canolbarth Cymru / Growing Mid Wales Board Cyngor Sir Powys County Council \(moderngov.co.uk\)](#)

² [Documents - English - Growing Mid Wales](#)

- 2.7. A Portfolio Management Office (PMO) will be developed in the coming weeks and months, with external funding being near to approval.
- 2.8. Work has continued by officers to start shaping an initial proposal for the Portfolio, that regional governance arrangements (GMW Board and the Economic Strategy Group) will consider initially in the coming weeks.
- 2.9. Recent reports to the GMW Board provide a summary of the activity currently ongoing under the 8 workstreams/strategic growth priorities. This has consisted of scoping and feasibility studies in key thematic/programmes areas, and informal encouragement/steer of potential project ideas being proposed.
- 2.10. The approach taken has been to form an early long-list of potential programmes/projects and activities that could be undertaken. This is a starting point, and will be added to, removed from, and improved over time. It serves as a basis upon which to start scoping options for the Portfolio to focus on.
- 2.11. Work will then follow to refine that long-list into an initial short list. This is arrived at through considering a number of factors (critical success factors – in terms of strategic fit, deliverability, affordability etc).
- 2.12. Not all our regional ambitions/priorities can be considered for Growth Deal funding. However, by following a Portfolio-led approach for the Growth Deal, the intention is that the region doesn't lose sight of the other priorities it may have. (e.g. investing in capital programmes/projects alone will not deliver inclusive economic growth, but rather requires substantive revenue investment alongside to make it work. e.g Skills).
- 2.13. Officers in the regional team/both Local Authorities are happy to entertain conversations with any organisation/business looking at potential ideas at this early stage. However, these conversations are always set within the context of the parameters set for the Growth Deal in the Heads of Terms. For projects to be able to attract Growth Deal funding, they require significant effort in their development and strength of their proposal to impact regional jobs & productivity, and have the capacity and capability to both develop and deliver their proposal. This is the same approach for all potential programmes/project being considered at present.
- 2.14. The process for the Board to review the Portfolio (and its constituent Programmes and Projects) will be ongoing throughout the lifetime of the Growth Deal. Proposals and ideas are thus expected invited continuously throughout. The lesson from other Deals is that regional economic circumstances change over time, and therefore the Portfolio needs to be able to adapt over time.
- 2.15. The mix of programme and projects within the Portfolio is ultimately the decision of the Growing Mid Wales Board, having considered the views of the Economic Strategy Group and other relevant groups – based on technically-reviewed proposals put forward by the Portfolio Management Office. This will be within the Governance and Assurance framework that will be set out by Government, in that Programmes and/or Projects will only be funded with a full business case in place, and will be subject to assurance from both the region and Governments through Gateway reviews and robust monitoring and evaluation.
- 2.16. Detail of the Portfolio will be developed, engaged upon and refined through the course of 2021. This will be supported by strong communication and engagement.
- 2.17. The next milestone in the development of the Growth Deal is Full Deal Agreement. The region is currently working with both Governments to set out and collectively agree a timeline to conclude Full Deal agreement in the shortest time practically possible – with the region's ambition to do so within the calendar year.