



## REPORT TO THE GROWING MID WALES BOARD

11<sup>th</sup> March 2022

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

### 1 Purpose of the Report

The purpose of the report is to present the following:

- Quarter 3 (October-December) Growth Deal report
- Updated Strategic Portfolio Business Case v1.5
- Portfolio Roadmap
- Portfolio Risk and Issue Register

### 2 Decision(s) Sought

- 2.1 Note progress to date
- 2.2 Note forward work plan
- 2.3 Approve the Strategic Portfolio Business Case v1.5 with updates to the Strategic and Management Cases

### 3 Background and Relevant Considerations

- 3.1 Members will be aware from regular reporting to GMW Board, that there have been multiple steps on the journey to secure the Mid Wales Growth Deal with both Governments.
- 3.2 This paper provides a report on the progress to achieving formal commitment from UK and Welsh Governments and describes the next stages in taking the Growth Deal and its Portfolio forward to delivery.

### 4 Growth Deal Progress

Final Deal Agreement (FDA)

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4.1 We are pleased to report that on Thursday 13<sup>th</sup> January 2022, in a virtual meeting with both Leaders and Ministers, the Final Deal Agreement for the Mid Wales Growth Deal was officially signed. The event, held virtually, was attended by both Leaders along with Vaughan Gething MS (Minister for Economy, Welsh Government) and David TC Davies MP (Parliamentary Under Secretary of State for Wales, UK Government).

4.2 This is a significant milestone and marks the commitment of all partners to deliver the Mid Wales Growth Deal. A copy of the Final Deal Agreement can be found at <http://www.growingmid.wales/documents>

4.3 Links to media below:

[Mid-Wales-Growth-Deal-reaches-an-important-development-milestone](#)

[GMW Social Media Clip](#)

[Business News Wales special-audio-feature](#)

Inter-Authority Agreement

4.4 Following presentation at the GMW Board meeting in December, Version 3 of this document was approved by both Local Authority cabinets in January 22 and subsequently signed by all parties.

Economic Advisory Group (EAG)

4.5 A number of applications have been received to join this new group, which have been considered by the Leaders. Work to establish this group and develop an induction programme and work plan will be underway imminently. Paul Griffiths is leading on this activity and supporting the SROs on this process.

Assurance Review

4.6 An assurance review by Government has been scheduled for 8-11 March with a planning meeting held on 21st February. The main purpose will be to review the arrangements in place for governance, management and delivery of the Growth Deal Portfolio and subsequently provide assurance to both Governments and Ministers that satisfactory delivery arrangements are in place to enable funding to flow to the region.

4.7 The main outcome of the review will be to advise the region and both Governments on the timescales and actions needed – so that a clear pathway to the first funding offer letter is mapped out.

4.8 As part of this process interviews will be held with staff, members and stakeholders, and there will be a review of the AOR Action Plan.

Recruitment (Portfolio Management Office)

4.9 Interviews have been held for the role of regional Energy Lead and an offer has been made subject to personnel checks. Following discussions regarding the Sites & Premises Programme and the need for resource to take this forward, the job description is being finalised for a Programme Manager for this theme

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with a view to advertising as soon as possible. Recruitment is also underway for a Communications Officer (GMW).

Financial Update

- 4.10 The latest claim for European Social Fund (ESF) grant funding was submitted 21st February 2022 covering the period Nov 21 to Jan 22. The value of the claim was £60,458 with a total claim to date of £131k against a forecast of £535k. This leaves an underspend of £400k which is mainly due to delay in the recruitment to the Portfolio Management Office against the original anticipated dates in the bid.
- 4.11 The Portfolio Management Office is exploring options to utilise this underspend, for review by the Management Group in May.

## **5 Management Group Arrangements**

- 5.1 The Management Group (Portfolio Board) is constituted under the Inter-Authority Agreement (IAA) for the Mid Wales Growth Deal and has continued to serve as the principal officers' group, providing direction and officer oversight for the development of the Growth Deal and executive support for the GMW Board.
- 5.2 It has grown and evolved to accommodate a wider range of regional collaboration activity; and serves as an important forum to discuss a range of topics (regeneration, RET, transport, wider Government policy alignment).
- 5.3 As the Mid Wales Growth Deal evolves from strategic development to delivery planning and realisation (as we achieve FDA) – the governance and management arrangements also needs to evolve, including those of the Management Group.
- 5.4 With the approval of IAA3 there was the opportunity to review the arrangements for the Management Group in line with the Terms of Reference therein, and to ensure it continues to align with the Portfolio Business case and serve the needs of the GMW Partnership and Growth Deal.
- 5.5 The Terms of Reference have been drafted to ensure that a strong focus is dedicated to the delivery and operation of the Growth Deal – however, the group still has a remit to provide oversight of other GMW Board matters (Regional Skills Partnership), and to provide advice and co-ordination on wider regional matters of relevance.
- 5.6 To comply with the new Terms of Reference, and ensure we do not lose focus on the Growth Deal vs wider regional matters it was proposed and agreed at Management Group meeting in December to establish a 2 part meeting structure to commence at the first meeting of 2022, 4<sup>th</sup> February:
- Part 1: GMW Management Group (Growth Deal Portfolio Board)
  - Part 2: GMW Management Group (Regional Collaboration)
- 5.7 This format ensures that sufficient focus is given to manage the continued development and delivery of the Growth Deal Portfolio, and ensure co-

ordination and alignment with wider regional activity.

## 6 Strategic Portfolio Business Case v1.5

- 6.1 In response to the observations from the AOR, the Strategic Portfolio Business Case has been updated in particular to strengthen the Strategic and Management Cases – see Appendix 1.
- 6.2 A more substantive review will take place over the next year as the projects develop and further information is available to inform the process.

## 7 Forward Work Plan

- 7.1 Whilst a lot of the focus to date has been on setting up the arrangements and necessary documentation we are now looking ahead to delivery. The Portfolio Management Office (PoMO) is now making sure that clear processes and procedures are in place to take the Portfolio forward in 2022.
- 7.2 In line with Government guidance the assurance and approvals process has many stages – see Appendix 2 for an overview.
- 7.3 A Portfolio Roadmap has been drafted which provides a timeline for the development and delivery of the Growth Deal - Appendix 5. This is a working document and will be reviewed and updated in line with the progress of the projects and programmes. You will note that the Roadmap also includes wider matters such as resourcing.

## 8 Programme Development

- 8.1 **Digital:** a Programme Business Case has been drafted along with proposals to establish a Programme Board, and assessment of the potential projects. The papers were presented to the Management Group at its meeting on 4<sup>th</sup> February and agreed that this should now be progressed to Board for decision. This will be covered in a separate paper and presentation by the Digital Programme Manager.
- 8.2 **Sites and Premises:** an outline programme has been drafted and conversations have been held with the Welsh Government property team. There is a significant demand for sites and premises development, however there are considerable hurdles to be worked through in partnership with Governments and the private sector. Work is underway to accelerate development work on this programme including recruitment of a Programme Manager.

## 9 Project Development

- 9.1 The Portfolio Management Office has recently undertaking a stocktake of all the projects. Based on the information provided, project sponsors are due to submit updated Strategic Outline Cases (SOCs) through to May/June for initial review.
- 9.2 This timeline will form the basis of when the GMW Board and the Economic Advisory Group can review and comment on proposals. An overview of the current projects within the Portfolio can be found at Appendix 4.

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- 9.3 It is anticipated that funding will begin in the 2023/24 financial year however, the region will be discussing closely with both Governments to determine if spend can happen sooner. Clearly, this will be predicated on the projects being ready and able to spend.
- 9.4 The onus now is on the project proposers and their private sector partners to accelerate development activity to begin outlining their investment cases.

## **10 Portfolio Risk and Issue Register**

- 10.1 A Risk Register was originally put in place in 2019, looking at the development of the Vision and Roadmap to Growth Deal and managing strategic risks leading to FDA. With the signing of the FDA the register has been revisited and updated to reflect the current state of play and future development and delivery of the Growth Deal.
- 10.2 The Portfolio Risk and Issue Register can be found at Appendix 5. As can be seen this includes an initial unmitigated assessment based on Likelihood and Impact, and subsequently a residual rating representing the level of risk remaining after mitigation measures are accounted for.
- 10.3 The Risk and Issue Register will be reviewed and updated every quarter for the Board meetings, with a commentary added as required. Any risks that have the potential to impact on current activity will be changed to an 'issue' so that actions can be considered beyond mitigation measures.
- 10.4 The programmes and projects will have their own risk registers which will be developed and monitored by the relevant Programme/Project Boards. In line with governance procedures these will be reviewed by the Management Group and subsequently any Portfolio risks identified and fed into the Portfolio Risk and Issue Register.

## **11 Legal Implications**

- 11.1 There are no legal implications arising from this report.

## **12 Human Resources Implications**

- 12.1 Both Powys and Ceredigion County Councils have been consulted with regards to the recruitment of the three posts referred to above.

## **13 Financial Implications**

- 13.1 The Energy Lead and Communications posts will be recruited through the agile team function, therefore part-funded by the ESF grant and match funded by the relevant local authority (Powys and Ceredigion County Council respectively). The Sites & Premises Programme Manager post will be part of the core team (as with the Digital Programme Manager) therefore part-funded by ESF with match contributed equally by both local authorities.