



REPORT TO THE GROWING MID WALES BOARD
23rd June 2023

TITLE:	Mid Wales Growth Deal Report
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1 Purpose of the Report

- 1.1 The purpose of this report is to present the following:
- a brief overview of the progress and next steps relating to the Mid Wales Growth Deal
 - the Outline Business Case Appraisal Template

2 Decision(s) Sought

- 2.1 Note progress to date
- 2.2 Note Outline Business Case Appraisal process.

3 Background and Relevant Considerations

- 3.1 Following approval of the updated Strategic Portfolio Business Case (v2.1) and supporting documents by GMW Board 28th March 2023, these were formally submitted to Welsh Government and UK Government for review as part of the consideration of issuing a Grant Award Letter for the 2023/24 financial year.
- 3.2 Feedback to date has been very positive, including following a presentation to the Welsh Cities & Growth Deal Implementation Board on 29th March by the Portfolio Senior Responsible Owners (SROs) and Strategic Lead Officers (SLOs). The Amber/Green Assurance Review in February has helped to contribute to this positivity and demonstrate that the region is ready to receive the funding and proceed with delivery of the Growth Deal.
- 3.3 Consideration of awarding the funding to Mid Wales is now following a process set out between both Governments, and we expect to hear the outcome in the coming weeks.

4 Delivery

- 4.1 Since the beginning of 2023 much of the work has focused on the updating of the Strategic Portfolio Business Case and supporting documents. The focus has now moved to progressing with business case development of Programmes and Projects to move closer to delivery.

- 4.2 Project Sponsors for the current short-listed projects are continuing with their business case development and we expect further Strategic Outline Cases (SOCs) to be presented to Board at its September meeting along with the first of the Outline Business Cases (OBCs). We were initially expected a couple of OBCs to be submitted February/March however further work is required to bring them forward.
- 4.3 In preparation for the submission of Outline Business Cases, the Portfolio Management Office has developed the appraisal process further to take on board the assessment criteria for this next stage – see Appendix 1. This has been circulated to the Economic Advisory Group for input.
- 4.4 As with the SOC appraisals, the review team will present the findings to the Management Group for review and recommendations will subsequently be presented to the next available meeting of the GMW Board.
- 4.5 The two Programmes are both progressing well with the Digital Programme now bringing forward projects, and the Sites & Premises Programme nearing the conclusion of the sites assessments work.
- 4.6 Plans are being put together for assurance reviews on both Programmes, and Projects where they are at OBC stage. This will provide greater confidence in delivery and that the correct processes have been followed and are in place for future implementation.
- 4.7 A Portfolio Overview showing key milestones and next stages can be found at Appendix 2.

5 Governance

- 5.1 A review has been undertaken of 'Management Group' arrangements (PAR recommendation). Part 1 has evolved into the Growth Deal Portfolio Delivery Board with revised Terms of Reference and tighter membership to ensure more focused discussions.

6 Resource

- 6.1 PoMO staffing resources have been reviewed, partly due to changes in funding but also as it was identified as a recommendation in the PAR, to ensure that the correct roles are in place or recruited to take the Growth Deal forward to the next stage.
- 6.2 It is proposed that 4 of the current 'core' roles remain in place (Operations Manager, Programme Managers x 2, Portfolio Support & Analysis Officer) and that the ESF Project Manager post expires 31st July 2023, when the ESF funding finishes.
- 6.3 Contract extensions will need to be put in place for the remaining 'core' roles, however this can only be done when there is a guarantee of Growth Deal funding. Discussions are ongoing with HR.
- 6.4 It is proposed that the GMW Communications Officer role is continued under a

secondment arrangement with funding shared between the various regional GMW functions. The role will continue to be hosted by Ceredigion, as is the current arrangement, working closely with the press offices of both Local Authorities.

- 6.5 Other posts are also being proposed, an administration role and a Projects and Performance Manager role – both to be confirmed.

7 Finance

Capital Profile

- 7.1 Following discussions with UK and Welsh Governments a re-profiling exercise has been undertaken regarding the amount of funding to be released to the region for the first year that is more in line with forecast expenditure, rather than as a flat profile. Discussions have taken place with the S151 officer on how to proceed.
- 7.2 Proposals have been submitted to both Governments and we are awaiting a response.

GMW Budget

- 7.3 A procurement exercise has been undertaken to provide technical support to the Growth Deal, particularly to support Portfolio Business Case work and Programme/Project Business Case appraisals.
- 7.4 A preferred supplier has been identified with a view to issuing contracts over the next week or so. The contract will cover support for 5 years to enable consistent at c£80k per year. This was identified as a cost within the budget setting for 2023/24 with the intention of including in future years.

8 Private Sector Investment

- 8.1 Securing the Private Sector Investment required to deliver the Growth Deal remains a high risk across the Portfolio, a concern which is shared by both Governments.
- 8.2 It is proposed that the Economic Advisory Group adopt ownership of the Private Sector Investment Strategy; work to clarify their role in delivery is well advanced with a number of discussions held to date. The key principles are as follows:
- Communication: strengthen awareness of the MWGD and opportunities (directly via the projects, and also indirectly via supply chain opportunities).
 - Expert Knowledge: utilising the EAG and wider stakeholders to improve approaches.
 - Building Partnerships: developing links and improve awareness of the Growth Deal, and what it does, and what it can offer.
 - Business Needs: work closely with new Business Wales provider to align needs/support requirements.

9 Risk

9.1 The Risk & Issue Register has been updated with additional risks added to reflect current position and recommendations from PAR. The main current risks are:

- PoMO resources: (PAR) recommended an increase to PoMO capacity; funding required to secure posts.
- Construction Costs increases / supply chain issues /inflationary costs: remain an issue particularly for Project Sponsors.
- Financial Resourcing to deliver Growth Deal: top slicing of Growth Deal, future contributions from local authorities.
- Private sector investment: remains a key consideration by Governments with emphasis on strategy in action.

10 Communication and Engagement

10.1 Monthly newsletters are continuing and proving to be very popular (compliments have been received from Government colleagues among others).

10.2 A forward-looking activity plan is in place to map opportunities and ensure proactive communications is undertaken. The plan includes:

- Press release planned for June around Growth Deal Grant Award Letter being issued, along with video featuring both Leaders.
- Ministers looking to visit the region to meet the Leaders following Grant Award Letter July to September, therefore this will need planning.

11 Next Steps

11.1 Please find below an overview of the next steps:

May/June	Plan Programme and Project Gateway Assurance Reviews
May/June	Further consideration of Digital Programme proposals.
May onwards	Project Business Cases to be submitted and assessed (6 at OBC, 3 at SOC)
June	Assess tender responses for Portfolio technical support, award contract.
June	Grant Award Letter issued. Press release/comms. Release date for funding to be confirmed.
June	Updated Digital Programme Business Case, draft Sites & Premises Programme Business Case brought forward.
June	Contract extensions for PoMO staff.
July	Planning and preparation for Ministerial visit to region.
8th September	Management Group – receive assessments on SOCs and first set of OBCs

29th September	GMW Board – receive recommendations on Business Cases for consideration
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12 Legal Implications

12.1 None

13 Human Resources Implications

13.1 See Item 6.

14 Financial Implications

14.1 See Item 7.

15 Appendices

- Appendix 1: OBC Appraisal Template
- Appendix 2: Portfolio Overview