



## REPORT TO THE GROWING MID WALES BOARD

16<sup>th</sup> October 2023

TITLE:	Digital Programme Report
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### 1. Purpose of the Report

- 1.1 To update members on the progress of the Digital Programme with specific focus on the review and subsequent updated version of the Programme Business Case.

### 2. Decision(s) Sought

- 2.1. To endorse the recommendation to approve the updated Digital Programme Business Case (v0.22).
- 2.2. To support the request to mandate progression of the identified Projects within the Digital Programme to Outline Business Case.

### 3. Background and Relevant Considerations

- 3.1. The Programme Business Case sets out the considerations for the development of the Digital Programme for Growth Deal funds and provides a list of interventions and projects to be delivered over the length of the programme and the Growth Deal.
- 3.2. The first draft of the Programme Business Case was presented to GMW Board in March 2022, at which point it was approved, with the formation of the Digital Programme Board being mandated. Subsequently the Programme Board has been undertaking an options assessment of potential projects to deliver with Growth Deal funding and undertaken a review of the Programme Business.
- 3.3. The Programme Business Case review again identifies and reinforces that Digital Infrastructure investment is currently slower in Mid Wales than in other areas and that without intervention the region will continue to experience deficiencies in digital infrastructure provision. Statistics and data have been updated and amended since the initial draft to reflect current trends and challenges.
- 3.4. Without required intervention, connectivity and capacity will fall further behind the required levels over the forthcoming years as the demand and dependency upon digital technology increases.

- 3.5. The priorities of the Programme remain as fixed and mobile connectivity. As illustrated through other Strategic Growth Priorities, these have a fundamental effect on the efficacy of our economy and so play a significant role in allowing business to grow and flourish. They are also foundations for other forms of digital infrastructure.
- 3.6. It was highlighted in the earlier iteration of the Programme Business Case that it was vitally important that intervention prioritisation could flex to respond to the ever-changing environment in which the Digital stream operates. This decision has been justified with the initial projects highlighted as 'quick wins' no longer being progressed following further scoping and consideration.
- 3.7. The Digital Programme underwent an Assurance Review in Mid-September predominantly focusing upon the existing governance and processes and their suitability to ensure delivery.
- 3.8. Following the Assurance Review a draft report was issued and the Programme has been merited an Amber rating. At the time of writing the report is being finalised therefore a summary and overview of the recommendations will be provided at GMW Board.

#### **4. Project Development**

- 4.1. Two projects were highlighted for prioritisation during the initial draft of the Programme Business Case, a) Strategic Employment Site Project and b) Social Housing Hub Site Project. Both projects focused on the deployment of fibre to improve broadband provision across the Region.
- 4.2. A number of UK Gov initiatives have or will soon be implemented across Mid Wales that will see significant investment in both broadband and mobile provisions which may have caused a duplication of infrastructure deployment if GMW were to progress with the aforementioned projects. Therefore, the initial projects are not being taken forward.
- 4.3. A number of Identified projects have progressed through the prioritisation model and have been scrutinised by the Digital Programme Board in order to progress them to Outline Business Case (OBC), and later Full Business Case (FBC) to present to the GMW Board via the Portfolio Delivery Board as set out in the Programmes Governance.
- 4.4. With the support of the digital consultants. The OBC for the Very Hard to Reach Project (VHTR project) has been developed and it is increasingly suggesting that at this time the Programme should continue to consider and reflect upon other publicly and commercially funded programmes before deciding upon which interventions would be the best use of resources to improve broadband provision across the Region.
- 4.5. This has been found as both UK and Welsh Government have planned interventions in the area, namely Project Gigabit which will see at least £30m invested into the Region over the forthcoming years and the WG's own VHTR project which will target up to 70k properties across Wales with an investment of £70m.

- 4.6. Market engagement has taken place with Mobile Network Operators (MNOs) and it would appear that following the completion of UK Government's Shared Rural Network (SRN) that there will be areas across Mid Wales that won't see any improvements in mobile provision therefore GMW intervention is required. There are areas where MNOs will deploy infrastructure if financially incentivised through GMW funds, whilst there are areas with very little Return on Investment which the MNOs are reluctant to consider therefore projects covering these areas will also be needed. This information is being used in order to develop the OBC for the project and to determine the best delivery approach to maximise mobile coverage and capacity across Mid Wales.

## **5. Programme Risk & Issue Register**

- 5.1. See **Appendix 2** for the Programme Risk and Issue Register for consideration. Risks and Issues will continue to be managed via the formal programme and project controls, in line with the GMW Portfolio approach. At this current time the most prominent risks continue to include: –
- 5.2. **Resources** - To deliver the benefits detailed in the Programme Business Case, the Programme must be adequately resourced in order to enable the spend of capital funding. Although the Programme will make use of existing resources in day-to-day operations, significant dedicated Programme resources will also be required when projects are progresses towards delivery. The proposed resource requirement will be scrutinised by the Digital Programme Board before an appropriate report and request is presented to GMW PDB and GMW Board.
- 5.3. **Programme funding limitations** - The Programme Business Case highlights the scale of the challenge facing Mid Wales in regard to its digital connectivity needs. With the limited funding available to the Programme the level of intervention may be limited in comparison. This not only relates to the capital funding available but also as mentioned the level of revenue funding required to support the delivery of possible interventions.
- 5.4. **UK and Welsh Gov initiatives** - With the objectives being to complement other commercially and publicly funded deployments, the Programme will ensure that interventions and projects do not replicate and make use of GMW funds where others are investing. It has already been shown through the scoping of the two initial 'quick win' projects that this may slow the pace at which projects are developed as both Governments progress their own programmes.
- 5.5. **Market response** – The challenges exist in Mid Wales due to the poor return on investment for commercial investment and the cost to deploy digital infrastructure across the Region. It is felt that during the procurement of contractors for future projects that there may be inadequate responses and the lack of interest in the Region may continue, limiting choice and thus possible value for both GMW and the businesses of Mid Wales.

## **6. Legal Implications**

6.1. None at this stage.

## **7. Resource Implications**

7.1. None at this stage

## **8. Financial Implications**

8.1. Approval of the Digital Programme Business Case and progression of project proposals does not commit MWGD funding at this stage.

## **9. Appendices**

- Appendix 1: Digital Programme Business Case
- Appendix 2: Risk & Issue Register