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Welsh Government

**Mid Wales Growth Deal
Portfolio Highlight Report
Period: 26/11/24 – 29/01/25**

Contents




- 1. Digital Programme.....2
- 2. Sites & Premises Programme4
- 3. Projects Update.....6

The following RAG status will be used in this report:

	Delivering to schedule with no issues to address (no action required).		Delivery slightly behind schedule and/or minor/moderate issues to address (management action in place).		Delivery significantly behind schedule and/or significant issues to address (urgent action required).
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1. Digital Programme



Programme Aims	Programme Objectives	 Spend	 GVA Uplift	 Jobs	RAG Status
To capitalise on the economic opportunities that can be unlocked by investing in digital infrastructure to address deficits in digital connectivity, drive the uptake of new technologies amongst the region’s businesses and improve existing services.	Target*	£38 - £54m	£95 -120m	280 - 340	

* SPBC November 2022

Programme Manager Commentary

Capital Projects

Mobile Coverage and Capacity Project OBC

An Action Plan was developed following the Gateway 2 Project Assurance Review in September, and the actions are now completed bar resourcing requirement referred to in the table and reviewing the RAID to ensure it aligns with the new Portfolio and Programme format. The contract held with consultants has been extended to support the development and finalisation of the OBC in order to present to PDB in March and GMW Board in April. A Request for Information and market engagement was recently completed with the ‘sector’ and mobile operators to provide greater information for the OBC and to align project delivery with sector plans.

Very Hard to Reach (VHTR) Project OBC

The economic, commercial and financial cases of the OBC are yet to be finalised. The UK Government recently announced the Project Gigabit contract awards for FTTP deployments across both Mid Wales and the South West of Wales, which includes some areas of Ceredigion and Powys. The drafting of the Outline Business Case for the Project has commenced. Additional support has been secured through Hatch, our external consultants in order to expedite presentation of the OBC to GMW Board for review in June 2025.

Three Business Justification Cases are currently being developed: the **Business Park FTTP Connectivity Project**, the **IOT/ LoRaWAN Stimulation Project** and the **Digital Hubs Project**.

FTTP Business Parks Project - Market engagement has taken place with infrastructure builders and a mapping exercise has taken place in order to assess which properties require intervention. This has provided accurate data on property details and the project costs. BJC drafting has commenced with a view to submission to PDB on 11th March 2025 and GMW Board on 3rd April 2025.

LoRaWAN - Early market engagement has taken place with relevant LoRaWAN consultancy to determine what level of funding would be required per business and to suggest an appropriate model/ approach to delivery. An extensive mapping exercise has taken place in order to assess which areas do not currently receive LoRaWAN coverage and to identify areas where intervention would be required to 'infill'. BJC drafting has commenced with a view to submission to PDB on 11th March 2025 and GMW Board on 3rd April 2025.




Enabling Projects

Digital Connectivity and Mapping Analysis Project - the data from the survey has been presented to the MNOs and to the Minister at the Department of Digital, Science and Innovation, who is now questioning what is being reported by the MNOs and Ofcom and how it is contradicted by the 'user experience' data that has been collected by GMW.

Open Access Agreement project - to enable broadband and mobile operators to make use of Council Assets to improve connectivity. A template agreement has been finalised in Ceredigion for some time with Powys legal team completing a final review of the document. The agreement is currently in the process of being signed or being reviewed with the intent to sign by 7 different operators. The project will support the delivery of the Mobile Coverage & Capacity Project as well as enabling operators to make commercial deployments across the Region to improve both mobile and broadband provision. The OAA project has so far enabled the development of a commercially funded broadband project in South Ceredigion, with future projects also planned.

2. Sites & Premises Programme



Programme Aims	Programme Objectives	 Spend	 GVA Uplift	 Jobs	RAG Status
To ensure the right supply and location of strategic employment land allocations and commercial premises to facilitate economic growth in the region to 2040, providing the opportunity to further grow Mid Wales' industry sector strengths and investing in the commercial sites/property market to stimulate private sector investment.	Target*	£66 - 96m	£100 - 120m	280 – 345	
	Current Forecast	£50 – 110m	£75 – 173m	600 - 800 (2 site) 1400 - 1870 (4 site)	

* SPBC November 2022

Programme Manager Commentary

Cost: The programme remains forecast to lie within the £28.9m allocation proposed based on developing the whole of the respective sites (Horeb and Newtown). Should the Food Manufacturing Innovation Centre (FMIC) and Mid Wales Advanced Manufacturing Campus (MWAMC) ultimately occupy a proportion of those sites, the S&P costs can reduce accordingly. The expectation is that (with the financial headroom already available, plus the more certain progress of the FMIC and MWAMC) a further project/s may be launched in the future.

Time / Progress: The Programme Delivery Plan has been updated to include the delivery plan for the Horeb project, the Local Intervention Fund and timescales for the proposed Programme Business Case Update and associated Gate 0 Review (see below). More information is needed on the Newtown project before a delivery plan can be drafted. Regrettably procurement of Project Management resources for the Horeb project is significantly behind the new programme, but procurement has now concluded and CCC are in the process of formally commissioning the successful Bidder.

Front-Runner Projects

- Horeb Business Park Expansion – Project Manager procurement now concluded. Savills have published a first draft Investment & Development Strategy for CCC's further consideration (see 3 below). CCC remain keen to locate the FMIC at the site, creating a dependency between the two projects that needs to be clarified.
- Newtown Site – PCC have 'found a way forward' regarding site acquisition from NPTC and commercial negotiations are progressing well. Crucial to this is securing an independent site valuation for conveyance purposes and this is expected imminently. The S&P Project cannot advance until Heads of Terms are between both parties as in place. MWGD will then look to establish a MoU between PCC and the S&P Programme Board for the ongoing delivery of the development as part of the Programme. PCC are also keen to locate the MWAMC at the site, creating a dependency between the two projects that needs to be clarified.

Local Intervention Fund (LIF)

The Business Needs Survey was relaunched as previously reported and this has increased the number of responses received to 44. The Business Justification Case for the Fund was endorsed by PDB at its last meeting and was subsequently approved by GMW Board in December. The independent appraisal by Hatch identified some residual BJC actions and these are being worked through. The most significant risk is to secure staff resources needed to operate the Fund when live. MWGD have developed a proposal with PCC to appoint a 0.5FTE Project Support Officer from 1 April onwards, with PCC providing supplemental cover for the role during 1Q25.

Programme Investment and Development Strategy

Messrs Savills have published the draft Strategy for the Horeb project, which has included Soft Market Testing of some commercial delivery options for the development. Savills are currently responding to comments on the draft for CCC to then use in developing the final commercial strategy for the site. The updated Strategy will act as a model for assisting in the development of project commercial strategies across the Programme.

Horizon Mapping Exercise

Following on from the findings of this exercise 4 new sites have been prioritised for further assessment by Savills as part of the Programme Business Case Update work, concluding this work.

Programme Business Case Update

Savills have been appointed to undertake this exercise, working jointly with the S&P Programme Manager. The work is progressing well and has involved extensive consultation with PCC, CCC and Welsh Government Property Division. The 4 new sites have been examined in more detail and integrated into the Programme Pipeline following an Options Evaluation Workshop. As previously reported, the updated PBC will propose three principal workstreams for the Programme going forward:- Strategic Interventions (like the current sites); Potential Joint Ventures with WG or Other Parties; Local Intervention Fund. The PBC Update work is on programme and will be completed in time to feed into the Mid-Gate 0 Review process which should conclude with approval of the updated Programme Business Case at GMW Board on 3 April 2025.

Mid-Gate 0 Review

The Assessment Meeting for this Review took place on 21 November, as previously reported. A more detailed Planning Meeting with the appointed Review Team is scheduled for 5 February and the review itself will take place across 17 to 19 February 2025.



Resources

Issues to report at this time are:

1. CCC to conclude appointment of Client Project Manager for Horeb.
2. PCC project resources for Newtown will need to be identified soon.
3. Secondment arrangement for 0.5FTE Project Support Officer for Local Intervention Fund to be confirmed with PCC.

3. Projects Update



Programme Aims	Programme Objectives	 Spend	 GVA Uplift	 Jobs	RAG Status
Mid Wales Growth Deal currently has eight live standalone projects developing their business cases to contribute to achieving the strategic objectives of the Mid Wales Growth Deal and secure capital funding as a stimulant for economic development across the Mid Wales region.	Target*	£210 - £301m	£430 - £530m	235 - 285	
	Forecast Feb 2024	£191 - £244m	£340 - £415m	475 - 580	

Projects & Performance Manager Commentary
<p>As part of the Portfolio Business Case review health checks are being completed on all projects, therefore a report will be provided once that exercise has been completed.</p> <p>The overview position is as follows: -</p> <ul style="list-style-type: none"> ▪ All 8 projects have received Strategic Outline Case approval. ▪ 2 OBCs have been approved (Elan Valley Lakes & Cynefin). ▪ 2 projects will adopt a Programme 'Light' approach (GFIP and Montgomery Canal Restoration). ▪ 2 projects are in the early stages of developing their OBCs (FMIC and MWAMC) ▪ 1 project is showing very little progress (Aberaeron Harbour) ▪ 1 project is officially on hold (Tir Glas).