

Cyd-Bwyllgor Craffu Tyfu Canolbarth Cymru / Growing Mid Wales Joint Scrutiny Committee

Man Cyfarfod
Zoom

Dyddiad y Cyfarfod
Dydd Mercher, 23 Chwefror 2022

Amser y Cyfarfod
2.00 pm

I gael rhagor o wybodaeth cysylltwch â
Lisa Richards, Scrutiny Officer

lisa.richards@powys.gov.uk



Neuadd Y Sir
Llandrindod
Powys
LD1 5LG

Dyddiad Cyhoeddi

Mae croeso i'r rhai sy'n cymryd rhan ddefnyddio'r Gymraeg. Os hoffech chi siarad Cymraeg yn y cyfarfod, gofynnwn i chi roi gwybod i ni erbyn hanner dydd ddau ddiwrnod cyn y cyfarfod

AGENDA

1.	YMDDIHEURIADAU
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Derbyn ymddiheuriadau am absenoldeb.

2.	DATGANIADAU O DDIDDORDEB
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Derbyn unrhyw ddatganiadau o ddiddordeb.

3.	COFNODION
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Derbyn Cofnodion y cyfarfod diwethaf a gynhaliwyd ar 1 Rhagfyr 2022.
([Tudalennau 1 - 4](#))

4.	CYTUNDEB RHWNG AWDURDODAU A CHYTUNDEB Y FARGEN DERFYNOL
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Derbyn adroddiad cynnydd ar y Cytundeb Rhwng Awdurdodau Fersiwn 3 a
Chytundeb y Fargen Derfynol.
([Tudalennau 5 - 132](#))

5.	STRATEGAETH YNNI CANOLBARTH CYMRU
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Ystyried adroddiad gorolwg a diweddarau ar y Strategaeth Ynni Canolbarth Cymru.
(Tudalennau 133 - 204)

6.	RHAGLEN WAITH
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Ystyried y blaenraglen waith a'i diwygio fel y bo angen.
(Tudalennau 205 - 206)



**MINUTES OF A MEETING OF THE CYD-BWYLLGOR CRAFFU TYFU
CANOLBARTH CYMRU / GROWING MID WALES JOINT SCRUTINY COMMITTEE
HELD AT ZOOM ON WEDNESDAY, 1 DECEMBER 2021**

Ceredigion County Council:

County Councillors C Davies, K Evans and W Thomas

Officers:

R Hughes-Pickering, Corporate Director, C Jones-Evans, Strategic Manager, L Edwards, Democratic Services, C Williams and L Evans, Scrutiny and Standards Officer

Powys County Council:

County Councillors J Berriman, M J Dorrance, D O Evans, K M Roberts-Jones and R G Thomas (Chair)

Officers:

N Brinn, Executive Director, Economy and Environment, P Griffiths, Consultant, C Turner, Chief Executive, N Williams, Joint Project Officer and L Richards, Scrutiny Officer

Regional (GMW) Officers:

C Martin, Operations Manager, A Caesar-Homden, Regional Skills Partnership Manager,

1.	APOLOGIES
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An apology for absence was received from County Councillor E Evans,

2.	DECLARATIONS OF INTEREST
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There were no declarations of interest.

3.	MINUTES
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The Minutes of the last meeting held on 22 October 2021 were agreed as a correct record.

4.	MID WALES GROWTH DEAL
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i) **Final Deal Agreement**

Members were provided with an update on progress towards the Final Deal Agreement. The Portfolio Business Case had been considered by the Board in October followed by an Accountable Officer Review. Ten

recommendations had been made but none were understood to be of such significance as to delay the Final Deal Agreement.

The Final Deal Agreement will be similar to the Heads of Terms Agreement and represents a political commitment that the case for a Growth Deal has been made. The date for sign off of the Agreement is still to be finalised but it is hoped that this will be before Christmas. The Agreement will not be made public until such time as it has been formally signed.

The Growth Deal will be for £110M over a 10 year period. This period will commence when the first annual grant offer letter is received for the Deal, which is anticipated to be during the summer of 2022. The funding will be subject to an annual review and approval process. The Portfolio Management Office will support the Economic Development services in both Authorities in bringing forward project development and horizon scanning of further opportunities. There will be no defined minimum intervention rate – each project will be different, and the case needs to be made for public investment as part of the business planning process.

The Committee asked if there was a Risk Register for the Growth Deal and were informed that each portfolio had a risk register which could be considered by the Joint Overview and Scrutiny Committee.

ii) **Corporate Joint Committee**

The Committee received a presentation on the Corporate Joint Committee (CJC) by the Joint Project Officer.

The Committee noted the option to add additional members and asked how many. The regulations do not specify the number and this would be decided by both Leaders. Appointees could be someone external to both organisations.

Members also questioned how TRACC would respond to losing their autonomy and being taken under the CJC. TRACC had agreed the recommendation. It was noted that the TRACC area was not exactly coterminous with the area covered by the CJC.

5. REGIONAL SKILLS PARTNERSHIP

The Committee had received a report by the RSP Manager and were given a presentation to summarise the report.

Members noted that ongoing research would feed into the needs of various sectors which would include schools. It was clear that this could drive delivery at a Further Education level, but it was not so clear how this might affect secondary education. The RSP is purely an advisory body and its activities will filter out to different

sectors. Discussions are ongoing regarding sharing careers information. The RSP will also lead on the Young Person's Guarantee once the specification document has been signed off by Welsh Government. With regards to closer working with schools, it is hoped to encourage businesses to go into schools to help deliver specialist areas of the curriculum to support teaching staff.

Market intelligence reports will be available on the website once agreed by the Welsh Government.

In addition to attracting inward investment, Members highlighted the need to 'grow our own'. Inward investment was necessary to grow the economy. Research into graduate destinations and retention will be undertaken to help identify where they are moving to and what other areas are doing to attract and keep them there. What are we not doing in Mid Wales to keep learners here.

A request was made for a flow chart of decision-making processes from the Board down and including the RSP. (Included at the end of these minutes.)

Further research and data analysis is planned to build an evidence base of what is currently being delivered and where, to support learners and meet employers needs and to identify current and future skills gaps and employer demands. The RSP is working with both education and economic regeneration colleagues. Intelligence will be obtained from Data Cymru, the Skills Gateway and Business Wales. The RSP meets regularly with Business Wales. It was considered that there was a need to strengthen references to the Welsh language. As part of the RSP membership review, the Welsh Language School will be invited to nominate a representative to sit on the RSP Board.

6. WORK PROGRAMME

It was suggested that the Committee should initially receive strategic updates from each of the eight Workstream Leads to provide an overview. Members requested that papers be provided in advance to allow them to focus on each topic. It was further suggested that Governance should be included on the agenda to provide an update on how Agreements were progressing.

Outcomes:

- **The next meeting will be on Wednesday 23 February 2022 at 2pm**
- **The agenda will comprise;**
 - **an update on the Inter Authority Agreement (version 3) which is to be considered by the Board on 15 December 2021**
 - **Final Deal Agreement**
 - **Portfolio Business Case**
- **Energy Strategy**
- **Digital Strategy**

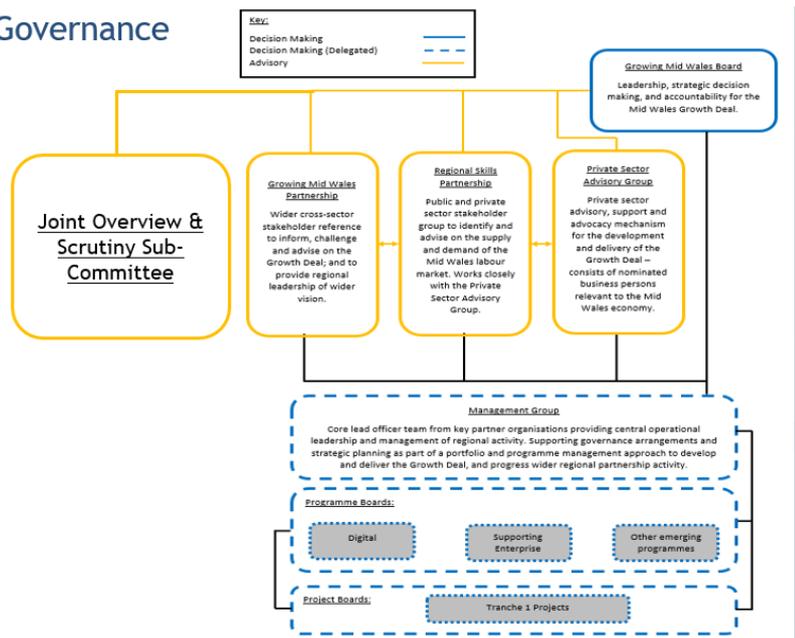
- The Regional Skills Partnership will be considered again in the summer of 2022

7. TERMS OF REFERENCE AND GOVERNANCE UPDATE

The Chair, Vice Chair had discussed with Councillor Berriman his concerns regarding the Terms of Reference of the Committee. It was agreed these would be monitored and considered again in October 2022.

County Councillor R G Thomas

Llywodraethiant / Governance





REPORT TO JOINT OVERVIEW AND SCRUTINY SUB-COMMITTEE

23 February 2022

TITLE:	Mid Wales Growth Deal – IAA3 and FDA
AUTHOR:	Cathy Martin, Operations Manager - GMW Portfolio Management Officer

1 Purpose of the Report

1.1 The purpose of this report is to present two documents to the Committee relevant to the Mid Wales Growth Deal (MWGD) governance and funding commitment:

- Inter-Authority Agreement v3
- Final Deal Agreement

2 Inter-Authority Agreement

2.1 In line with the work of the Growing Mid Wales Partnership and to take forward the development and delivery of the Mid Wales Growth Deal (MWGD), a formal arrangement is in place between Ceredigion and Powys County Councils in the form of an Inter-Authority Agreement (IAA).

2.2 The initial Inter-Authority Agreement was put in place in December 2019 and set out the principles of the governance and management arrangements to enable partners to achieve Heads of Terms for the MWGD in December 2020.

2.3 In July 2021, a further iteration of the IAA was developed (IAA2) to ensure continued governance for the period of development up to Final Deal Agreement, and also to include the new Terms of Reference for the Regional Skills Partnership.

2.4 To ensure there is continued good and robust governance for the delivery phase of the MWGD, it has been necessary to further revise and evolve our existing arrangements between both Powys and Ceredigion Councils.

2.5 Therefore Version 3 of Inter-Authority Agreement (IAA) was presented to the GMW Board in December, subsequently approved by both Local Authority cabinets and is now officially signed.

2.6 IAA3 commenced once the Final Deal Agreement (FDA) was signed between the two Councils – and will remain in force and effect for the period of the Growth Deal unless the Parties agree to terminate the agreement or the agreement is brought to an end by the default of a party.

3 Governance Principles and Framework

Growing Mid Wales Board

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- 3.1 IAA1 established the Growing Mid Wales Board (GMWB) as an executive joint committee and that arrangement continued into IAA2, and now into IAA3. As with previous IAA iterations, the voting committee membership consists of 10 elected member representatives by the Councils (5 each). The key change in IAA3 versus previous iterations, is that the Chair of the Private Sector Advisory Group (formerly Economic Strategy Group) no longer has voting rights on the GMWB. All advisory panels of the GMWB are re-established in a consultative capacity, to provide advice to the GMWB.
- 3.2 On an annual basis the GMWB will be required to update the Portfolio Business Case for the preceding five years, but any material change to the prevailing Portfolio Business Case will have to be approved by Cabinets of both Authorities (clause 7.2).
- 3.3 Before the start of each Accounting year, the GMWB is required to approve an Annual Business Plan setting out the annual spend for approved projects (clause 7.3).

Economic Advisory Group

- 3.4 Following the review of the previous Economic Strategy Group that was constituted as part of IAA1 and IAA2 – the private sector group has been re-designed with new terms of reference to provide the GMWB with consistent strategic advice pertaining to the delivery of the MWGD.

Joint Overview and Scrutiny Committee

- 3.5 The Terms of Reference remain largely unchanged from IAA2 when it was established.

Regional Skills Partnership

- 3.6 The Terms of Reference remain largely unchanged from IAA2 when it was established.

Growing Mid Wales Management Group

- 3.7 This was established under IAA1 to co-ordinate professional officer advice and management to the GMWB. The terms of reference have been evolved to be in line with expectations and requirements to support the delivery of the Deal – which ensures the oversight of resource deployment, performance management of the Portfolio and team, and acts as a clearing house for GMWB reports. Its membership comprises senior officers from both Councils, with observers from both Governments.

Portfolio Management Office (PoMO)

- 3.8 The PoMO has been established via separate grant funding agreement and SLA between the two Councils and Aberystwyth University– however the role and function of the PoMO in the context of the MWGD have now been defined within IAA3. They provide professional support and advice to the GMWB on the delivery of the MWGD Portfolio.

Council's Obligations – Administrative Functions

- 3.9 IAA1 and IAA2 set out the respective lead authorities for the “administrative functions” (HR, Finance, Legal etc).
- 3.10 IAA3 has set out that the Councils acknowledge and agree to divide the administrative functions in support of the Mid Wales Growth Deal in accordance with the table below:

Administrative function	Responsibility
Human Resources	Ceredigion
Clerk to the GMWB	Both Councils shall appoint an individual to act as Clerk who will be responsible for supporting the administrative requirements of the GMWB on an alternate basis in accordance with Clause Error! Reference source not found. (GMWB)
Legal Services	Powys
Monitoring Officer	Powys
Treasurer and Section 151 Officer	Ceredigion as Accountable Body
Communications	Ceredigion, supported by the PoMO
Procurement	Powys
Translation	The Council holding the GMWB Meeting
IT	Ceredigion
Internal Audit	Powys
Democratic Services	Powys
Secretariat services to the EAG	Powys, supported by the PoMO

Accountable Body

- 3.11 IAA3 also defines and establishes the role of the Accountable Body for the delivery of the MWGD. Ceredigion has been established as the lead authority for finance for the MWGD in IAA1 and IAA2, and this continues into IAA3 with Ceredigion acting as the Accountable Body responsible for discharging the Councils’ obligations in relation to the MWGD pursuant to IAA3. It means accepting and receiving any HMT Contribution from the WG for and on behalf of the Councils and shall hold and manage such HMT Contribution in accordance with the terms of the Agreement. The Accountable Body shall receive any additional funding from any other source for and on behalf of the Councils and shall hold and manage such funds in accordance with the terms of the Agreement.

4 Codes of Conduct and Conflicts of Interest

- 4.1 The principles established in previous agreements (IAA1 and IAA2) remain unchanged for IAA3 – and sets out the provisions for Members Code of Conduct in relation to the declaration and management of personal interests.
- 4.2 The review into the Economic Strategy Group concluded that the provisions and mechanisms to manage the potential interests of private sector members were deemed sufficient – however, the new terms of reference have been strengthened in IAA3 to ensure a clearer focus and role within wider MWGD governance.

5 Delegation

- 5.1 The Scheme of delegation is set out in Schedule 1 of the IAA3 as follows:

DECISION	MANAGEMENT GROUP MATTER	GROWING MID WALES BOARD MATTER	MATTER RESERVED TO THE COUNCILS
KEY THEMES			
1. Approval of IAA3			Yes
2. Approval and adoption of any Business Plans			Yes
3. Approval and adoption of any updated Business Plans save to the extent any such update amounts to a material change to the prevailing Business Plan (in which case the decision to approve and adopt such updated Business Plan shall be a Matter Reserved to the Councils)		Yes	
FUNDING AND EXPENDITURE			
4. Approval of any increase to the Councils' Contribution			Yes
5. Approval of any disproportionate Internal Costs pursuant to Clause 11 (<i>Commitment of the Councils and Contributions</i>)		Yes	
6. Approval of expenditure within the approved Annual Budget of the Accountable Body held on behalf of the Councils set out in Clause 11.2 (<i>Annual Budget</i>)	Yes		

DECISION	MANAGEMENT GROUP MATTER	GROWING MID WALES BOARD MATTER	MATTER RESERVED TO THE COUNCILS
7. Approval of the Annual Budget pursuant to Clause 11.2 (<i>Annual Budget</i>)			Yes
8. Approval of additional expenditure over and above the approved Annual Budget of the Accountable Body held on behalf of the Councils set out in Clause 11.2 (<i>Annual Budget</i>)			Yes
9. To approve from time to time the distribution of the Annual Budget as between the different programmes and projects agreed as part of any MWGD or the Regional Growth Strategy		Yes	
10. Entering into (or agreeing to enter into) any borrowing arrangement on behalf of the Joint Committee and/or giving any security in respect of any such borrowing		Yes	
11. Accepting terms and conditions in relation to any third party funding for the MWGD		Yes	
GENERAL			
12. Replacement of the Accountable Body			Yes
13. Establishment of a sub-committee pursuant to this Agreement and determining their terms of reference and scope of delegation.		Yes	
14. Making any variations to or waiving any rights to or terminating any contracts signed by Council / the Accountable Body (other than this Agreement) which are material to the MGWD.		Yes	
15. Amendments to the terms of this Agreement			Yes
16. The engagement of (and terms of engagement of) any individual person where the value of the appointment	Yes		

DECISION	MANAGEMENT GROUP MATTER	GROWING MID WALES BOARD MATTER	MATTER RESERVED TO THE COUNCILS
does not exceed £50,000 per Accounting Period			
17. The engagement of (and terms of engagement of) any individual person where the value of the appointment does exceeding £50,000 per Accounting Period		Yes	
18. Commencing any claim, proceedings or other litigation brought by or settling or defending any claim, proceedings or other litigation brought against the Joint Committee or individual Party in relation to the MWGD, except in relation to debt collection in the ordinary course of business.		Yes	
19. Making any announcements or releases of whatever nature in relation to the Joint Committee and the MWGD.		Yes	
20. Creation of a local authority trading company under Local Government Act 2003			Yes
21. Any other matters not covered in this (<i>Delegations Policy</i>)			Yes

5.2 The GMWB may delegate the whole or any part of its powers to any person, sub-committee or group (Clause 9.29).

5.3 A copy of IAA3 can be found at Appendix 1.

5.4 The information for the above section of this report was taken from the GMW Board papers of 1th December 2021 presented by Clive Pinney, Head of Legal and Democratic Services (Powys Council) – Lead Monitoring Officer for the MWGD. The papers can be found here: [GMW Board Papers 15-12-21](#) Paper 5.1.

6 Final Deal Agreement (FDA)

- 6.1 The FDA document sets out the principles upon which the final deal is agreed between the region and both Governments. It is based on the Strategic Portfolio Business Case that forms the foundation and establishes the operational framework for the Deal and which will evolve to reflect the development of its constituent programmes and projects, and changes in the policy and economic context.
- 6.2 In signing this agreement the UK Government and Welsh Government are jointly committing an investment of £110 million into the Growth Deal over a period of between 10 and 15 years.
- 6.3 Building on the Vision for Growing Mid Wales published in Summer 2020, and the Heads of Terms subsequently signed in December 2020; this document sets out the parameters and framework for the delivery of the Mid Wales Growth Deal that reaffirms the commitment of all parties to achieve the full implementation and potential of this funding.
- 6.4 The Growth Deal is a key catalyst to transform the regional economy as part of a broader funding mix. The injection of capital funding into the region over a long-term timescale provides the opportunity to mobilise investments in significant economic infrastructure in tandem with the private sector.
- 6.5 The Growth Deal has been brought forward as a Portfolio, and has the potential to deliver against the eight Strategic Growth Priorities within the Vision:
- Applied Research & Innovation
 - Agriculture, Food & Drink
 - Strengthened Tourism Offer
 - Energy
 - Digital
 - Supporting Enterprise
 - Transport
 - Skills & Employment
- 6.6 By focusing delivery on these Strategic Growth Priorities collectively as part of a Portfolio, the Growth Deal will achieve a greater impact in terms of the Board's ambition and use of resources than focusing on a set of immutable, individual projects in isolation.
- 6.7 All programmes and projects that are delivered through the Growth Deal will directly contribute towards the aims and objectives of the Portfolio. The Portfolio as planned at present focuses on a set of 2 programmes and 9 projects that relate to 5 of the Strategic Growth Priorities. The headline figures and assumptions are currently indicative – but set out the region's proposals for bringing the Portfolio forward.

- 6.8 The Portfolio approach ensures that the right mix of programmes and projects deliver tangible and long-lasting benefits across the region that ensures a continuing focus by regional governance on delivering the aims and objectives of the Strategy. This means that the Portfolio is live – and the programmes and projects are subject to change as further planning and development is undertaken – as per the Portfolio approach.
- 6.9 As set out in the Strategic Portfolio Business Case, an indicative assessment of the shortlisted programmes and projects estimates that the Growth Deal will deliver a total investment of £280-400 million in the Mid Wales economy (£110 million jointly from UK and Welsh governments), creating 1,100-1,400 net additional jobs and generating £570-700 million in net additional GVA .
- 6.10 This Final Deal Agreement builds on the foundations set through the Heads of Terms and sets out the challenges and opportunities across the key sectors in the Mid Wales economy that the Growth Deal has the potential to address include those resulting from the impact of Covid-19.
- 6.11 The FDA also sets out the Governance Structures and reporting mechanisms to deliver the Growth Deal, alongside the assurance and approvals process - reflecting the detail with the wider Portfolio Business Case.
- 6.12 On Thursday 13th January 2022 the Final Deal Agreement for the Mid Wales Growth Deal was officially signed. 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 Appendix 2.
- 6.13 The event, held virtually, was attended by Vaughan Gething MS (Minister for Economy, Welsh Government), David TC Davies MP (Parliamentary Under Secretary of State for Wales, UK Government), Cllr Ellen ap Gwyn (Leader, Ceredigion County Council) and Cllr Rosemarie Harris (Leader, Powys County Council). With Rebecca Evans MS (Minister for Finance and Local Government, Welsh Government), Neil O'Brien MP (Parliamentary Under Secretary of State; Minister for Levelling Up, The Union and Constitution, UK Government) as signatories only.
- 6.14 A press notice was released which received widespread attention in over 10 publications and was also posted on the Growing Mid Wales twitter page and LinkedIn which was shared by interested parties.
- [Mid-Wales-Growth-Deal-reaches-an-important-development-milestone](#)
- [GMW Social Media Clip](#)
- [Business News Wales special-audio-feature](#)
- 6.15 This signals the final phase of strategic development of the MWGD, and will see work concluding to ensure grant offer letters are received – which will signify the commencement of delivery of the MWGD.

7 Appendices

- 7.1 Appendix 1 – IAA3
- 7.2 Appendix 2 – FDA

THIS AGREEMENT is made the ^{January 2022} ~~13th~~ day of ~~December~~ ~~2021~~

BETWEEN:

CEREDIGION COUNTY COUNCIL (1)

And

POWYS COUNTY COUNCIL (2)

**AMENDED INTER AUTHORITY
AGREEMENT**

for

**AGREEING A PORTFOLIO
BUSINESS CASE AND THE FINAL
DEAL AGREEMENT**

FOR THE

MID WALES GROWTH DEAL

DATED

12 January 2021

~~December 2021~~

BETWEEN:

PARTIES:

- (1) **CEREDIGION COUNTY COUNCIL** of Neuadd Cyngor Ceredigion, Penmorfa, Aberaeron, Ceredigion, SA46 0PA ("Ceredigion") : and
- (2) **POWYS COUNTY COUNCIL** of County Hall, Llandrindod Wells, Powys LD1 5LG ("Powys")

together described as the "Authorities" or "the Parties"

WHEREAS

- (1) Currently the Authorities have in place an Inter Authority Agreement dated 11th December 2019 (" the IAA") in respect of the development of an Outline Business Case ("OBC") for the Mid Wales Growth Deal ("the Growth Deal") and for approval of Heads of Terms with the Welsh Government ("WG") and the United Kingdom Government ("UK Government").
- (2) The Authorities have resolved to amend the IAA to take them to the next stage of developing a Portfolio Business Case and agreeing a Final Deal Agreement with WG and the UK Government.
- (3) The Authorities have established a Joint Committee for the purpose of establishing good and clear governance around the development of an OBC for the Growth Deal and for approval of Heads of Terms with the WG and the UK Government and confirm that the Joint Committee will continue for the next stage of developing a Portfolio Business Case and agreeing with WG and the UK Government a Final Deal Agreement in accordance with the Heads of Terms
- (4) The Authorities recognise that a further and more detailed Inter Authority Agreement will be required once a Final Deal Agreement has been agreed by the Authorities, the WG and the UK Government, and the impact of Corporate Joint Committees for the Mid Wales area is better understood.
- (5) The Authorities agree that there will be no host authority and that the Joint Committee will operate on a joint partnership basis.
- (6) The Authorities agree to strengthen the joint scrutiny of the Project as set out in clause 23 and Schedule 5.

NOW IT IS HEREBY AGREED as follows:-

1. Definitions and Interpretation

1.1. For the purpose of this Agreement the following definitions apply to this Agreement and Schedules:

“the Accounts” shall mean the financial statements, records and relevant documents of The Project;

“Authorities” shall mean either Ceredigion or Powys or both as the context requires;

“Board” shall mean the joint committee as is established in accordance with this Agreement in relation to the Growth Deal;

“Budget” shall mean an itemised summary of intended revenue and capital expenditure for the Financial Year as approved in accordance with Clause 5;

“Chair” shall mean a Member acting as chair of meetings of the Board or the chair of the JOSSC as the case may be in accordance with this Agreement;

“Change in Law” shall mean any primary or secondary legislation that constitutes a change in Law that impact on this Agreement, which comes into force after the date of this Agreement;

“Constitution” shall mean a document produced, approved and maintained by an Authority setting out that Authority’s arrangements including any procedural rules relating to contracts, finance and land and such other information as required by Section 37 of the Local Government Act 2000;

“ESG” shall mean the Economic Strategy Group formed for the purpose of undertaking an advisory and consultative role to the Board and whose terms of reference are set out in Schedule 3;

“Funding” means funding provided to the Board otherwise than from the Authorities;

“Financial Year” shall mean a year beginning on 1st April;

“ Heads of Terms” shall mean the agreement signed by the Parties and WG and the UK Government on 22nd December 2020;

Joint Overview & Scrutiny Sub-Committee (“JOSSC”) shall mean the joint scrutiny whose terms of reference are set out in Schedule 5.

“Law” means any applicable law, statute, bye-law, regulation, order, regulatory policy guidance or industry code, rule of court, directives or requirements of any Regulatory Body, delegated or subordinate legislation, or notice of any Regulatory Body;

“Management Group” shall comprise an appropriate Senior Officer from each Authority and invited officers from each of the Authorities;

“Mid Wales” shall mean the counties of Ceredigion and Powys;

“Member” shall mean a person elected to hold the office of member of an Authority in accordance with Section 79 of the Local Government Act 1972;

“ Monitoring Officer” shall mean the officer specified in Clause 4.3 hereof who shall have responsibility for maintaining good legal governance of the Project and of the work of the Board in relation to this Agreement;

“The Project” shall mean the development of a Portfolio Business Case and concluding a /Final Deal Agreement with the WG and the UK Government;

“Regulatory Body” means those government departments and regulatory, statutory and other entities, committees and bodies that, whether under statute, rules, regulations, codes of practice or otherwise, are entitled to regulate, investigate or influence the matters dealt with in this Agreement, or any other affairs of the Authority;

“RSP” shall mean the Regional Skills Partnership for Mid Wales established to support the delivery of a post-16 learning environment which is fit for purpose for the economic area involved in the Growing Mid Wales Partnership and whose terms of reference are set out in Schedule 4;

“Senior Officer” for Ceredigion shall mean the Corporate Lead Officer for Economy and Regeneration and for Powys shall mean the Corporate Director for the Economy and the Environment.

“Treasurer” shall mean the officer specified in Clause 4.3 hereof who shall have responsibility for maintaining the financial accounts of the Board in relation to this Agreement and shall act as the Section 151 Officer in respect of the Board and the Project;

“Vice Chair” shall mean such Member serving in the place of the Chair in accordance with this Agreement.

1.2. In this Agreement and Schedules:-

1.2.1. any references to a specific statute include any statutory extension or modification amendment or re-enactment of such statute and any regulations or orders made under such statute;

1.2.2. references to any Clause, sub- Clause, schedule or paragraph without further designation shall be construed as a reference to the Clause, sub- Clause schedule or paragraph to this Agreement so numbered;

1.2.3. the Clause, paragraph and schedule headings do not form part of this Agreement and shall not be taken into account in its construction or interpretation;

1.2.4. person shall mean corporation, partnership, firm, unincorporated association and natural person;

1.2.5. the singular includes the plural and vice versa;

1.2.6. the four Schedules form part of the Agreement and have the same force and effect as if expressly set out in the body of the Agreement and any reference to this Agreement shall include the Schedules.

2. Power to make this Agreement

2.1 The Authorities wish to enter into this Agreement and deliver the Growth Deal pursuant to the powers conferred on them by Sections 101, 102, 111 and 113 of the Local Government Act 1972, Section 1 of the Local Authority (Goods & Services) Act 1970, Section 25 of the Local Government (Wales) Act 1994, Section 2, 19 and 20 of the Local Government Act 2000, Section 9 of the Local Government Wales Measure 2009 and all other enabling powers now vested in the Authorities.

2.1 In making this Agreement each of the Authorities confirm that they have in place an appropriate scheme of delegation under which the powers and duties set out in Schedule 2 hereof are delegated wholly to the Board and do not require to be ratified in any way by the individual Councils.

3. The Board

3.1. The Authorities agree to establish the Board in accordance with the provisions of Schedule 1 for the purpose of undertaking the Project and to undertake the duties and responsibilities set out in Schedule 2 of this Agreement or such other duties and/or responsibilities as may be further agreed from time to time by the Authorities.

3.2. The Board may recommend such matters which are not considered to be in the ambit of Schedule 2 for consideration and decision in accordance with each Authority's Constitution.

4. Authorities

4.1. The Authorities shall carry out the administrative functions of the Board which shall include the following:

4.1.1. Subject to Schedule 2 employ or otherwise deploy sufficient people to enable the Board to operate in an effective manner within the approved Budget. For the avoidance of doubt, the employing Authority will use its own

recruitment processes and be responsible for the line management of their employees under their own employment policies; and

4.1.2. enter into and use reasonable endeavours to perform all contracts approved by the Board to achieve the Project; and

4.1.3. apply for Funding as directed by the Board; and

4.1.4. receive and make payments out of all monies dedicated to the Board (and the Parties expressly agree that Funding shall be paid to the Authority employing the Treasurer which Authority shall hold the same in accordance with its financial regulations); and

4.1.5. act as clerk and host the Board support and other requisite support services, including legal services; and

4.1.6. comply with the provisions of this Agreement and use reasonable endeavours to do all such things as authorised from time to time by the Board.

4.2. The Authorities shall nominate an Authority who shall also:

4.2.1. subject to the statutory role of each Authority's monitoring officer in accordance with Section 5(A)(1) of the Local Government and Housing Act 1989 and the Local Authorities (Executive and Alternative Arrangements) (Modification of Enactments and Other Provisions) (Wales) Order 2002 SI 2002 2002/808 in relation to their Authority, provide for the purposes of the Board the services of its monitoring officer; and

4.2.2. act as the Treasurer for the purposes of the Project and all financial aspects of the Board and the Project will be controlled and managed through the financial systems of the Treasurer's authority and will ensure that the accounting practices comply with relevant legislation and other controls.

4.2.3. The Authorities shall be entitled to recover from the Budget dedicated to the Board an amount equal to the costs and outgoings which have been properly incurred in undertaking the responsibilities allocated under this Agreement including the payment of wages, expenses, pension contributions and termination/redundancy payments for employees. A detailed analysis of such costs and outgoings will be presented to the Treasurer for payment and to the Board for information and approval.

4.2.4. The Treasurer will make available to the chief finance officer and internal or external auditors of the other Authority access to the Accounts of the Board at all reasonable times free of charge or any officer of the other Authority duly authorised for the purpose and such accounts shall be subject to audit as accounts to which Section 2 of the Audit Commission Act 1998 applies.

4.2.5. After the conclusion of every Financial Year the Treasurer will by the 30th June each year send to the other Authority a copy of the final accounts of the Board for such Financial Year this provision being in addition to and not in substitution for any obligation to furnish to the other Authority copies of the auditor's report on such accounts and of the financial statement thereof.

4.2.6 Each Council shall permit all records referred to in this Agreement to be examined and copied from time to time by the Treasurer, or any representatives of the Treasurer who reasonably require access to the same in order to undertake any audit of the funds received and spent pursuant to this Agreement.

4.3. For the purposes of discharging the administrative functions detailed in paragraphs 4.1 and 4.2 above, it is hereby agreed that the functions listed in Column 1 below shall be initially undertaken by the Authority listed in Column 2 below;

<u>Column1</u>	<u>Column 2</u>
Human Resources	Ceredigion
Clerk to the Board	Shall be designated to the Authority in which the meeting of the Board is held
Legal Services/Monitoring Officer	Powys
Treasurer and Section 151 Officer	Ceredigion
Communications	Jointly by Ceredigion and Powys
Procurement	Powys
Translation	The Authority where a meeting is held
IT	Ceredigion
Internal Audit	Powys

PROVIDED ALWAYS that the Authorities may by agreement from time to time vary the arrangements detailed in Columns 1 and 2 above.

4.4 Each Authority shall appoint a Senior Officer to act as the Joint Senior Responsible Officer ("SRO") for the Project and the SROs shall agree which further officers will be required to be utilised to deliver the Project and to form part of the Management Group.

5. Finance

5.1.

5.1. An initial budget forecast will be submitted for consultation by 31st December each year for the next Financial Year and approval sought by 31st January. The budget shall include the costs associated with the implementation of the Project in accordance with this Agreement for the approval of the Board. Any substantial increase to the baseline should be agreed by the Board with clear funding options identified.

5.2. In respect of grants and other external sources of funding, the Treasurer shall notify the Authorities in writing of the sums which have been granted to the Board as and when the Treasurer becomes aware of such.

5.3. The Board shall only operate within its Budget, as agreed with each of the Authorities subject to maximum thresholds and any additional external funding. Quarterly financial monitoring reports and forecasts should be provided by the Treasurer to SRO's and to the Board.

5.4. Each of the Authorities shall contribute towards the net costs of operating the Board in equal proportions.

5.5. The contributions specified in Clause 5.4 shall be made by the Authorities quarterly in advance based on an invoice for the agreed amounts submitted by the Treasurer.

5.6. If either of the Authorities fail to pay their share of the net costs within 31 working days of the delivery of an invoice in respect of the same then interest as hereinafter provided shall be payable on the outstanding amount until payment is made. Interest shall be calculated at the rate of one per centum per annum in excess of the base lending rate of the Bank of England applicable for the relevant period.

5.7 Any underspend will be rolled forward to the next financial year (by use of a specific reserve or other instrument approved by the Treasurer).

5.8 Overspends will be notified to the Management Group and the Board promptly with clear explanation of the deficit. The specific reserve will be utilised in the first instance to fund the overspend. But the Parties need to agree a recovery proposal for the existing and future years budget and where funding will be sourced. In immediate circumstances the Authorities will share the burden in equal parts. If substantial overspends continue the Board must consider its future viability and adopting termination Clauses.

5.9 External Audit arrangements will apply based on the Treasurer's local arrangements and Internal Audit arrangements will apply based on Powys local arrangements.

5.10 The Treasurer shall ensure that any purchases or supply of services made to the Project which are taxable under VAT legislation, whether or not the purchase price includes an element of VAT, shall be paid for only on the receipt by the responsible financial officer of an invoice complying with VAT regulations or a written guarantee that an authenticated VAT receipt will be issued on payments.

5.11 VAT will be chargeable on payments between the Authorities only where a taxable supply of goods or services is deemed to have been made as defined by statute in the VAT Act 1994 as amended.

6. Ownership of Assets

6.1. The Authorities shall hold all the assets belonging to the Board on trust for the Authorities in equal shares.

6.2. Upon termination of this Agreement the Authorities shall distribute any assets belonging to the Board as directed by the Authorities but in accordance with the proportions set out in Clause 6.1 hereof and in the event of dispute shall comply with the provisions of clause 20 of this Agreement relating to dispute resolution.

7. Indemnities

7.1. Each Authority shall indemnify and keep indemnified the other Authority for an appropriate proportion of all liabilities, losses, actions, claims, demands, proceedings, damages, costs, charges, and expenses whatsoever and howsoever arising in respect of or in any way arising whether in contract, tort or otherwise, except where the liability arises from any fraud, dishonesty, negligence, unlawful expenditure, libel or slander on the part of an Authority performing a function as set out in Clause 4 hereof and/or where an Authority has acted outside the scope of its authority.

7.2. In the event of an Authority in the performance of a function as set out in Clause 4 hereof committing fraud, dishonesty, negligence, unlawful expenditure, libel or slander or otherwise acting outside the scope of their authority, that Authority shall indemnify and keep indemnified the other Authority against all liabilities, losses, actions, claims, demands, proceedings, damages, costs, charges, and expenses whatsoever and howsoever arising in respect of or in any way arising whether in contract, tort or otherwise, directly or indirectly, out of such conduct.

8. Duration of the Agreement and Termination

8.1. This agreement shall continue until replaced by another Agreement governing the relationship between the Parties or otherwise terminated in accordance with clause 8.2.

8.2 Any Authority may terminate its involvement in this Agreement by giving to the other Authority 12 months' notice in writing.

8.3. In the event that this Agreement is terminated in accordance with Clauses 8.1 and 8.2 the Authorities shall remain liable for the following costs in equal proportions:-

8.3.1. the operational costs calculated to the date of termination; and

8.3.2. costs arising as a consequence of the indemnities referred to in Clause 7; and

8.3.3. the cost of any redundancies consequent upon the termination; and

8.3.4. any other costs properly incurred in connection with this Agreement or its termination.

8.4 Either Party (for the purposes of this clause 8.4, the First Party) may terminate this Agreement with immediate effect by the service of written notice on the other Party (for the purposes of this clause 8.4, the Second Party) in the following circumstances:

(a) if the Second Party is in breach of any material obligation under this Agreement, provided that, if the breach is capable of remedy, the First Party may only terminate this Agreement under Clause 8.4, if the Second Party has failed to remedy the breach within 28 days of receipt of notice from the First Party (Remediation Notice) to do so;

(b) there is a Change in Law that prevents either Party from complying with its obligations under this Agreement; or

(c) following a failure to resolve a dispute under clause 20.

9. Confidentiality/Transparency

9.1. The provisions of Sections 100 100A - 100I and 100K of the Local Government Act 1972 shall apply to proceedings of the Board.

9.2. Without limiting the generality of the above paragraph 9.1. the Authorities shall comply with the Data Protection Act 2018 and Freedom of Information Act 2000 as applicable and appropriate.

9.3. With the exception of the matters referred to in paragraph 9.2. above the Authorities shall jointly agree a protocol for the disclosure of information relating to this Agreement.

9.4. None of the Authorities shall make any communication otherwise than in accordance with a jointly agreed protocol for disclosure of information relating to this Agreement.

10. Force Majeure

10.1. Notwithstanding anything else contained in this Agreement, no Authority shall be liable for any breach of its obligations hereunder resulting from causes beyond its reasonable control including but not by way of limitation national emergency, war, flood, earthquake, strike or lockout, other than a strike or lockout induced by the Authority so incapacitated, imposition of governmental regulations or Law which renders performance of the Agreement impossible.

10.2. Each of the Authorities hereto agrees to give written notice forthwith to the other upon becoming aware of the reasons likely to result in a delay and of the likely duration of the delay. Subject to the giving of such notice, the performance of such notifying Authority's obligations shall be suspended during the period such circumstances persist and such notifying Authority's obligations shall be granted an extension of time for performance equal to the period of the delay. Any costs arising from such delay shall be borne by the Authority incurring the same.

10.3. The other Authority may if the delay continues for more than 10 (ten) working days terminate the Agreement forthwith on giving written notice to the notifying Authority.

10.4. The notifying Authority may if the delay continues for more than twenty (20) working days terminate its participation in the Agreement on giving written notice to the other Authority.

11. Variation

11.1 At any time the Board or one or more of the Authorities may recommend changes to this Agreement by giving notice in writing to the other Authority as the case may be. The Authority in receipt of the notice shall use all reasonable endeavours to consider within six weeks of such receipt whether to accept the recommendation.

11.2 If both Authorities agree to the recommended changes a memorandum of variation shall be prepared for execution on behalf of the Authorities and appended to this Agreement.

12. No Partnership

12.1 Nothing in this Agreement shall be construed as establishing or implying any partnership between the Authorities and except as stated in this Agreement nothing in this Agreement shall be deemed to constitute any of the Authorities hereto as the agent of the other Authority or authorise any Authority (i) to incur any expenses on behalf of any other Authority (ii) to enter into any engagement to make any representation or warranty on behalf of any other Authority (iii) to pledge the credit of or otherwise bind or oblige any other Authority or (iv) to commit any other Authority in any way whatsoever without in each case obtaining that other Authority's prior written consent.

13. Successors

13.1 This Agreement shall be binding upon and endure to the benefit of the Authorities and their respective successors in title.

14. Notices

14.1. Any demand notice or other communication given or made under or in connection with this Agreement will be in writing.

14.2. Any such demand notice or other communication will if given or made in accordance with this Clause be deemed to have been duly given or made as follows:-

14.2.1. if sent by prepaid first class post on the second working day after the date of posting; or

14.2.2. if delivered by hand upon delivery at the address provided for in this Agreement; or

14.2.3. if sent by email to the Chief Executive of an Authority on the day of transmission;

provided however that if it is delivered by hand or sent by email on a day which is not a working day or after 4.00 p.m. on a working day it will instead be deemed to have been given or made on the next working day.

14.3. Any such demand notice or other communication will in the case of the service by post or delivery by hand be addressed to the recipient's address stated in this Agreement or at such other address as may from time to time be notified in writing by the Authorities as being the address for service.

15. Severability

15.1 If any of the provisions of this Agreement is found by a Court or other competent authority to be void or unenforceable such provisions shall be deemed to be deleted from this Agreement and the remaining provisions of this Agreement shall continue in full force and effect. Notwithstanding the foregoing the Authorities shall thereupon negotiate in good faith in order to agree the terms of a mutually satisfactory provision to be substituted for the provision so found to be void or unenforceable.

16. Entire Agreement

16.1. This Agreement and any Schedules thereto constitutes the entire agreement and understanding of the Authorities and supersedes any previous agreement between the Authorities relating to the subject matter of this Agreement.

16.2. Each of the Authorities acknowledges and agrees that in entering into this Agreement it does not rely on and shall have no remedy in respect of any statement representation warranty or understanding whether negligently or innocently made of any person whether party to this Agreement or not other than as expressly set out in this Agreement.

17. The Contracts (Rights of Third Parties) Act 1999

17.1 The Parties to this Agreement agree that the provisions of the said Act are hereby excluded.

18. Co-operation

18.1 The Authorities agree at their own cost to co-operate fully with each other and provide such information and assistance as the other may reasonably require in connection with any actual or potential legal proceedings arbitration hearings inquiries ombudsman enquiries inspections internal investigations and disciplinary hearing arising out of or in connection with the provision of this Agreement provided that such obligation shall not extend to any such proceedings between the Authorities.

19. Litigation

19.1 The Authorities agree to promptly notify the other by written notice upon becoming aware of or in receipt of any process or other notice of the commencement of proceedings in which any Authority is named in connection

with this Agreement. No litigation will be commenced in connection with anything arising out of this Agreement without the other Authority's prior written consent, such consent not to be unreasonably withheld or delayed.

20. Dispute Resolution

20.1. Prior to any dispute difference or disagreement being referred to mediation pursuant to the remaining provisions of this Clause 20 the Authorities shall seek to resolve the matter as follows:-

20.1.1 in the first instance the issue shall be considered by the Chief Executive officers of each of the Authorities;

20.1.3 if the Chief Executive officers are not able to resolve the matter within thirty (30) working days the provisions of Clauses 20.2, 20.3 and 20.4 shall take effect.

20.2 For the purpose of this paragraph 20.2 a dispute shall be deemed to arise when one Authority serves on the others a notice in writing stating the nature of the dispute.

20.3 Every dispute notified under paragraph 20.2. shall first be referred to mediation in accordance with the mediation procedures of the Alternative Dispute Resolution Group London;

20.3.1 The mediator shall be agreed upon by the Authorities and failing such agreement within fifteen (15) working days of one Authority requesting the appointment of a mediator and providing their suggestion thereof then the mediator shall be appointed by the President or the Vice -President for the time being of the Law Society;

20.3.2 Unless agreed otherwise the Authorities shall share equally the costs of mediation;

20.3.3 The use of mediation will not be construed under the doctrines of laches waiver or estoppel to affect adversely the rights of any Authority and in particular any Authority may seek a preliminary injunction or other judicial relief at any time if in its judgment such action is necessary to avoid irreparable damage.

20.4 In the event of the Authorities failing to reach agreement on their dispute or difference following mediation pursuant to Clause 20.3 one

Authority may serve on the other a notice in writing stating the nature of the matters still in dispute;

20.4.1 The dispute or difference shall then be referred to the arbitration of a sole arbitrator to be appointed in accordance with Section 16(3) of the Arbitration Act 1996 ("the Arbitration Act") the seat of such arbitration being hereby designated as Wales;

20.4.2 In the event of failure of the Authorities to make the appointment pursuant to Section 16(3) of the Arbitration Act the appointment shall be made by the President or if the President be unwilling, unable or unavailable the Vice President for the time being of the Law Society;

20.4.3 The arbitration will be regarded as commenced for the purposes set out in Section 14(1) of the Arbitration Act when one Authority sends to the others written notice in accordance with the Arbitration Act;

20.4.4 The arbitration shall be conducted in accordance with the Rules of the Chartered Institute of Arbitrators(s)/The Rules of the London Court of International Arbitration for the Chartered Institute of Arbitrators or any amendment or modification thereof being in force at the date of commencement of the arbitration.

21. Governing Law

21.1 This Agreement shall be governed by and construed in accordance with the laws of England and Wales.

22. Welsh Language

22.1 In accordance to the Welsh Language (Wales) Measure 2011 the Welsh Language will not be treated less favourably than the English Language in relation to this Agreement.

22.2 The Parties will comply to the Welsh Language standards of Ceredigion in relation to this Agreement

23. Scrutiny

23.1 The Parties shall ensure the proper scrutiny of the Project by means of a Joint Overview & Scrutiny Sub-Committee whose terms of reference are set out in Schedule 5.

IN WITNESS whereof the Common Seals of the respective Authorities were hereunto affixed the day and year first before written.

The COMMON SEAL of CYNGOR SIR)
CEREDIGION COUNTY COUNCIL)
was hereunto affixed in the presence of:



Corporate Lead Officer
Legal & Governance Services

Executed as a Deed by affixing)
the COMMON SEAL of)
POWYS COUNTY COUNCIL)

In the presence of



A duly authorised officer *Principal Solicitor*



SCHEDULE 1

TERMS OF REFERENCE OF THE BOARD

1. Establishment

(a) There shall be constituted a Board:-

- (i) consisting of five voting Members to be appointed by each of the Authorities plus the chair of the Economic Strategy Group ("ESG");
- (ii) having the functions, powers and duties described in the Agreement; and
- (iii) upon and subject to the terms and conditions described in the Agreement.

(b) The Board may adopt or authorise the use of a brand name, logo or similar method to describe itself or its activities.

2. Nomination of Deputy to attend Meetings

Each Authority shall from time to time nominate in writing a deputy for any Member appointed by them to attend and to vote at any meeting of the Board in place of the Member who for any reason is unable to attend that meeting.

3. Appointment of Representative Members and Period of Office

(a) Each of the Authorities shall appoint Members as mentioned in paragraph 1 and a Member so appointed shall hold office until the Member:

- (i) dies; or
- (ii) resigns; or
- (iii) becomes disqualified in accordance with Section 80 of the Local Government Act 1972; or
- (iv) ceases to be a Member of the Authority they represent; or
- (v) is suspended;
- (vi) the Authority which the Member represents has decided that another Member should act in their place.

(b) The chair of the ESG shall remain a Board member for as long as he or she remains the chair of the ESG.

4. Failure to Attend Meetings/ Filling of Casual Vacancies

(a) The Clerks to the Board shall notify an Authority if one of their Members fails to attend three consecutive meetings of the Board and that

Authority will then consider whether or not that Member shall continue to represent the Authority on the Board.

(b) If for any reason there shall be a vacancy in the representation of any of the Authorities on the Board allowed under the terms of this Agreement for the time being the Authority where the vacancy occurs may fill such vacancy by appointment evidenced in writing by their Chief Executive officer or other authorised officer to the Chief Executive officer of the other Authority as the case may be.

5. Election of Chairperson

- (a) The Leaders of both Authorities shall act as Joint Chair and shall preside over alternate meetings such that the Chair for the meeting will be the Leader from the Authority at which the meeting takes place.
- (b) The Chair at any meeting shall not have a casting vote.

6. Co-opted Persons

- (a) The Board may invite such number of co-opted persons as it shall determine to attend meetings of the Board for a fixed period of time;
- (b) Such persons may be individuals or representatives of such organisations/ private sector companies as the Board shall determine;
- (c) Such co-opted persons may fully participate in meetings but may not vote at meetings of the Board and may be required by the Chair not to attend some or any part of a meeting. For the avoidance of doubt the Chair of the ESG is not a co-opted member but a full member of the Board and as such has full voting rights.

7. Meetings of the Board

The Board shall meet at least 4 times a year, or at such frequency as the Board shall determine.

8. Convening of Meetings

The meetings of the Board shall be convened by notice in writing issued by the Authority clerking the Board meeting in accordance with Clause 4.1.5 of the Agreement or by the Chairs and delivered to each Member of the Board and such co-opted person as required or sent by email or post to or delivered to the Member's or co-opted person's address as notified to the Authorities at least three clear working days before the day of the meeting.

9. Quorum of Meetings

To constitute a meeting of the Board not less than two voting Members from each Authority shall be present.

10. Voting

(a) Whilst the Board shall endeavour to work by consensus, each Authority shall be entitled to one vote for each voting Member attending at the meeting of the Board.

(b) Copies of the draft minutes of the proceedings of every meeting of the Board shall after each meeting be sent by the Clerk to the Board to the Chief Executive officers of each Authority, Board Members, officers appointed to the Management Group by the Authorities and as appropriate co-opted persons.

(c) The Chair at any meeting shall not have a casting vote.

(d) In the event of tied vote, the matter will be adjourned and reconsidered at the next Board meeting and if the vote remains tied, the matter will fall to be dealt with at a meeting of the Leaders and Chief Executives of both Authorities and in the event of a failure to agree, the issue cannot be re-introduced at the Board for at least 6 months.

11. Standing Orders etc

For the avoidance of doubt the Board shall, where relevant and subject to the provisions of this Agreement, operate in accordance with the Monitoring Officer's Authority's Constitution and contract procedure rules and with the Treasurer's Authority's financial procedure rules.

SCHEDULE 2

ROLE OF THE BOARD AND MANAGEMENT GROUP

1. The Duties and Responsibilities of the Board

The Board shall:

- 1.1. oversee and monitor the work required to enable an OBC to be submitted with regard to the Growth Bid and to agree Heads of Terms with the WG and UK Government in accordance with the Project;
- 1.2. approve bids for Funding in pursuit of the Project and refer such to the Authorities to apply for funding in accordance with Clause 4.1.3;
- 1.3. obtain appropriate advice, assistance and services;
- 1.4. take advice and consult with the ESG where appropriate to do so;
- 1.5. receive bi-annual reports from the RSP;
- 1.6. do such other things in accordance within the terms of this Agreement as may be agreed from time to time by the Authorities in furtherance of the Project.

2. The Role of the Management Group

The Management Group shall provide managerial direction to officers and advise the Board in the fulfilment of their responsibilities under this Schedule. The Management Group will:

- 2.1. Provide leadership to and management of officers by setting objectives and priorities for work to be progressed in line with work programme for submission of business cases.
- 2.2. Monitor progress of the work programme, identify and manage risks and issues, and provide regular reports to the Board.
- 2.3. To support the Board with well-planned papers that set out clear recommendations where decisions are required.
- 2.4. To manage resources in line with budgets allocated to the work.
- 2.5. Approve a staffing structure (if appropriate);
- 2.6. Approve the procurement of consultants and advisers in furtherance of the Project;

2.7. Approve such contractual arrangements as may be required for the Project;

SCHEDULE 3

THE ROLE AND TERMS OF REFERENCE FOR

THE ECONOMIC STRATEGY GROUP (ESG)

1. Introduction

1.1. The Economic Strategy Group (ESG) has a vital role in supporting the Growth Deal and economic growth across Mid Wales by ensuring that collective responsibility exists between partners on the ESG and that the ESG is a key advisory, support and advocacy mechanism for the Growth Deal.

1.2. The ESG will:

- Provide a business voice on the Growth Deal to the Board and champion the projects to be included within the Growth Deal.
- Aid collaboration and communication within the private sector and to the Authorities and other public funding bodies.
- Represent local business views to shape future strategy and influence policy relevant to economic growth and business benefit at Mid Wales level.
- Make recommendations to the Board

2. Responsibilities of the ESG

2.1. The key role of the ESG is to represent the collective business interests in Mid Wales by bringing together business issues affecting the Growth Deal in a single forum.

2.2. The priorities of the ESG reflect existing local policy frameworks, specifically those relating to the Growth Deal and emerging economic plan, and the ESG plays a significant role in contributing to, advising on, and advocating the Growth Deal.

3. Membership of the ESG

3.1. The ESG members will be from the private sector, nominated by both Authorities, and will include representatives from the Powys and Ceredigion areas.

3.2. The Chief Executive officer of each Authority or their nominated representative shall be entitled to attend meetings of the ESG as an adviser or an observer but shall not have a vote.

4. Chair

The Chair of the ESG will be a business person (private company) with business interests in Mid Wales who has a cross county and sub-

regional interest and influence. It is expected that the business interests of the Chair of the ESG will be a significant local employer which has an impact and use of local, regional and national supply chain. The Chair of the ESG will have voting status at meetings of the Board and, in this capacity, will be expected to act as the private sector advisor. The Chair of the ESG will be appointed for a 2 year term at the end of he/she may end their term or seek reaffirmation by standing for re-nomination.

- 4.1. The Chair of the ESG will be a joint appointment by the Authorities following nominations by the unanimous agreement of the Welsh Government and the UK Government.

5. Vice Chair

- 5.1. The Vice-Chair of the ESG will be a Mid Wales based business person (private company), appointed for a 2-year term, nominated and voted in by the ESG.

6. Membership

- 6.1. The ESG will consist of at least 10 members and a maximum of 15 members, including the Chair.
- 6.2. All ESG members will usually serve a 2-year term at the end of which they may end their term or seek reaffirmation by standing for re-nomination. Membership will be opened out to the representative projects, organisations or business sectors as appropriate whenever a place on the ESG becomes available.
- 6.3. The ESG will consist of ten members plus the Chair of the ESG. The membership will be drawn from Mid Wales with five appointees from each Authority.

7. ESG Meetings

- 7.1. The ESG will meet 4 times per year or more frequently with agreement of the Chair of the ESG. Attendance will be monitored and it is expected that ESG members make every effort to attend all ESG meetings, repeated non-attendance may result in a request to step down from the ESG.
- 7.2. Each member will have 1 vote each with the Chair of the ESG having the deciding vote. Observers / speakers will be invited by the Chair of the ESG to attend the ESG Meeting or be part of sub-groups as and when required.
- 7.3. Members of the ESG are required to declare any personal or financial interests in any business of the ESG at the commencement of the

meeting. The Chair of the ESG will decide if this will lead to member's exclusion from the item in question, the whole meeting or withdrawal from the ESG (temporarily or permanently).

- 7.4. As the Chair of the ESG's role includes an advisory role to the Board, the ESG members will be expected to conduct themselves in accordance with the "seven principles of public life" as set out by the Committee Standards in Public Life (Nolan Committee). Within the ESG projects and sub-groups will be able to raise concerns, opportunities or ideas which may have an impact on the wider local economy.
- 7.5. Subgroups may be used to consider matters in depth or particular pieces of work. These sub groups may contain membership from both the ESG and other groups.
- 7.6. Minutes will be distributed by e-mail as soon after the meeting as possible for comment and will include a record of decisions, actions and discussions.
- 7.7. Secretariat will be provided by Powys.
- 7.8. For ESG meetings, six members (including the Chair or Vice Chair of the ESG in the Chair of the ESG's absence) will represent a quorate meeting.

8. Remuneration

- 8.1. There will be no remuneration paid to any ESG members for the opinion and guidance they provide. If, in the course of the ESG's business, members are required to travel then expenses and/or subsistence will be entitled to be claimed by those ESG members; the rates and requirements will follow Ceredigion's policy on Travel Expenses and Subsistence and overnight accommodation.
- 8.2. Expenses will be met by the Budget of the Board.

9. Communication

- 9.1. The principles of the ESG will be to communicate with the wider business community and then represent these views to the Board.
- 9.2. As the Chair of the ESG will become the business representative on the Board the remit of representing the view of business will be required whilst having wider consideration for the economic growth of the Mid Wales area.
- 9.3. It will be the responsibility of the Chair of the ESG to communicate recommendations of the ESG to the Board.

9.4. The Chair of the ESG will be supported in their role by the Authorities to review the ESG's progress, communications, membership and succession planning. It is expected that the ESG will meet every three months.

ESG Code of Conduct

Members of the ESG are required to declare any personal or financial interests in any of the business of the ESG meeting at the commencement of meetings.

The ESG members will be expected to conduct themselves in accordance with the "seven principles of public life" set out by the Committee Standards in Public Life (the Nolan Committee) these are:

Selflessness

Holders of public office should take decisions solely in terms of the public interest. They should not do so in order to gain financial or other material benefits for themselves, their families or their friends.

Integrity

Holders of public office should not place themselves under any financial or other obligation to outside individuals or organisations that might influence them in the performance of their official duties.

Objectivity

In carrying out public business, including making public appointments, awarding contracts or recommending individuals for awards and benefits, holders of public office should make choices on merit.

Accountability

Holders of public office are accountable to the public for their decisions and actions and must submit themselves to whatever scrutiny is appropriate to their office.

Openness

Holders of public office should be as open as possible about all the decisions and actions that they take. They should give reasons for their decisions and restrict information only when the wider public interest clearly demands.

Honesty

Holders of public office have a duty to declare any private interests relating to their public duties and to take steps to resolve any conflicts arising in a way that protects the public interest.

Leadership

Holders of public office should promote and support these principles by leadership and example.

Schedule 4

Regional Skills Partnership

Terms of Reference

1. Name

- 1.1 The name and current working title of the RSP shall be the Regional Skills Partnership (“the RSP”) for Mid Wales, Partneriaeth Sgiliau Rhanbarthol, Canolbarth Cymru.

2. Vision

- 2.1 To align the public and private sectors in order to address the supply and demand issues for an effective agile workforce, with the appropriate skill level to attract inward investment to Mid Wales and improve communication networks between sectors to understand and identify learning and career pathways into appropriate long term employment for the citizens of Mid Wales.

3. Mission

- 3.1 The RSP will act as a stakeholder group engaging and consulting with specific sectors, industries and regions:
- To identify and respond to the needs of employers and learners across Mid Wales.
 - To engage with employers, sectors and stakeholders to identify current and future skills needs across the region and plan accordingly
 - To align activity to future demand and stimulate innovation through learning and employment
 - To enable an inclusive regional response to Welsh Government policy and initiatives
 - To align activity with the skills requirements of the Growing Mid Wales Partnership

4. Our Objectives – as set out in the IAA

- 4.1 To work with the Economic Strategy Group (ESG) to identify skill requirements from the private sector in Mid Wales
- 4.2 Establish methodologies to identify future employment opportunities across all sectors

- 4.3 Establish a curriculum strategy group to align learning pathways and progression routes for all learners from KS4/5 into work-based learning training programmes / Further Education / Higher Education or a regional apprenticeship scheme or occupational schemes.
- 4.4 Introduce Higher Education degree and masters courses aligned to the future skills agenda for employment opportunities in Mid Wales
- 4.5 Establish a regional apprenticeship scheme (including shared apprenticeships) that bridges and aligns public and private sectors and which recognizes the transferability of skills.
- 4.6 Produce innovative career guidance for all learners in Mid Wales to link learning and career pathways.
- 4.7 Develop the concept of 'Centres of Excellence' in Mid Wales.
- 4.8 Work with a range of partners to ensure opportunities for career-long support for upskilling the current workforce, including those in short term employment.
- 4.9 All of the actions would be underpinned by a strong bilingual focus contributing, via the unique bilingual education system and workforce across Mid Wales, to the vision of a million Welsh speakers by 2050

5. Membership

5.1 The membership will consist of those in the table below:

Membership of the RSP	
2 x Higher Education Representatives	One representative from each of the Universities (Aberystwyth and UWTSD)
2 x Further Education Representatives	One representative from each of the colleges (NPTC and Coleg Sir Gâr)
2 x Education & Skills Representatives	One officer from each Local Authority
2 x Strategic Workforce Planning leads	One officer from each Local Authority
2 x Regeneration Representatives	One officer from each Local Authority
2 x Health Representatives	One representative from each of the Health Boards (Powys Teaching Health Board and Hywel Dda Health Board)
Training providers	National Training Federation for Wales + WBL providers from each LA

<p>Industry / Employers</p> <p>The Strategic Growth Priorities for Growing Mid Wales are</p> <p>Agriculture, Food & Drink</p> <p>Transport</p> <p>Supporting Enterprise</p> <p>Skills & Employment</p> <p>Energy</p> <p>Strengthened Tourism Offer</p> <p>Applied Research & Innovation</p> <p>Digital</p> <p>These areas should all be covered by the representation that is proposed for the RSP.</p>	<p>A representative each from the sectors derived from those identified in AECOM Report:</p> <ol style="list-style-type: none"> 1. Tourism – to include hospitality and catering 2. Manufacturing 3. Agriculture and the land-based economy 4. Public Services – which might include local and national government, emergency services & defence 5. Foundation sectors * 6. Digital Services (this group is in addition to the AECOM-defined groups) <p>*This “sector” is particularly significant in its relative scale in Mid Wales and includes infrastructure, utilities, food processing, retailing and distribution, and health, education and welfare. This would merit further breakdown, with particular merit in prioritizing considering representation from health and social care (education is represented in other segments)</p>
<p>Economic Strategy Group Mid Wales</p>	<p>Representative to be nominated</p>
<p>Growing Mid Wales Partnership</p>	<p>Representative to be nominated</p>
<p>Careers Wales</p>	
<p>Job Centre Plus</p>	
<p>RLP Manager</p>	
<p>Other</p>	<p>Other industry, employer groups, higher education institutions or third sector partners to be invited as required. These could include local voluntary associations and education or training partners from outside the two authorities who might wish to work within the two authorities, or who can offer routes into education or training for the people of the Mid Wales region.</p>

5.1 Observer members and co-opted experts may be invited as needs arise

- 5.2 The RSP shall exist for 1 year and then be re-nominated. Members shall be eligible for re-nomination
- 5.3 The RSP shall appoint a Chair and Vice-Chair at its first meeting bi-annually. If it is necessary for the RSP to appoint an Interim Chair, the appointment will be reviewed every 3 months.
- 5.4 Failure to attend three consecutive RSP meetings will result in a new nomination being sought to represent the sector / stakeholder group
- 5.5 The secretariat function will be fulfilled by the officers employed to undertake the work of the Regional Skills Partnership
- 5.6 Members may appoint substitutes to represent their sector when necessary, all names of nominated substitutes to be sent to the Secretariat in advance of the meetings

6. Core Principles and Responsibilities

- 6.1 Members of the RSP shall be expected to work on the basis of mutual support, shared values and a culture of joint working and collaboration
- 6.2 Members of the RSP commit to the Nolan Principles
 - 6.2.1 Integrity – members should avoid placing themselves under any obligation to people or organisations that might try inappropriately to influence them in their work
 - 6.2.2 Objectivity – Members should act and take decisions impartially, fairly and on merit and for the widest benefit of others
 - 6.2.3 Accountability – Every Member will act on behalf of the stakeholders or groups they represent, and it is expected that every member will ensure that reasonable arrangements are in place to report back on their work
 - 6.2.4 Openness – Members should act and take decisions in an open and transparent manner
 - 6.2.5 Confidentiality – Every Member should respect confidentiality, and where relevant ensure that confidential material is protected and that it is not use without permission from the RSP (as a collective) or for private purposes
 - 6.2.6 Accountability – every member is accountable to the public for their decisions and must submit themselves to scrutiny if necessary
 - 6.2.7 Honesty – every member should be truthful

- 6.2.8 Declarations – Every member should declare any interest that could influence discussions or decisions taken by the RSP, and they will be recorded by the secretariat
- 6.2.9 Promoting equality and respect for others – Every member should undertake their responsibilities with due regard to the need to promote equal opportunity for all and demonstrate respect and consideration towards others

6.3 Members of the RSP are expected:

- 6.3.1 To co-operate strategically on behalf of stakeholders across Mid Wales
- 6.3.2 To attend regular meetings of the RSP
- 6.3.3 To prepare thoroughly for all meetings by reading the minutes and accompanying papers as well as to contact and discuss any matter that is relevant to the work of the RSP with others they represent as required
- 6.3.4 To be prepared to contribute to meaningful discussions at RSP meetings and to listen, give due consideration to and respect the opinions and views of others
- 6.3.5 To communicate information about any work or development relevant to their sector
- 6.3.6 To convey and promote the decisions of the RSP within their sector and repost, on a regular basis, the work of the RSP
- 6.3.7 To recognise and respect the worth and contribution of each member
- 6.3.8 To represent the RSP effectively on other groups, forums and partnerships as required and to ensure that the views of the RSP are conveyed clearly and firmly on all occasions
- 6.3.9 To participate in meetings, events and other activities organised by the RSP from time to time.

7. Operational Procedures of the Board

- 7.1 The Regional Skills Partnership host organisation (...) will fulfil the administrative and financial functions of the RSP and shall be responsible for providing secretariat functions to the RSP
- 7.2 Meetings of the RSP are to be scheduled on a bi-monthly basis will be reviewed as necessary; however, it shall be a requirement for the RSP to meet at least once every quarter

- 7.3 The Chair of the RSP shall be responsible for calling meetings of the RSP with the support of the secretariat
- 7.4 The secretariat shall provide written notice of the time, date and location of the RSP meeting to all members at least 10 working days before the date fixed for the meeting
- 7.5 If a member of the RSP wishes to include an item on the agenda of the RSP meeting, they should notify the secretariat at least 5 working days prior to the date of the meeting. The Chair of the RSP and secretariat shall agree the final content of the agenda for the RSP meeting
- 7.6 If a member of the RSP wishes to present a written report to the RSP, they should ensure that the secretariat receives an electronic version of the report at least 7 working days before the date of the meeting. The Chair of the RSP has the discretion to take any items that are of an urgent or informative nature that would benefit the discussion at the meeting
- 7.7 The secretariat shall distribute the final agenda and reports for the RSP meeting electronically at least 5 working days before the date of the meeting
- 7.8 For RSP meetings, 6 members (including the Chair or the Vice-Chair in their absence) shall comprise a quorum
- 7.9 The RSP shall conduct its business in an open and transparent way and in a spirit of consensus and mutual respect. Therefore, the RSP shall endeavour to arrive at a decision on matters by consensus. If consensus cannot be reached, the Chair of the RSP shall ask for a vote and a simple majority shall carry the vote. If necessary, the Chair of the RSP shall ask for a second vote or shall use their casting vote
- 7.10 It shall be expected that decisions of the RSP will be implemented. However, where executive authority is required, decisions shall be referred to the decision-making bodies of individual authorities / stakeholders for consideration and the outcomes of these considerations shall be reported back to the RSP.
- 7.11 The secretariat shall be responsible for keeping minutes of the RSP and distributing them to members of the RSP
- 7.12 Copies of these minutes shall be made available by the secretariat on request
- 7.13 The Welsh and English languages have equal status and the RSP will work to Ceredigion's Welsh Language Standards

8. Accountability and Resources

- 8.1 as host will monitor and be accountable for the financial management of the RSP to ensure that the funder's and financial guidelines of the Authority are followed
- 8.2 Scrutiny of the RSP will be undertaken through the democratic process of Ceredigion and Powys and through regular updates to the Local Authority representative groups (Chief Executives; Regeneration and Education Directors)
- 8.3 **Finance:** Welsh Government currently supports the existing Regional Skills Partnerships, each at a cost of circa £150k per year. Discussions with Welsh Government confirm that the Mid Wales Regional Skills Partnership would be funded in the same way, and to the same level as the other partnerships. Additionally, a commitment to a half-year funding from October 2020 has been made to facilitate the establishing of the new partnership, and previously a sum of £30k was committed to support the work leading to the setting up of the partnership.

9. Amending the Constitution

- 9.1 The RSP shall undertake an annual self-assessment to assess the effectiveness of the RSP, including its future consideration
- 9.2 The RSP shall review the terms of reference on an annual basis and amend it as necessary

10. Commitment

- 10.1 Each member shall sign a copy of the RSP's terms of reference on behalf of the organisation they represent, as a sign of their support and commitment to the vision, mission and objectives of the Regional Skills Partnership for Mid Wales, Partneriaeth Sgiliau Rhanbarthol Canolbarth Cymru.

SCHEDULE 5

TERMS OF REFERENCE OF THE GROWING MID WALES JOINT OVERVIEW & SCRUTINY SUB-COMMITTEE (“JOSSC”)

1. Membership

- 1.1. The Joint Overview & Scrutiny Sub-Committee shall comprise of 10 members in total, 5 each from the Authorities, ensuring political balance.
- 1.2. Executive members of the Authorities shall not be members of the JOSSC.
- 1.3. Two nominated substitutes will be allowed for the representatives listed above provided that the substitutes are not involved in and have not attended meetings of the Board or ESG.
- 1.4. An Authority may send a substitute from their own Authority if they are unable to attend, but this may not be a member of the Authority's executive and should be a member of each Authority's relevant scrutiny committees and same political group. A substitute will be able to vote.

2. Purpose

- 2.1. The purpose of the Joint Overview & Scrutiny Sub-Committee shall be:
 - 2.1.1. Performing the overview and scrutiny function for the Growth Deal on behalf of the Authorities, to:
 - a) review and or scrutinise decisions made, or other action taken, in connection with the discharge of any of the Board's functions;
 - b) make reports or recommendations to the Board or its executive officers with respect to the discharge of any of those functions;
 - c) make reports or recommendations to the Board or its executive officers on matters which affect the area or the inhabitants of that area;
 - d) exercise such other functions as the Board may determine.
 - 2.1.2. To develop a Forward Work Programme annually, reflecting the functions under clause 2.1.1 above.

For the period up to Final Deal Agreement (Development):

- 2.1.3. To seek reassurance and consider if the Growth Deal is developing according to guidance from WG and UK Government in the period up to Final Deal Agreement, according to the Inter-Authority Agreement applicable, and against the expected timetable and/or is being managed effectively.

For the period post Final Deal Agreement (Delivery):

- 2.1.4. To seek reassurance and consider if the Growth Deal is delivering according to the Inter-Authority (IAA), the agreed Portfolio Business Case, Implementation Plan and timetable, and / or is being managed effectively;
- 2.1.5. To monitor the delivery of the Growth Deal Regional projects against agreed Portfolio/Programme/Project plans.
- 2.1.6. To make any reports and recommendations to the Authorities, whether to their executive boards or Full Council as appropriate, in respect of any function which has been delegated to the Board pursuant to this Agreement.

2.2. For the avoidance of doubt, scrutiny of individual Authorities projects' shall be a matter for the relevant Authorities' Scrutiny Committee.

3. Chair

- 3.1. The Chair and Vice-Chair of the JOSSC shall be elected by the JOSSC.
- 3.2. The Chair and Vice-Chair of the JOSSC shall be elected by the JOSSC at its first meeting and then at each calendar year.
- 3.3. The position of Chair and Vice-Chair will rotate between the Authorities on an annual basis.
- 3.4. Election of Chair – The JOSSC will elect a Chair from the statutory membership of the committee. Substitute Members will not be eligible for election as the Chair.
- 3.5. Election of Vice-Chair – The JOSSC will elect a Vice Chair from the statutory membership of the committee. Substitute Members will not be eligible for election as Vice-Chair.

4. Voting

- 4.1. Each member of the JOSSC shall have one vote. Decisions of the JOSSC shall be made by simple majority vote.
- 4.2. In the event of equality of votes the Chair of the JOSSC shall have a casting vote.

5. Conflicts of Interest

- 5.1. Members of the JOSSC must declare any interest either before or during the meetings of the JOSSC (and withdraw from that meeting if necessary) in accordance with their Authority's Code of Conduct or as required by law.

6. Proceedings of Meetings

- 6.1. The rules of procedure of the Monitoring Officer in respect scrutiny shall apply to meetings of the JOSSC.

- 6.2. Members of the JOSSC shall be subject to the Codes of Conduct for Members of their Authority.
- 6.3. Meetings may be rearranged, cancelled or additional meetings scheduled with the agreement of the Chair.
- 6.4. Each meeting will be recorded through the production of notes which will be made available to the public online after the meeting with the exception of any exempt or confidential information. Notes of meetings will usually be brief, containing a summary of discussions, action points and recommendations.
- 6.5. The JOSSC is not a decision making body, and the Chair should aim to facilitate consensual agreement on matters under consideration. Where a consensus cannot be reached, the Chair shall present the split views of the committee to the Board.

7. Quorum

- 7.1. The quorum for meetings shall be no less than 4 Members, which must include at least 2 Members from each of the 2 Authorities

8. Frequency

- 8.1. The JOSSC shall meet quarterly, having regard of the Board's meetings. Additional meetings may be convened by the Chair on at least 7 clear days' notice.

9. Allowances

- 9.1. No allowances shall be paid.

10. Sub-Groups

- 10.1. The JOSSC by agreement may create Task and Finish Groups.

11. Review

- 11.1. The Terms of reference of the JOSSC shall be reviewed annually.



Tyfu
Canolbarth Cymru
Growing
Mid Wales

MID WALES GROWTH DEAL

Final Deal Agreement

Version: 1.0

Status: Final

www.growingmid.wales

Foreword

The **Mid Wales Growth Deal** has been developed through close collaboration and commitment, from partners across governments, local authorities and regional stakeholders, to set out an ambitious Portfolio of investment priorities that aim to bring about significant economic and employment change in Mid Wales.

Over its lifetime, the Mid Wales Growth Deal empowers the region to bring forward capital investments in a strategic and co-ordinated manner with long-term thinking.

It is a unique opportunity to make funding decisions closer to the local communities and businesses that exist in Mid Wales, to demonstrate the potential, and elevate regional ambition of what our economy could evolve into. It has a strong role to play alongside wider investment and funding from the public and private sectors to deliver economic infrastructure that will make a tangible difference to build a more vibrant, sustainable and inclusive economy.

This document sets out the principles upon which the final deal is agreed between the region and both Governments. It is based on the Strategic Portfolio Business Case that forms the foundation and establishes the operational framework for the Deal and which will evolve to reflect the development of its constituent programmes and projects, and changes in the policy and economic context.

In signing this agreement the UK Government and Welsh Government are jointly committing an investment of £110 million into the Growth Deal over a period of between 10 and 15 years.

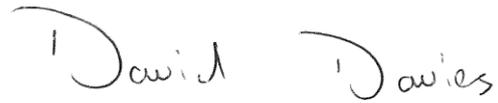
Building on the [Vision for Growing Mid Wales](#) published in Summer 2020, and the [Heads of Terms](#) subsequently signed in December 2020; this document sets out the parameters and framework for the delivery of the Mid Wales Growth Deal that reaffirms the commitment of all parties to achieve the full implementation and potential of this funding.

The Growth Deal is a much needed, ambitious but realistic opportunity for Mid Wales to instigate positive, long-term and sustainable change that will drive recovery and benefit future generations.

Collectively, we look forward to seeing the benefits this important investment will bring for people and businesses across Mid Wales.



Vaughan Gething MS
**Minister for Economy
Welsh Government**



David TC Davies MP
**Parliamentary Under Secretary of
State for Wales
UK Government**



Rebecca Evans MS
**Minister for Finance and Local
Government
Welsh Government**



Neil O'Brien MP
**Parliamentary Under Secretary of
State (Minister for Levelling Up, The
Union and Constitution)
UK Government**



Cllr Ellen ap Gwynn
**Leader
Ceredigion County Council**



Cllr Rosemarie Harris
**Leader
Powys County Council**



Llywodraeth Cymru
Welsh Government



Tyfu
Canolbarth Cymru
Growing
Mid Wales



UK Government
Llywodraeth y DU

All parties to this Final Deal have provided their signatures electronically

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Executive Summary

The Mid Wales Growth Deal (the Growth Deal) is an agreement between the UK Government, Welsh Government, and the Growing Mid Wales Board to deliver transformational capital investment in the Mid Wales economy in line with the ambition set out in the Vision for Growing Mid Wales strategy document, published in May 2020.

The Growing Mid Wales Board is a partnership between the two Local Authority areas of Mid Wales, comprising Ceredigion County Council and Powys County Council who together provide leadership, accountability and strategic decision making for the Growth Deal.

The case for the need to improve the region's economy is well evidenced in its ¹[Vision for Growing Mid Wales](#) – which forms the Strategy in which the Growth Deal is based.

The region has relatively low Gross Value Added compared with other UK regions, a declining and ageing population, projected employment decline, market failure, low pay, and rural poverty. Most concerning is the region's projected economic decline during the period of 2018-2040 of 3.5% against a projected growth in the UK economy of 7.4%. This cycle of decline needs to be addressed urgently.

The Vision for Growing Mid Wales is that by 2035, Mid Wales will be an enterprising and distinctive region delivering economic growth driven by innovation, skills, connectivity, and more productive jobs supporting prosperous and bilingual communities.

The Growth Deal is a key catalyst to transform the regional economy as part of a broader funding mix. The injection of capital funding into the region over a long-term timescale provides the opportunity to mobilise investments in significant economic infrastructure in tandem with the private sector.

The Growth Deal has been brought forward as a Portfolio, and has the potential to deliver against the eight Strategic Growth Priorities within the Vision:

- Applied Research & Innovation
- Agriculture, Food & Drink
- Strengthened Tourism Offer
- Energy
- Digital
- Supporting Enterprise
- Transport
- Skills & Employment

By focusing delivery on these Strategic Growth Priorities collectively as part of a Portfolio, the Growth Deal will achieve a greater impact in terms of the Board's ambition and use of resources than focusing on a set of immutable, individual projects in isolation.

All programmes and projects that are delivered through the Growth Deal will directly contribute towards the aims and objectives of the Portfolio. The Portfolio as planned at present focuses on a set of 2 programmes and 9 projects that relate to 5 of the Strategic Growth Priorities. The headline figures and assumptions are currently indicative – but set out the region's proposals for bringing the Portfolio forward.

The Portfolio approach ensures that the right mix of programmes and projects deliver tangible and long-lasting benefits across the region that ensures a continuing focus by regional governance on delivering the aims and objectives of the Strategy. This means that the Portfolio

¹ www.growingmid.wales/thevision
www.growingmid.wales

is live – and the programmes and projects are subject to change as further planning and development is undertaken – as per the Portfolio approach.

As set out in the Strategic Portfolio Business Case, an indicative assessment of the shortlisted programmes and projects estimates that the Growth Deal will deliver a total investment of £280-400 million in the Mid Wales economy (£110 million jointly from UK and Welsh governments), creating 1,100-1,400 net additional jobs and generating £570-700 million in net additional GVA².

The Growth Deal is implemented within the Governance and Assurance framework, established and agreed by both UK and Welsh Governments – which ensures the MWGD follows an agreed approvals and assurance process to manage the Portfolio.

Ceredigion and Powys County Councils have subsequently put in place robust delivery, assurance, and governance arrangements to support the delivery of the Growth Deal through the Growing Mid Wales Board, established sub-committees and dedicated capacity to manage the Deal. This is set out in an agreed Inter-Authority Agreement, which is signed by both Local Authorities.

² Note: Values undiscounted
www.growingmid.wales

1. Introduction

City and Growth Deals in Wales are agreements between the UK Government, Welsh Government, and local authorities in Wales to coordinate new investment and policy interventions to drive growth in key areas. The Deals are locally led with leaders coming together across a locally agreed economic geography to develop a set of proposals that will drive growth and productivity across their region. The UK and Welsh governments support these local partners to deliver interventions to achieve local growth.

Growing Mid Wales Board

The Growing Mid Wales Board (Joint Committee) is a partnership between the two Local Authority areas of Mid Wales comprising the Councils of Ceredigion and Powys. The role of the Growing Mid Wales Board is to provide leadership, strategic decision making, and accountability for the Mid Wales Growth Deal. The Growing Mid Wales Board has created and resourced a Portfolio Management Office (PoMO) to oversee the delivery of the Growth Deal.

Ever since the creation of the Growing Mid Wales Partnership in 2015; public, private, and voluntary partners across the Mid Wales region have developed the necessary leadership and voice to influence and strengthen the focus on growing Mid Wales.

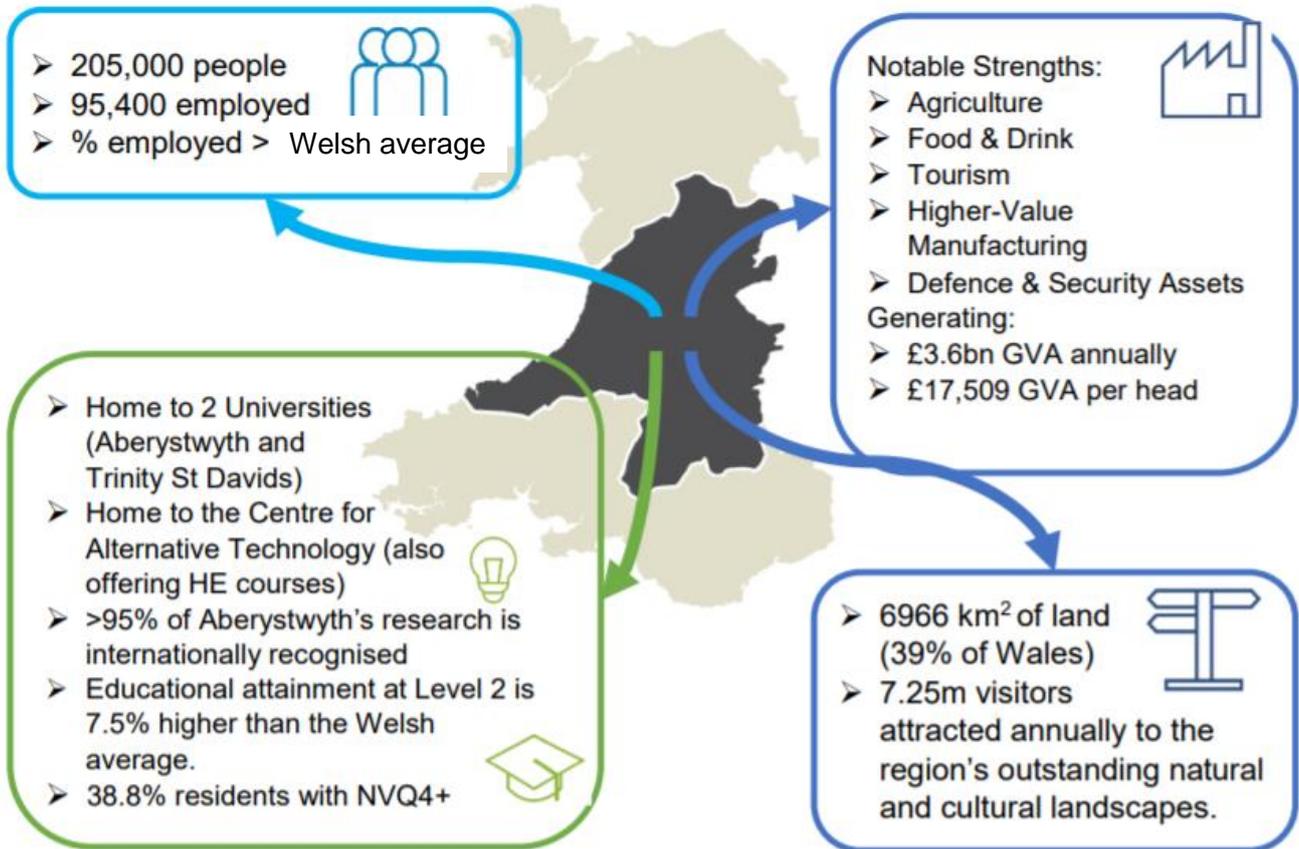
Since the invitation for the region to develop a Growth Deal in 2017, it became apparent there needed to be further formal, robust, and clear partnership structures that established good and clear governance and management arrangements to bring forward the development of, and the delivery of the Deal.

As is the case with other Welsh City & Growth Deals, this is set out in the form of governance agreements between the relevant Local Authorities, to establish new joint decision-making forums and engagement with wider stakeholders. The governance arrangements for the delivery phase of the Deal (post Final Deal Agreement) are currently being reviewed. Detail of the governance and management arrangements are set out in the Governance Structure section of this document.

The Vision for Mid Wales

In May 2020, the Growing Mid Wales Board partners adopted *A Vision for Growing Mid Wales* (the Growth Vision).

The Vision set out the key economic and social characteristics of the region:



Source: *A Vision for Growing Mid Wales: Strategic Economic Plan & Growth Deal Roadmap, May 2020*

The adopted Growth Vision outlines that by 2035, Mid Wales will be “an enterprising and distinctive region delivering economic growth driven by innovation, skills, connectivity and more productive jobs supporting prosperous and bilingual communities”.

The Growth Vision set out 8 Strategic Growth Priorities:



- **Agriculture, Food & Drink:** a strong and vibrant agricultural sector generating significant employment and produce to a nationally and internationally recognised standard, coupled with industrial and innovation strengths offers the opportunity to grow the economic base significantly and lead on new high-value food development.

- **Applied Research & Innovation:** home to internationally-significant industries and internationally-recognised research & development assets and expertise that offer opportunities to catapult regional productivity growth.
- **Strengthened Tourism Offer:** rich heritage, culture and outstanding natural assets underpin a vibrant tourism sector – offering a strong platform to drive new growth.
- **Energy:** the region is well-placed to lead Welsh and UK efforts in developing and generating solutions to address the challenges of a future energy system, and to contribute towards net zero goals. The region has developed a comprehensive Energy strategy with the vision “To achieve a net zero carbon energy system that delivers social and economic benefits, eliminates fuel poverty, better connects Mid Wales to the rest of the UK, and contributes to wider UK decarbonisation”.
- **Supporting Enterprise:** a vision for a strong, resilient and diverse Mid Wales economy requires enterprises to start, grow and prosper with the right support and infrastructure.
- **Digital:** connectivity is an essential part of modern life, influencing how individuals work, communicate and access services. Significant economic opportunities can be unlocked through investing in regional digital infrastructure.
- **Transport:** connectivity improvements will also be required to catalyse and further grow investment in the region, building on existing linkages to help deliver the transport network required to meet social and labour mobility demands of a growing economy.
- **Skills & Employment:** An effective, functioning labour market with the appropriate supply of skills and a capable workforce to meet business and industry demands will be essential if Mid Wales economy is to grow and prosper.

Growth Deal Proposition

Building on the Vision, the Growing Mid Wales Board presented a proposition document to the Welsh Government and UK Government which led to the signing of Heads of Terms in December 2020. The signing demonstrated a commitment by each of the partners to work together for the people and businesses of Mid Wales and deliver local programmes and projects which will increase opportunity and prosperity in communities across the region. This Final Deal Agreement builds on the foundations set through the Heads of Terms.

The Growth Deal will be smart with this investment, using a robust, focused, and sustained approach to realising meaningful economic growth. The economy of Mid Wales exists in fine balance, with several industries and sectors inter-dependent on each other due to the current structural make-up of its natural and economic geography. The Growth Deal aims to address the structural weaknesses holding the region back from achieving its full potential. These include lagging productivity, changing demographics, the region’s narrow and vulnerable economic base, projected employment decline, static and weakening labour market, market failure, and the hidden nature of a rural economy.

Through the Growth Deal, opportunities with the 14 neighbouring local authorities of the region will be maximised. This includes the area represented by the Marches Local Enterprise Partnership, with whom close links have been formed. The region will build on existing strengths across several sectors which include high value manufacturing, agriculture and food, defence and security, and tourism. The partnership will exploit a range of assets sustainably including an outstanding natural environment, research capability, the defence sector, advanced manufacturing, well-developed high-quality food and drink clusters, and the growth of energy generation, decarbonisation, and hydrogen technology.

The Growth Deal aims to capitalise on existing internationally recognised research and development assets and expertise that offer opportunities to catapult regional productivity growth. This will be achieved through strengthening networks and ways of working and developing career pathways in tech-based innovation and industries supporting higher-value jobs. The Deal intends to significantly grow the economic base of the agriculture, food and drink sector and to lead on new high-value food development. It is aimed that new growth will also be driven through capitalising on the distinct and rich heritage, culture, and outstanding natural assets that underpin the vibrant tourism sector in the region. This will be achieved through strengthening the awareness of the Mid-Wales offer, developing training and career pathways within the tourism sector, and investing in regional assets and the supporting infrastructure. By investing now, the Growth Deal will help to build resilience for the future.

The region has key strengths in low carbon technologies and in environmental assets. The Growth Deal aims to support future economic growth of the region, Wales, and the wider UK through capitalising on these strengths. This will enable the region to directly contribute to addressing the climate change emergency, and lead efforts to develop and generate solutions to address the challenges of a future energy system.

The Growth Deal highlights a vision for a strong, resilient, and diverse Mid Wales economy that enables enterprises to start, grow and prosper with the right support and infrastructure. This will be achieved by creating conditions to drive enterprise growth, investment and competitiveness which will raise regional productivity.

The region faces particular challenges in digital connectivity, due to the remote rural nature of the region, commercial viability, and the nature of technologies. It is vital that the region capitalises on the economic opportunities that can be unlocked by investing in its digital infrastructure, creating a catalyst for high quality business growth, innovation within targeted sectors, and providing communities with enhanced access to employment, education, and services. The size, remoteness, and the dispersed pattern of settlements in Mid Wales also provides challenges for the transport and connectivity of both people and goods. To drive economic growth and attract new investment the region must improve connectivity both to and within the region, which will help to grow the economy and raise productivity.

Finally, the Growth Deal aims to capitalise on the strength of the regions highly qualified and skilled workforce, whilst addressing the structural weaknesses in the skills infrastructure that currently inhibit the regional labour market.

The Growth Deal will invest in a way that promotes social value and builds wealth in the region's communities. The Growing Mid Wales Board recognises and values the obligation to deliver the Growth Deal in a way that improves and enhances our social, cultural, environmental, and economic well-being.

The Region

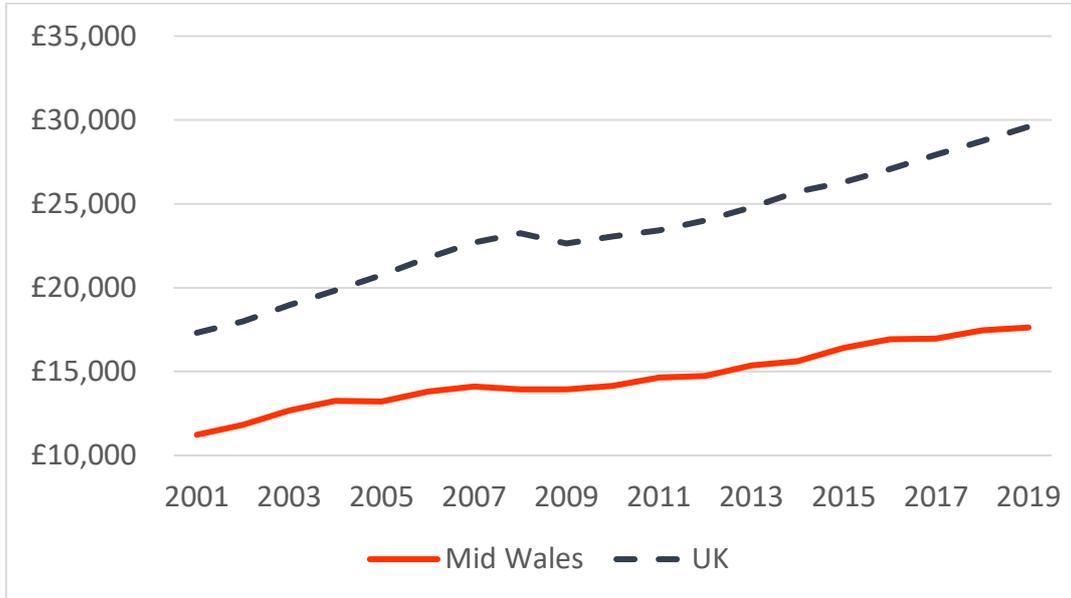
The Mid Wales economy is often characterised as a large and predominantly rural region, comprising 34% of the land mass of Wales. It is known for its natural beauty, strong cultural identities, and heritage. It is less well-known as a land of untapped economic opportunity - where business survival rates outclass the Welsh average; where our natural and academic assets offer an obvious choice for cutting-edge research providing strong opportunities to create new industrial clusters, where there is a strong yet diverse labour market – with strategic commuter links within and outside the region to other parts of Wales and cross-border into England.

Mid Wales is home to just over 200,000 residents and contributes £3.6 billion in Gross Value Added (GVA) (equating to £17,509 per head or £34,438 per job) to the UK economy each

year, representing 5.5% of the Welsh economy³. The contribution of Mid Wales to the national economy has remained almost constant for the last twenty years. Mid Wales is characterised by an ageing population and a net out-migration of young people. Since 2008, the region has seen an overall decline in its population of around 1.2%.

Powys records the lowest performance in terms of GVA per hour worked across all areas of the UK, lagging significantly behind the rest of Wales (82% of Welsh average) and the UK (65% of the UK average).

GVA Per Head

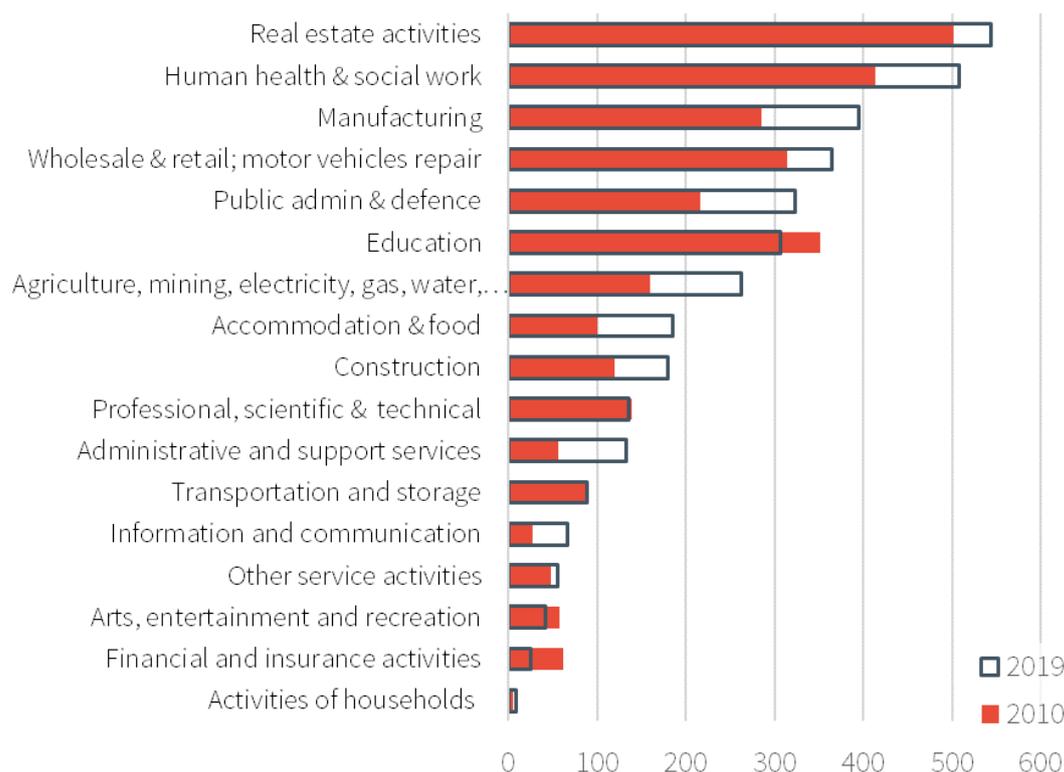


Source: ONS, Regional GVA and ONS, Mid-year population estimates

The drivers of these trends are complex and mainly due to employment structure including seasonal employment and the presence of low value-added sectors across the region. The largest contributors by sector to the region’s GVA are real estate, health, manufacturing, and wholesale and retail. This contrasts markedly with the employment breakdown in the region which shows the dominance of agriculture which is high in employment terms but delivers low GVA to the Mid Wales economy.

³ StatsWales, December 2019
www.growingmid.wales

GVA (£million) by sector, Mid Wales



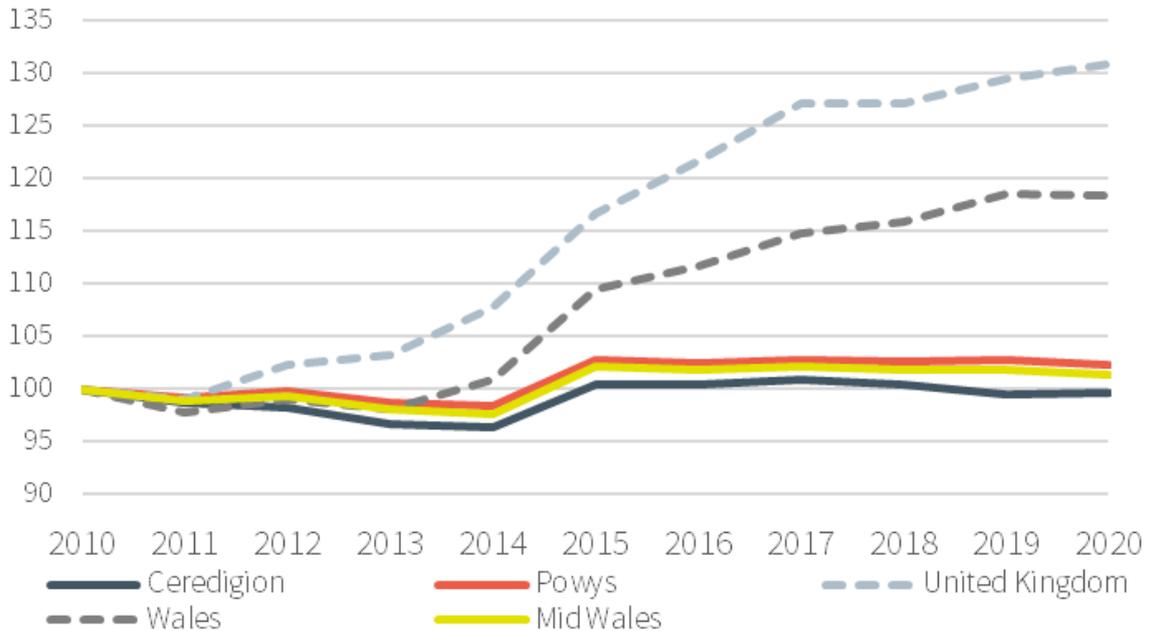
Source: ONS, Regional gross value added (balanced) by industry

There are some 95,400 people in employment in Mid Wales, with economic activity rates in line with Welsh and UK averages, driven by high levels of self-employment. Levels of unemployment in the region are comparatively low at 2.6% in January 2020, almost half that of Wales and the UK, and the region has seen a bigger improvement in unemployment numbers compared to Wales since 2001. Despite this, underemployment, low earnings, and seasonal employment remain key challenges. Average full-time weekly earnings, for example, were 93%% of the UK average in 2016 and 94 %% of the Wales average. Addressing the structural weaknesses in the skills infrastructure that currently inhibit the regional labour market will help to address these challenges.

Over the past five years (2014-2019), employment in Mid Wales has increased by around 7%. Jobs are particularly concentrated in Wholesale and Retail, Accommodation & Food Services and Health and Social Work. The largest increases in employment growth over this period were in Accommodation and Food, as well as Professional Services. Sectors including business administration and support services, and professional, scientific, and technical services, are currently less concentrated in Mid Wales compared to the UK but are growing strongly. This combination of under-representation and dynamic growth illustrates the potential for further expansion of these sectors.

Mid Wales contains 12,625 VAT registered businesses as of 2020. The business base has a very high proportion (>95%) of micro businesses (<10 employees). Just 0.8% of businesses across Mid Wales are classed as medium or large (50+ employees). Over the past ten years, growth in the number of businesses in the region has remained relatively static at 3% and has lagged significantly behind Wales (21%) and the UK (32%).

Business Counts Growth Index, 2010 = 100



Source: ONS, UK Business Count

Survival rates for new businesses after 5 years are however significantly better in Mid Wales than for England & Wales⁴.

The large proportion of micro businesses across Mid Wales is in part driven by the high number of farms and agricultural enterprises, which represent 37% of all businesses. Medium sized enterprises are seen predominantly in the health and manufacturing sectors, representing 6% and 5% of the total business stock respectively. The large geographic area and rural nature of Mid Wales means that business density is also significantly lower than in Wales and the UK.

Construction, Accommodation and Food Services, Professional, Scientific and Technical Services, and Business Administration Services are other significant sectors in terms of business counts.

Reflecting the sectoral composition of businesses, employment is heavily based in agriculture, with accommodation and food services also being significant, illustrating the importance of the tourism industry to the region. Education and health also contribute significantly to employment in Mid Wales demonstrating the key role of the public sector as a source of jobs in the region, with military bases in other areas offering significant local employment. The specific impacts of COVID-19 on the Mid Wales economy and the Growth Deal are set out in the next section.

⁴ Growing Mid Wales Baseline Report, AECOM, 2019
www.growingmid.wales

The Case for Change

This section sets out the challenges and opportunities across the key sectors in the Mid Wales economy that the Growth Deal has the potential to address:

Applied Research & Innovation

The region is home to internationally significant industries and internationally recognised research and development assets, including in agri-tech, food and bioscience, animal health, and advanced manufacturing. There is a need to capitalise on these internationally significant research and industrial strengths, harnessing emerging specialisms, alongside strengthened industry engagement and development to catapult regional productivity growth.

Agriculture, Food & Drink

Mid Wales is home to key strategic food-related enterprises and support organisations with, for example, two of the main farming unions (FUW and NFU) having headquarters within its boundaries. The sector is a major employer, with 10,275 people employed in the food industry in Mid Wales, higher than national averages. The sector is vulnerable to changes in external policy and trading environments but there are also opportunities to develop new markets and processes. There are opportunities to significantly grow the economic and employment base through new high-value food development and produce development to a nationally and internationally recognised standard.

Strengthened Tourism Offer

The tourism industry employs over 23,200 people in the region. It is supported by the regions outstanding natural assets including the Brecon Beacons National Park and the Wales Coastal Path and further bolstered by a diverse range of annual events including internationally recognised brands such as Green Man Festival. The sector is estimated to be worth an estimated £1.08 billion to the Mid Wales economy in 2016. There are opportunities to capitalise on the strength of the natural, heritage, and cultural assets in the region, focusing on driving more sustainable and resilient tourism growth which centres on quality and value, not volume.

Energy

Natural resources in Mid Wales are well placed to produce green and renewable forms of energy. Currently, the region generates 97% of the electricity that it consumes from local renewable sources. The regions offer is enhanced by the presence of renowned academic / research institutions, including CAT and Aber University/BERS. Due to its abundant natural resources, the region is positioned well to help both Welsh and UK governments reach their 2050 target for reducing carbon emissions. There is an opportunity to establish mid Wales's role in supporting, and potentially leading, Welsh and UK efforts in developing and generating solutions to address the challenges of a future energy system.

Digital

Although there have been significant improvements in recent years, digital connectivity in the region is significantly behind the rest of Wales and the UK, with over 20,000 'white premises' in the region who cannot access speeds of 30Mbps and 20% less 4g coverage than the rest of Wales. Improving digital infrastructure and exploiting next generation technologies will be critical to improving productivity, innovation, and competitiveness. Supporting the development of digital skills will help bridge the digital divide and allow people to live and work more freely. In doing so, the region can capitalise on the economic opportunities that can be unlocked by investing in digital infrastructure.

Supporting Enterprise

Within the region, there is a very high proportion (>95%) of micro businesses (<10 employees), providing many businesses with the potential for growth. Additionally, the number of businesses in Mid Wales is steadily growing – in 2020, Mid Wales was home to 12,625 businesses, a growth of 2.5% since 2010. Survival rates for new businesses in Mid Wales after 5 years are significantly better in Mid Wales than for England & Wales, indicating resilient businesses. There are significant opportunities in terms of shaping business support and aligning infrastructure availability (digital, physical, land, and premises) to better support businesses across Mid Wales. It will be key to fostering an environment for a strong, resilient, and diverse Mid Wales economy that enables enterprises to start, grow, and prosper with the right support and infrastructure

Transport

Transport connectivity both inside and outside of Mid Wales is crucial to economic and future growth. However, the region faces several challenges, including infrequent rail services with slow journey times and limited direct connectivity to major UK cities, poor uptake of public transport (<1% of bus use in the region), and a low take up of electric vehicles due to the lack of infrastructure. Investment is needed to improve strategic networks to keep goods and labour services moving freely. Moreover, the low carbon economy can be supported by improving the safety and resilience of the rail network, which will lead to reduced journey times and will increase capacity. Building on the regions existing linkages will help to deliver the transport network required to help grow the economy and raise productivity.

Skills & Employment

The region is well educated, with school-age attainment in Mid Wales exceeding the Welsh average, and a higher proportion of working age people are qualified to degree level, compared to the national average. The regions universities provide a pipeline of talented and skilled young people, but there are opportunities to increase the number of graduates finding employment in Mid Wales after their studies. The emerging Regional Skills Partnership offers an opportunity to identify and co-ordinate a plan to align skills supply and demand in Mid Wales. By ensuring there is an appropriate supply of skills and that there is a capable workforce, business and industry needs can be met as part of a functioning labour market to underpin future economic growth.

The Economic Impact of COVID-19

COVID-19 has had an immense economic impact on Mid Wales as in other parts of the UK and globally. The Growing Mid Wales Board will work closely with the two local authorities, UK and Welsh Governments and private sector representatives to co-ordinate the regional response to economic recovery.

The long-term economic impact of restrictions and business interruption associated with COVID-19 has still yet to be fully realised which could impact local businesses, local authorities, and education providers alike. It is also unclear how the pandemic has affected investor confidence, and the implications will vary by sector. Continuing disruption through labour shortage from self-isolation/illness, combined with disrupted training/supply chain development has created shortages in construction materials, with price inflation, particularly on imports.

The Growth Deal Strategic Growth Priorities are designed to be robust and relevant to deliver long-term economic growth for the region. Despite the challenges of COVID-19, the Strategic Growth Priorities being addressed are demonstrating how they deliver value to counter the impacts of the COVID-19 pandemic.

Applied Research & Innovation – Key industries such as advanced manufacturing and agri-tech have been impacted considerably by the coronavirus pandemic. However, the pandemic has also shown the need for innovation and future growth in these sectors to cope with challenges in the future. The recovery post-pandemic will provide opportunities to innovate within these sectors to encourage the clean growth and digitisation of the industries.

Agriculture, Food & Drink – Limits on the mobility of people across national and international borders during lockdowns have contributed to labour shortages for agriculture sectors. Additionally, the closure of non-essential food and drink retailers reduced demand for some sectors of the industry.

Strengthened Tourism Offer – During the pandemic and national lockdowns the tourism sector was particularly affected due to the restricted movement within Wales and the wider UK. However, with the lifting of restrictions within the UK whilst foreign travel restrictions remained complicated, the UK saw a growth in ‘staycations’ over the summer of 2021. This may help to further strengthen the demand of ‘staycation’ tourism in the future.

Energy – Positioning Mid Wales as a key UK location for low carbon energy generation and supply chain investment will secure hundreds of new jobs for generations to come. This will play a key role in the region’s ability to address climate change and deliver against government policy areas, whilst creating more prosperous communities in the region which will help to overcome the effects of the pandemic.

Digital – During the pandemic, the demand and reliance on digital connectivity to enable people to work and learn from home, keep in touch with friends and families, run businesses, and access essential public services, grew dramatically and this will only continue to grow.

Supporting Enterprise – The pandemic has caused numerous new and small businesses to suffer due to reduced demand, with industries such as the beauty and tourism sectors particularly struggling. However, it has also provided an opportunity for new start-ups, with a record number of new businesses being created in 2020. It will be key to support these businesses in key growth areas with the right support and infrastructure.

Transport – The limitation on the mobility of people during national lockdowns saw many people reducing how much they travel. Additionally, there was a change in the types of transport used, with more opting to not use public transport, due to safety concerns, and instead using private vehicles. However, some public transport use has seen demand increase again, with bus use (excluding London) returning to pre-pandemic levels. National rail use is recovering more slowly, with use in September 2021 at ~67% of pre-pandemic use.⁵ The post-pandemic period provides an opportunity to reform the public transport sector.

Skills & Employment – UK and Welsh Government schemes, such as the Job Retention Scheme and Economic Resilience Fund, have helped to mitigate the economic impact of COVID-19. However, substantial effects were still felt, with 16,000 redundancies occurring in Mid-Wales in the three months to November 2020, the highest rate in this period since 2009. Women, ethnic minorities and young people have been particularly affected with higher proportions of these demographics being furloughed⁶. Additionally, key sectors such as manufacturing in Wales have been affected by the pandemic and economic uncertainty. There are opportunities to innovate these sectors and to support re-training opportunities in sectors which are likely to grow.

⁵ DfT Domestic Transport Use by Mode, Great Britain, since 1st March 2020

⁶ <https://phw.nhs.wales/publications/publications1/covid-19-and-employment-changes-in-wales-what-we-know-about-current-and-future-impacts/>

Growth Deal Investment

The investment by UK Government, Welsh Government the Growing Mid Wales Board and its regional partners will act as a catalyst to unlock investment and aid economic recovery in the region.

The UK and Welsh Governments have jointly committed to the investment of £110 million over the next 10/15 years⁷, subject to an annual funding approvals process; the Growing Mid Wales Board also committed to securing further public and private sector investment to deliver an overall investment of £280-400 million. A private sector investment strategy will be developed to provide assurance with regards to leverage and match funding.

Through the Mid Wales Growth Deal, the Welsh and UK Governments and partners are embarking on a new strategic relationship that creates a legacy that will transform the region in the long term with co-ordination centred across Strategic Growth Priorities.

An indicative funding breakdown for the Mid Wales Growth Deal is presented below:

UK Government	Welsh Government	Other Public Sector	Private Sector	TOTAL
£55m	£55m	£75-£132m	£92-£157m	£280-£400m

Note: The maximum contribution of the Growth Deal is capped at £110 million. The ranges presented are based on the total capital costs stated within Project Proformas and Strategic Outline Cases provided as part of the SPBC development process (lower bound) and the application of Optimism Bias at 44% apportioned between the match funding contributions (upper bound).

The Impact of the Growth Deal

The following indicative investment objectives have been developed through the creation of a Strategic Portfolio Business Case to support the region to secure the Final Deal Agreement with Welsh Government and UK Government.

Investment Objective 1	To create between 1,100 and 1,400 new jobs in Mid Wales through the Growth Deal by 2032.
Investment Objective 2	To support a net additional GVA uplift of between £570 million and £700 million for the Mid Wales Economy through the Growth Deal by 2032 ⁸ .
Investment Objective 3	To deliver a total investment of up to £400 million in the Mid Wales Economy through the Growth Deal by 2032.

⁷ Note: The UK Government communicated its intention to accelerate the Growth Deal to a 10 year profile as part of Spending Review 2020. The Welsh Government's position has not been confirmed, therefore potentially remains 15 years as set out in the Heads of Terms agreement. The term of funding will be negotiated and agreed pre grant offer letters being issued.

⁸ Note: Values undiscounted.

The Growth Deal Portfolio will contribute to achieving the investment objectives above. The Portfolio will generate a set of benefits that have been classed as direct, indirect, and wider benefits. The constituent Programmes and Projects of the Portfolio will have to demonstrate in their development how they will achieve these objectives.

It should also be noted that the Accounting Officer Review (AOR) will be expected to make recommendations on ensuring the Portfolio delivers on a wider range of outcomes to deliver on economic, social and environmental wellbeing. An example of this will be the development of a low carbon impact assessment for the Deal and incorporating this into project business cases.

In addition, as project business cases evolve a suite of indicators and measures will be developed which best reflect success for the Deal and the characteristics of the Mid Wales region.

It should be noted that no specific programmes and projects for Energy, Transport and Skills & Employment have been identified in the current Shortlist of the Growth Deal Portfolio.

As a result of this shortlisting process, benefits associated with these Strategic Growth Priorities have not been quantified at this stage. However, it should be noted that the production of the Strategic Portfolio Business Case is an iterative process where programmes and projects within these Strategic Growth Priorities may come forward at a later stage within the Growth Deal period.

The key types of benefits for the shortlisted Programmes and Projects currently being considered are summarised below:

Benefits Framework					
	Applied Research & Innovation	Agriculture Food & Drink	Strengthened Tourism Offer	Digital	Supporting Enterprises
Direct Benefits	Jobs and GVA	Jobs and GVA	Jobs and GVA	Not quantified	Jobs and GVA
Indirect Benefits	Supply Chain Jobs and GVA	Supply Chain Jobs and GVA	Supply Chain Jobs and GVA Visitor Spend Amenity Value	Business Productivity Business Innovation	Business Productivity Business Innovation
Wider Benefits	Social Welfare Benefits Environmental Benefits Inward Investment Improved Perceptions	Capitalising on internationally significant research and industrial strengths	Development of sector to nationally and internationally recognised standard	Capitalise on natural, heritage and cultural assets Drive sustainable and resilient tourism growth	Facilitate Innovation Cluster growth Inward Investment

Benefits Framework					
	Applied Research & Innovation	Agriculture Food & Drink	Strengthened Tourism Offer	Digital	Supporting Enterprises
Direct Benefits	Jobs and GVA	Jobs and GVA	Jobs and GVA	Not quantified	Jobs and GVA
	Reduced Deprivation	Harnessing emerging specialisms Strengthened industry engagement		focusing on quality	

Source: Mid Wales Strategic Portfolio Business Case

2. The Growth Deal – Current Scope

The aim of the Growth Deal is to deliver an enterprising and distinctive region, delivering economic growth driven by innovation, skills, connectivity, and more productive jobs supporting prosperous and bilingual communities. The approach is to promote growth in a scalable, inclusive, and sustainable way in line with the *Well-being of Future Generations (Wales) Act 2015*.

The Growth Deal Portfolio is currently based on two programmes and nine projects that sit within five of the eight identified Strategic Growth Priorities, as follows:

Strategic Growth Priorities	Projects
Applied Research & Innovation	<ul style="list-style-type: none"> • Innovation Park. • National Spectrum Centre. • Mid Wales Advanced Manufacturing Campus.
Agriculture, Food & Drink	<ul style="list-style-type: none"> • Food Manufacturing Innovation Centre. • University of Gastronomy.
Strengthened Tourism Offer	<ul style="list-style-type: none"> • Cynefin – The Green Heart of Wales. • Dwr Cymru Elan Valley. • Montgomery Canal Wales - Restoration to Navigation. • Ceredigion Harbours.
Energy	<ul style="list-style-type: none"> • No projects identified at this stage.
Digital	<ul style="list-style-type: none"> • Strategic Employment Site Connectivity.
Supporting Enterprise	<ul style="list-style-type: none"> • Mid Wales Sites and Premises.
Transport	<ul style="list-style-type: none"> • No projects identified at this stage.
Skills & Employment	<ul style="list-style-type: none"> • No projects identified at this stage.

All of the currently proposed programmes and projects within the Growth Deal contribute to the achievement of the Growth Vision and the delivery of benefits for Mid Wales. The benefits from the Growth Deal will support sustainable and inclusive growth across the region – in accordance with the Growth Vision as well as the priorities of the *Well-being of Future Generations (Wales) Act 2015*.

The strategic aims and spending objectives of the set of shortlisted programmes and projects within these 5 strategic growth priorities equate to the following headline summaries:

Applied Research and Innovation

Strategic Aim:

Capitalising on internationally-significant research and industrial strengths, harnessing emerging specialisms, alongside strengthened industry engagement and development to catapult regional productivity growth.

Spending Objectives:



JOB CREATION

To create between 185 and 255 jobs over a 10-year period.



GVA

Create net additional GVA of £55-65 million over a 10-year period.



INVESTMENT

Investment of between £66 and £95 million over a 10-year period.

Agriculture Food and Drink

Strategic Aim:

Significantly grow the economic and employment base through new high-value food development and produce development to a nationally and internationally recognised standard.

Spending Objectives:



JOB CREATION

To create between 35 and 55 jobs over a 10-year period.



GVA

Create net additional GVA of £40-50 million over a 10-year period.



INVESTMENT

Investment of between £12 and £17 million over a 10-year period.

Strengthened Tourism Offer

Strategic Aim:

To capitalise on the strength of our natural, heritage and cultural assets and offer to drive sustainable and resilient tourism growth focusing on quality and value, not volume.

Spending Objectives:



JOB CREATION

To create between 200 and 245 jobs over a 10-year period.



GVA

Create net additional GVA of £120-145 million over a 10-year period.



INVESTMENT

Investment of between £92 and £132 million over a 10-year period.

Digital

Strategic Aim:

Capitalising on the economic opportunities that can be unlocked by investing in our digital infrastructure.

Spending Objectives:



JOB CREATION

To create between 370 and 450 jobs over a 10-year period.



GVA

Create net additional GVA of £95-115 million over a 10-year period.



INVESTMENT

Investment of between £50 and £72 million over a 10-year period.

Supporting Enterprise

Strategic Aim:

Fostering the environment for a strong, resilient and diverse Mid Wales economy that enables enterprises to start, grow and prosper with the right support and infrastructure.

Spending Objectives:



JOB CREATION

To create between 340 and 415 jobs over a 10-year period.



GVA

Create net additional GVA of £85-105 million over a 10-year period.



INVESTMENT

Investment of between £56 and £81 million over a 10-year period.

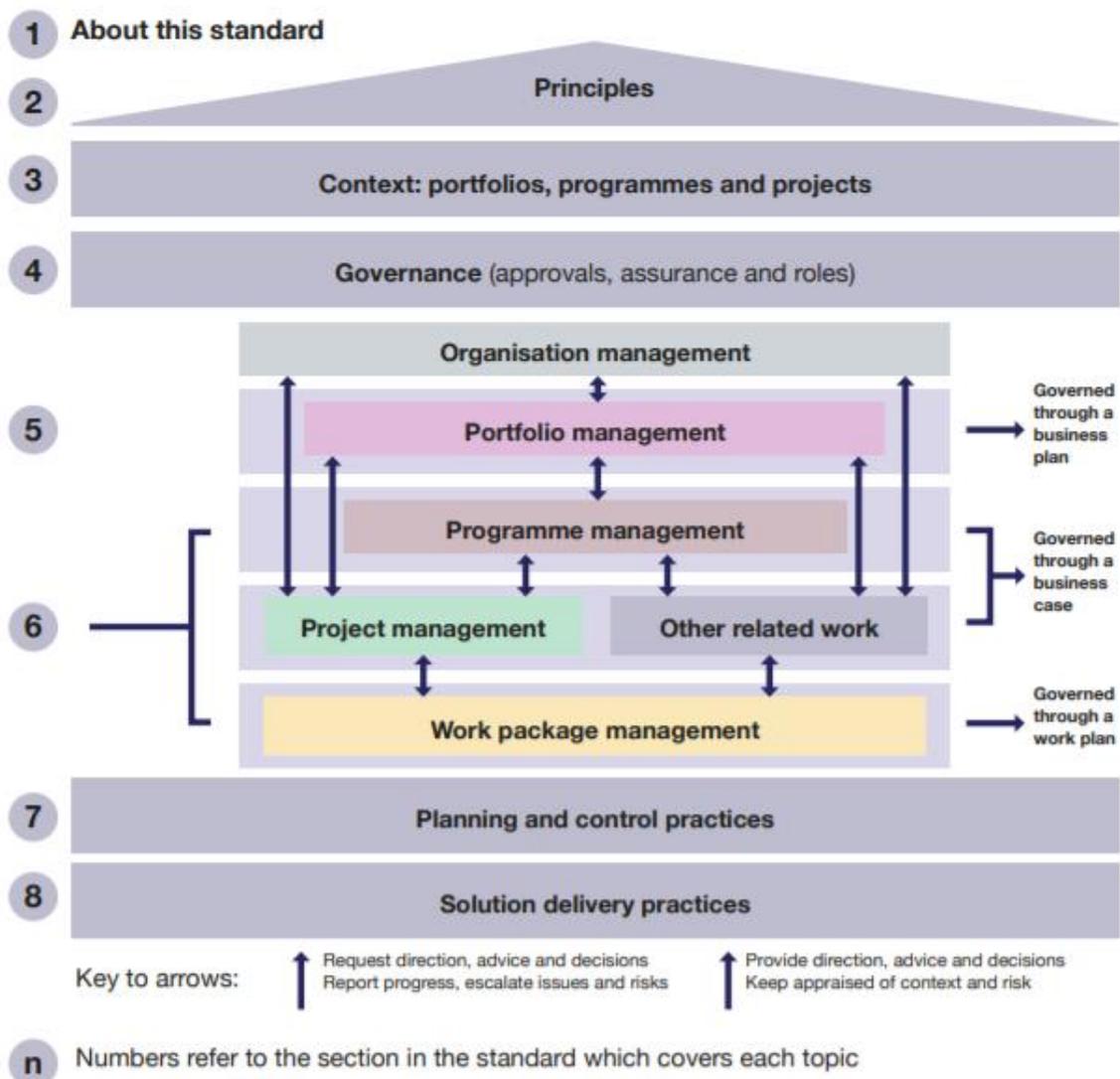
3. Governance Structure

The Growth Deal’s governance arrangements enable decisions to be made in an open and transparent way for the benefit of the whole of the region. This section details the existing arrangements and how they contribute to the management of the programme and associated risks.

Additional governance documents will apply to delivery of the Growth Deal, over the 10-15 years.

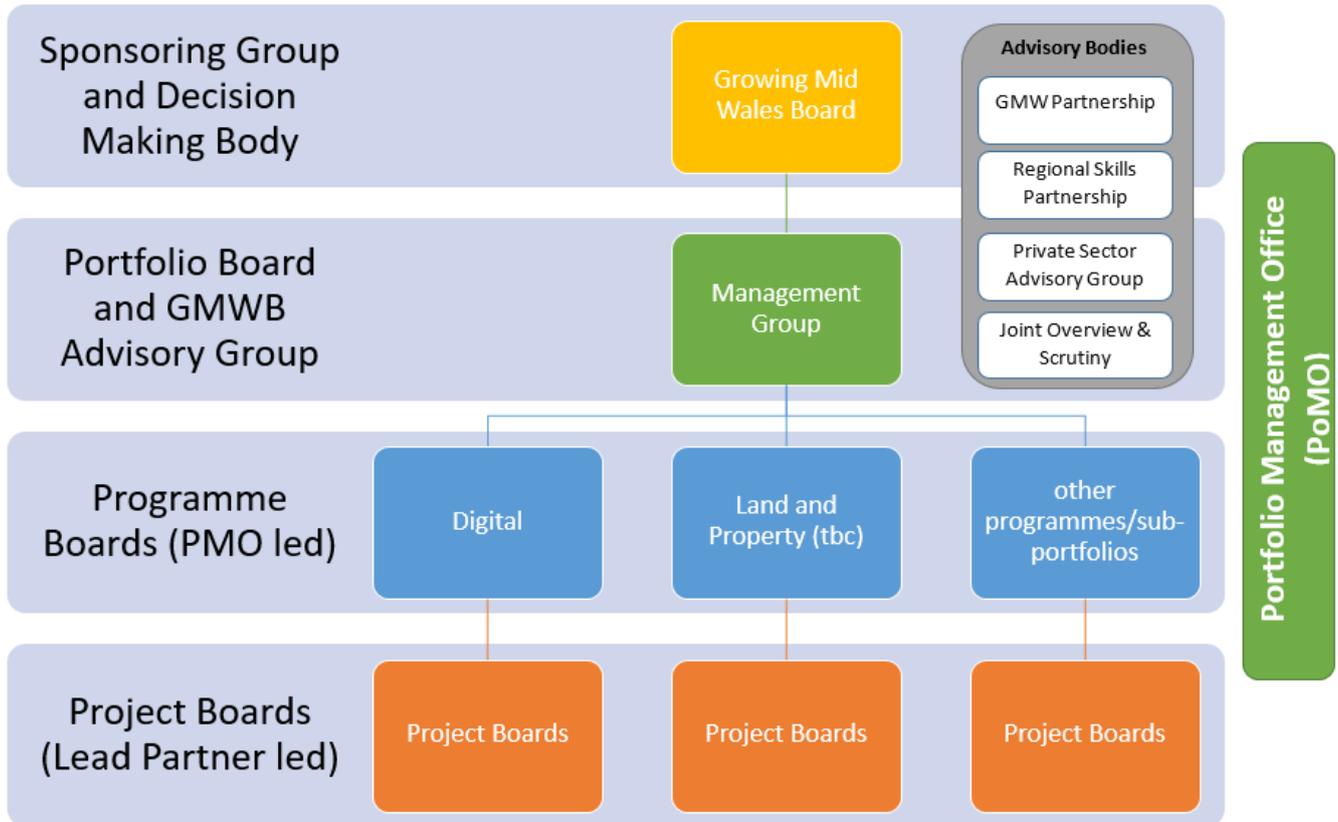
Mid Wales Growth Deal Governance Structure

The Growing Mid Wales Board has adopted a delivery model based on a best practice approach to portfolio, programme, and project management as set out in ‘Government Functional Standard GovS 002: Project Delivery’. Portfolio, programme, and project management is an integrated way of meeting an organisation’s ambitions, driving better decisions and increasing the likelihood of successful outcomes. The delivery structure for the Mid Wales Growth Deal broadly follows the below standards:



Source: HM Government, Governmental Functional Standard, GovS 002: Project Delivery, 15th July 2021

The diagram below sets out the Governance structure for the Mid Wales Growth Deal:



Strategic and Portfolio Level

GMW Board (Sponsoring Group) - Leadership, strategic decision making, and accountability for the Mid Wales Growth Deal. All authority below this level is delegated to relevant parties as required through a formal GMWB decision. The GMWB will be responsible for the consideration and approval of programme and project business cases within the portfolio and with responsibility for delivery delegated to the relevant programme and project boards.

Management Group (Portfolio Board) - This group is the advisory body to the GMWB but also acts as the Portfolio Board for the Growth Deal to support and challenge the Operations Manager and the Portfolio Management Office (PoMO) to ensure delivery. The management group is made up of senior officers from the Local Authorities, chaired by an appointed Senior Responsible Owner (SRO) for the Portfolio. A member of the Management Group will also be appointed as a Senior Responsible Owner (SRO) for each of the programmes and lead the relevant Programme Board.

Operations Manager - The Operations Manager is accountable to the Management Group for the delivery of the Growth Deal Portfolio.

GMW Partnership (Advisory) - Constituted with its own Terms of Reference, it provides wider cross-sector stakeholder representation to inform, challenge and advise on the Growth Deal; and to provide regional leadership of the wider Vision for Growing Mid Wales.

Regional Skills Partnership (Advisory) – Public and private sector stakeholder group to identify and advise on the supply and demand of the labour market. Works closely with the Private Sector Advisory Group.

Private Sector Advisory Group (Advisory) - Advisory, support and advocacy mechanism for the development and delivery of the Growth Deal providing business voice relevant to Mid Wales economy.

Joint Overview and Scrutiny Sub-Committee (Advisory) - Monitoring and scrutiny function on behalf of the Councils, to scrutinise decisions made or actions taken by the GMWB for the MWGD.

Programme and Project Level

Programme/Thematic Boards - Where a programme exists, each will have a formal Board and an appointed Senior Responsible Owner (SRO). These boards initially focus on the development of the agreed business cases and subsequently oversee the delivery, with a specific focus on the benefits and outcomes to be achieved. Programme/Thematic Boards escalate to the GMW Board via the Operations (Portfolio) Manager. Programme/Thematic Boards will comply with the methodology set out in MSP.

Project Boards - All projects within the Growth Deal will be managed via a Project Board with appointed SROs and project managers in place to ensure delivery. Project Boards will comply with the methodology set out in PRINCE2. These boards will be focused on the development and delivery of the agreed business case, with a focus on the delivery of specified outputs. Projects and Project Boards will be the responsibility of the Project Sponsor and clear arrangements for the delivery of projects in line with best practice will be set out in each business case. Projects will report through to the relevant Programme/Thematic Board. Where a project does not naturally sit within a Growth Deal Programme, the Management Group will look to establish thematic-level/project monitoring boards that will provide a mechanism to report back to the PoMO.

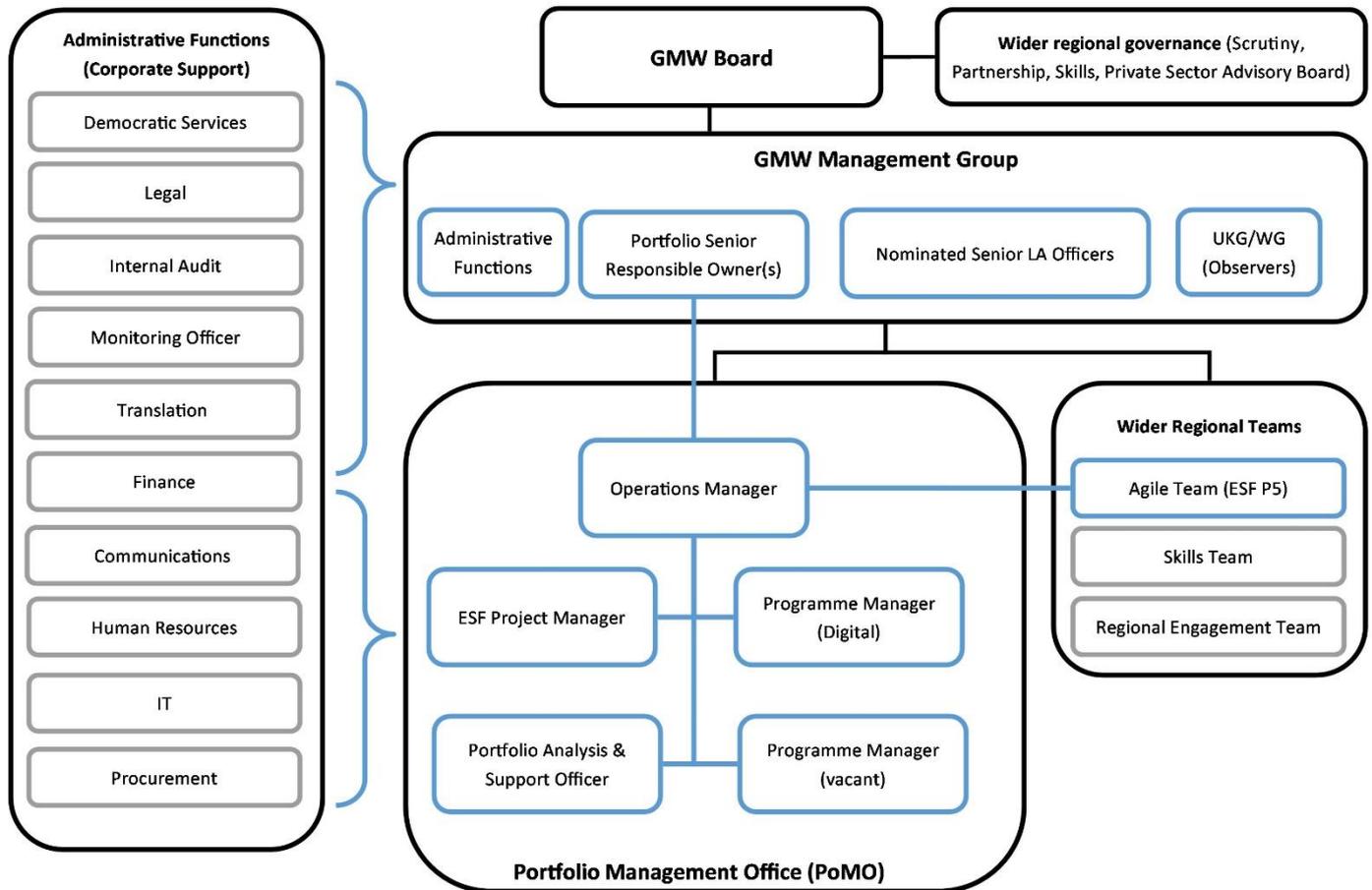
Portfolio Management Office (PoMO) – The PoMO provides a professional support team for the successful delivery of the agreed work programme of the Board. It supports and co-ordinates activity across the portfolio, acting as an information hub and ensuring a consistent approach to reporting, control of risk and issues. It also acts as a valuable assurance function, providing advice and challenge to programmes and projects. Each programme is assigned a Programme Manager from within the PoMO.

The formation of the PoMO is a major step towards the delivery phase of the Portfolio and subsequent Programmes and Projects. Sitting alongside regional governance the PoMO plays a key role in:

- Governance Support: Co-ordinating and servicing the business needs of regional committees;
- Operational Management: People, Budget, Risk & Issues, Strategic Planning & Activity Reporting;
- Programme / Project Development: Organising and co-ordination of workstreams, project engagement, and programme / project development / sponsor support;
- Communication & Stakeholder Engagement: Co-ordinating key messages and communications activity; and
- Co-ordination across wider regional activity: EU funding (RET), Transport (TRaCC) & Regeneration Funding.

The PoMO structure is set out on the following page:

Portfolio Management Office Structure



Operations (Portfolio) Manager – The role of the Operations (Portfolio) Manager is to oversee the delivery of the Growth Deal portfolio and is accountable to the Growing Mid Wales Management Group.

Programme Manager (Digital) - Development, management and delivery of the Digital Programme;

Programme Manager (vacant) - Development, management and delivery of the Sites and Premises Programme; and

ESF Project Officer – Support the operational management of the Regional Collaboration Office, enable development of agile team, compliance and monitoring.

Portfolio Analysis & Support Officer - Executive/Portfolio Support for team including performance analysis and management support, monitoring, document and systems management.

Standing Orders, delegated authority and terms of reference

The core members of the PoMO are employed by the Accountable Body and operate to their standards, procedures and policies. Other members of the team may be appointed through the arrangements with Local Authorities and Aberystwyth University for an agile team – brought in as required on a ‘secondment’ basis funded by the Local Authorities and European Social Fund monies provided by WEFO.

Funding for programmes/projects will only be released by Ceredigion County Council as the Accountable Body following the successful approval of programme/project business cases by the Growing Mid Wales Board and on the basis of submission and verification of quarterly claims by project sponsors.

Contractual relationships required will be between Ceredigion County Council as the Accountable Body for the Mid Wales Growth Deal and the relevant Project / Programme Sponsors delivering the schemes. The Project / Programme Sponsors will then require appropriate contractual relationships with any contractors or suppliers procured to deliver the schemes.

The nature of these contractual relationships will be set out in the commercial case of each project / programme business case.

Each programme or project will report back to the Growing Mid Wales Board in line with the approach set out in the Management Case of the Strategic Portfolio Business Case and the Implementation Plan.

Terms of Reference for Programme and Project Boards will be agreed with Project Sponsors and SROs to ensure the appropriate links and reporting arrangements understood by both parties.

The exact provisions and terms of reference for the governance and implementation of the Deal will be set out in the relevant Inter-Authority Agreement.

Resourcing

The PoMO was established in July 2021 and is to be funded up until July 2023 through a combination of partner (Local Authority) match funding and European Social Fund grants. This provides funding to support the existing team, and wider agile team roles to support elements of the wider vision and regional working. The PoMO is currently reviewing its resource allocation and capacity requirements.

The Local Authorities are cognisant of the requirement to continue to support the revenue costs of the PoMO beyond July 2023. A revenue budget for the GMW Board will be established in due course – with options and budgets being considered. It is envisaged that the revenue costs of delivering the Growth Deal and PoMO will be met through a combination of continued partner contributions and options to top slice the annual Government grant.

Decision Making Process

UK Government and the Welsh Government

Both the UK Government and the Welsh Government are accountable for ensuring the most appropriate use of Government funding for the Growth Deal.

The UK Government has allocated City and Growth Deal funding for the Welsh Government to administer, allowing funding from both Governments to be managed and released through a single agreed process. A legally binding Award of Funding Letter will be issued by Welsh Government stating the process for releasing the Growth Deal Funds. The funding is understood to be paid to the Accountable Body of the Growth Deal (Ceredigion County

Council) on an annual basis over the lifetime of the Growth Deal on a confirmed profile with drawdown conditional upon providing ongoing assurance.

Monitoring & evaluation of the progress of the Growth Deal will be an ongoing activity and an annual review of progress will be required prior to the release of annual funding. This will take the form of an assessment of a range of documentation and presentation to the Welsh Cities & Growth Implementation Board (WCGIB) by the PoMO to include an annually updated Strategic Portfolio Business Case providing greater Programme and Project detail. The next planned assurance review will specifically focus on delivery readiness (PAR/Gateway 0) with a specific focus on ensuring resolution of the AOR recommendations.

Decisions as to the release of funding to the Growth Deal will be taken by Ministers of the Welsh Government and UK Government annually. These decisions are informed by recommendations made by the Welsh Cities & Growth Implementation Board (WCGIB).

The annual funding approval process is set out in Appendix B.

While overarching accountability for the administration of funding rests with the Permanent Secretary for the Welsh Government, members of the Welsh Cities & Growth Implementation Board need to ensure that they are acting in accordance with the principles in Managing Welsh Public Money⁹ (in the case of Welsh Government officials) and HMT's Managing Public Money¹⁰ (for UK Government officials). This includes the need to assure themselves that the use of the funding offers good value for money and that it will be used with due regularity and propriety.

Welsh Government is currently setting out a separate Common Terms Agreement which will relate to certain aspects of the Growth Deal such as confidentiality, data protection, dispute resolution and assurance between Welsh Government and the partners in the region.

Growing Mid Wales Board

The Growth Deal partners are committed to putting in place robust decision-making and financial management processes to ensure that public money is spent responsibly and accounted for. The Growing Mid Wales Board is a Local Authority executive Joint Committee and as such is subject to the requirements in relation to transparency, accountability, standards of governance, decision making and conduct which apply to such a body.

The Growing Mid Wales Board will be responsible for the consideration and approval of project and programme business cases within the portfolio, prior to consideration by Governments as defined in the Welsh City and Growth Deals Governance and Assurance Framework; with responsibility for delivery delegated to the relevant programme and project boards. All projects and programmes will also be subject to a "health check" from local assurers and approval through a Project Gateway 1 review.

The Growing Mid Wales Board operates as a Joint Committee via an established Inter-Authority Agreement, and will seek to establish a consensus of all the partners around all decisions relating to the Growth Deal.

It is recognised that the Growing Mid Wales Board's powers and duties relate to activities set out in the Growth Deal. Each constituent partner's decision-making in relation to its own

⁹ <https://gov.wales/managing-welsh-public-money>

¹⁰ <https://www.gov.uk/government/publications/managing-public-money>

financial commitments will not be subject to Growing Mid Wales Board approval. The Growing Mid Wales Board working with the Accountable Body does however have a monitoring and assurance role with respect to the Growth Deal funding to ensure that it is spent in line with the Growth Deal objectives.

Project approval process

The Mid Wales Growth Deal Final Deal Agreement is to be signed on the basis of an approved Strategic Portfolio Business Case and the potential programme and project proposals in consideration at that point. While work is continuing in the background to develop Programme and Project Business Cases further, once the final deal has been agreed, project and programme business cases can be brought forward for the Growing Mid Wales Deal Board to consider.

Business cases will be developed for each programme and project within the Mid Wales Growth Deal in line with the *'Better Business Case'* guidance developed by Welsh Government and HM Treasury.

Preparing a Business Case using the five Case model provides decision makers and stakeholders with a proven framework for structured 'thinking' and assurance that the scheme provides and strategic fit, maximise public value, is commercially viable, is affordable and is fundable over time.

The development of programme (PBC) and project business cases (SOC, OBC and FBC) should be conducted in accordance with the Portfolio / Programme Business Case – Development Phase and Project Business Case.

Business cases will be required to demonstrate how they deliver against the objectives and aspirations of the Mid Wales Growth Deal Strategic Portfolio Business Case.

In line with the guidance, the PoMO will determine which approach to business cases is the most suitable for each scheme. The iterative production of the Business Case (Strategic Outline Case (SOC), Outline Business Case (OBC) and Full Business Case (FBC) should be considered for larger, complex projects requiring a competitive procurement.

Consideration may be given to combining the SOC and OBC where the case for change has already been made and agreed as part of a Programme Business Case (PBC).

Consideration may be given to combining the OBC and FBC where the intended procurement route has been pre-competed and firm prices are available in support of the spending proposal.

A Business Justification Case (BJC) may be considered for smaller items of spend, which are NOT novel or contentious; within the organisational limit agreed for the use of single business cases (BJC); and can be procured from an existing pre-competed arrangement.

Each project or programme business case will be subject to gateway reviews as set out in the Integrated Assurance and Approvals Plan (IAAP).

Project / programme business cases will first be considered by the relevant Programme/Thematic Board. Business cases will only be presented to the Growing Mid Wales Board following endorsement by the relevant Programme/Thematic and the completion of required gateway reviews. The PoMO retains the right to commission external reviews of business cases where required.

All project / programme business cases will be required to complete a Welsh Language impact assessment and a Wellbeing of Future Generations impact assessment before consideration by the Growing Mid Wales Board.

Assurance

Assurance is an integral part of the development of the Growth Deal Portfolio with the Accounting Officer Review a critical point, the progress against the recommendations from which will be reviewed as part of the next planned assurance review in Spring 2022.

Following the approval of the Portfolio IAAP, detailed IAAPs will be developed for each programme and project within the Growth Deal. The exact timing of assurance reviews will be a matter for the PoMO to agree with Welsh Government and the relevant Programme and Project Boards.

While the exact timing of reviews is to be agreed, the following principles are to be applied:

- Major portfolio assurance reviews will take place periodically at agreed intervals unless requested sooner by the Growing Mid Wales Board, UK or Welsh Government;
- Programme assurance reviews will take place periodically at agreed intervals unless requested sooner by the Growing Mid Wales Board, UK or Welsh Government;
- Project assurance reviews will take place throughout the life of the project at pre-agreed stages. The level of assurance may vary per project, but would include a minimum of two external Gateway reviews per project, including a pre-delivery review and a benefits realisation review. The rationale for the proposed approach is set out below:
 - **Project Gateway 1 (SOC / PBC)** – Only required for new projects or those currently at concept stage due to the approved Programme Business Case. All other projects to produce combined SOC/OBC for Gateway 2;
 - **Project Gateway 2 (OBC)** – Required for all projects within the Growth Deal;
 - **Project Gateway 3 (FBC)** – PoMO decision on whether Gateway 3 is required on a project by project basis;
 - **Project Gateway 4 (Implementation)** - PoMO decision on whether Gateway 4 is required on a project by project basis; and
 - **Project Gateway 5 (Benefits Realisation)** – Required for all projects within Growth Deal.
- Delivery of the Portfolio through programmes and projects (Project Gateway 4 and 5) should be conducted in accordance with the Portfolio / Programme – Delivery Phase and Project – Delivery Phase flowcharts.
- **Project Assessment Review (PAR)** – may be used in place of Gateway 1-5 where the PoMO in consultation with the WG Assurance Hub consider it a more appropriate review mechanism.

Change Management

A Change Management Plan will be developed for the Mid Wales Growth Deal.

The plan will adopt a similar principle to the Risk and Issues Management Framework, where changes are dealt with at the appropriate level within agreed tolerances. These tolerances will be agreed for each project business case, with a clear escalation process in place.

Changes will be assessed in terms of their financial impact but also their impact on the benefits to be delivered through the programme and projects.

Change management for the programmes will be primarily managed via the Programme/Thematic Board and relevant Project Board within tolerances delegated by the Growing Mid Wales Board upon consideration of the project business case.

Significant changes outside these tolerances would need to be escalated to the GMW Management Group or the Growing Mid Wales Board and may require the business case to be updated or additional assurance activities to take place.

Any new or replacement projects to be brought forward for consideration must demonstrate delivery against the relevant programme business case and the objectives of the Strategic Portfolio Business Case. Where those projects are within the existing agreed financial envelope for the Board, those projects would be a matter for the Growing Mid Wales Board to decide upon.

Projects that fall outside the remit of an agreed programme business case or those that would exceed the agreed financial envelope would be considered a 'reserved matter' for the Growing Mid Wales Board partners.

Approval will be sought from WCGIB regarding any significant changes, which could alter the original scope of the Deal and the intended original outcomes, with assurances provide on how these changes will be managed. This is in keeping with the Governance & Assurance Framework and will also be captured as part of regular monitoring and reporting.

Role of members/accountability

It is the duty of all Growing Mid Wales Board members to act in the best interests of the Growth Deal region. All private and third sector members will also be required to act in the interests of the Growth Deal region; foregoing any interest (if any) their own organisation may have in the Growth Deal and any related projects.

All members are expected to comply with the code of conducts of their respective organisations, the appropriate policies and procedures which are to be established by the Growing Mid Wales Board and the values and aspirations of the Growth Deal.

Government representatives may attend in observer/advisory capacity and are not bound by the requirements of the Growing Mid Wales Board's members.

Matters pertaining to the governing of the Deal are set out in the Inter-Authority Agreement (IAA3).

4. Role of the Accountable Body

For the duration of the Growth Deal, the accountable body shall be responsible for receiving and allocating funds for and on behalf of the Growing Mid Wales Board. Ceredigion County Council as the Accountable Body shall:

- act diligently and in good faith in all its dealings with the other Council and it shall use its reasonable endeavours to discharge the Councils' obligations in relation to the MWGD pursuant to and in accordance with this Agreement and all applicable legislation including but not limited to:-
 - the Well-being of Future Generations (Wales) Act 2015;
 - Welsh Language (Wales) Measure 2011; and
 - the Welsh Language Standards
- act as the primary interface (on behalf of itself and the other Council) with the WG, the UKG and any other body necessary to discharge the Councils' obligations in relation to the MWGD;
- act as the Accountable Body and to enter into and perform all contracts approved by the GMWB or the Councils (if a “Matter Reserved to the Councils”) on behalf of the MWGD; and
- act as the Accountable Body to hold any funds received directly from the WG, the UKG (if any), the Councils (if any) and/or any other sources (if any) in relation to the MWGD and only to use and release such funds as agreed in accordance with the terms of such funding and this Agreement.

Note: the provisions and terms of reference for the role (and appointment) of the Accountable Body, is set out in the most recent Inter-Authority Agreement agreed by the GMW Board and its constituent Local Authorities.

5. Monitoring and Evaluation

Managing our approach as a Portfolio will require continual feedback loops that link aspects of programme assurance, modelled economic impact, monitoring & evaluation to ensure that planned, developing, and delivering activity continues to meet the business needs set out in the Portfolio Business Case.

Our governance and management structures have been established to accommodate a way of working and an approach that enables a continuous cycle of assurance and review, through:

- A clearly defined PoMO
- An Integrated Assurance and Approval Plan (IAAP) that will establish clear processes
- An Implementation Plan for the Portfolio
- Robust and continual monitoring and evaluation that will continue to inform and shape the direction of the Portfolio.

6. Communications Protocol

A Strategic Communications Framework has been developed which provides an overarching framework to govern and direct all strategic communications activity relating to the work of Growing Mid Wales and achieving the ambitions outlined in The Vision for Growing Mid Wales. This strategic framework will apply to the wider regional as well as the Growth Deal. Underneath the strategic framework the individual regional functions will produce their own respective communication plans.

The PoMO will be responsible for managing communications regarding the Growth Deal and will communicate as appropriate with relevant partners and stakeholders. The PoMO will be the primary point of contact for the Welsh Government and UK Government in regards to the Growth Deal and will ensure that both Governments are consulted regarding any public facing documents or communications and that this is appropriately branded. The Welsh and English language will be represented equally in all digital and written publications.

7. Delivering for Mid Wales

The Growth Deal will continue to evolve over its lifetime and this Final Deal Agreement sets out the principles and processes relating to governance and assurance which have or will be put in place to ensure that the Growth Deal remains relevant and achievable.

All signatories look forward to working together for the people and businesses of Mid Wales.

Appendix A – Short-listed Projects / Programmes for Tranche 1 of Mid Wales Growth Deal*

Short-listed Projects / Programmes for Tranche 1 of Mid Wales Growth Deal*			
Strategic Growth Priorities	Project / Programme	Summary	Business Case Maturity Index
Applied Research & Innovation	Innovation Park	Lead by Aberystwyth University, the Innovation Park will enable industry and academia to build on the work of AberInnovation, with the aim of identifying, developing and demonstrating the enabling processes and technologies necessary to secure, broaden and maximise the value gained for the region. The £30 million project is seeking to deliver circa 10,000m ² of fully serviced office space, shared facilities and R&D space.	SOC (initial)
	National Spectrum Centre	Lead by Aberystwyth University, the National Spectrum Centre seeks to establish a key asset operated through a hub and spoke model that will benefit from the region's varied environments (coastal, uplands, rural etc.) and bring high quality jobs and increased growth to the region. The SOC seeks approval to invest an estimated £17 million in Phase 2 of the National Spectrum Centre development.	SOC (initial)
	Mid Wales Advanced Manufacturing Campus	Identified through a recent SQW Applied Research and Innovation Report, this project was a recommended intervention to deliver an Innovation/Advanced Manufacturing Campus for Mid Wales, with the aim of improving the supply of skills into industry and provide a hub for collaboration/R&I activity. A project lead is yet to be identified. Total capital costs are unknown.	Concept
Agriculture, Food & Drink	Food Manufacturing Innovation Centre	Lead by Food Centre Wales (part of Ceredigion County Council), the Food Manufacturing Innovation Centre is a £4.4 million project to deliver a state of the art food manufacturing innovation centre at Horeb, Llandysul, Ceredigion. The project would provide a facility to enable companies to take the next steps from small scale, research-based product testing and analysis to scaling-up of the production to enable full market and commercial viability testing.	SOC (initial)
	Canolfan Tir Glas / University of Gastronomy	Trinity St David's University is seeking to establish a Centre for Rural Enterprise (Canolfan Tir Glas), an entity that will promote the local food industry, sustainability, resilience and rural entrepreneurship. The Centre will aim to play its part in strengthening the economic	SOC (initial)

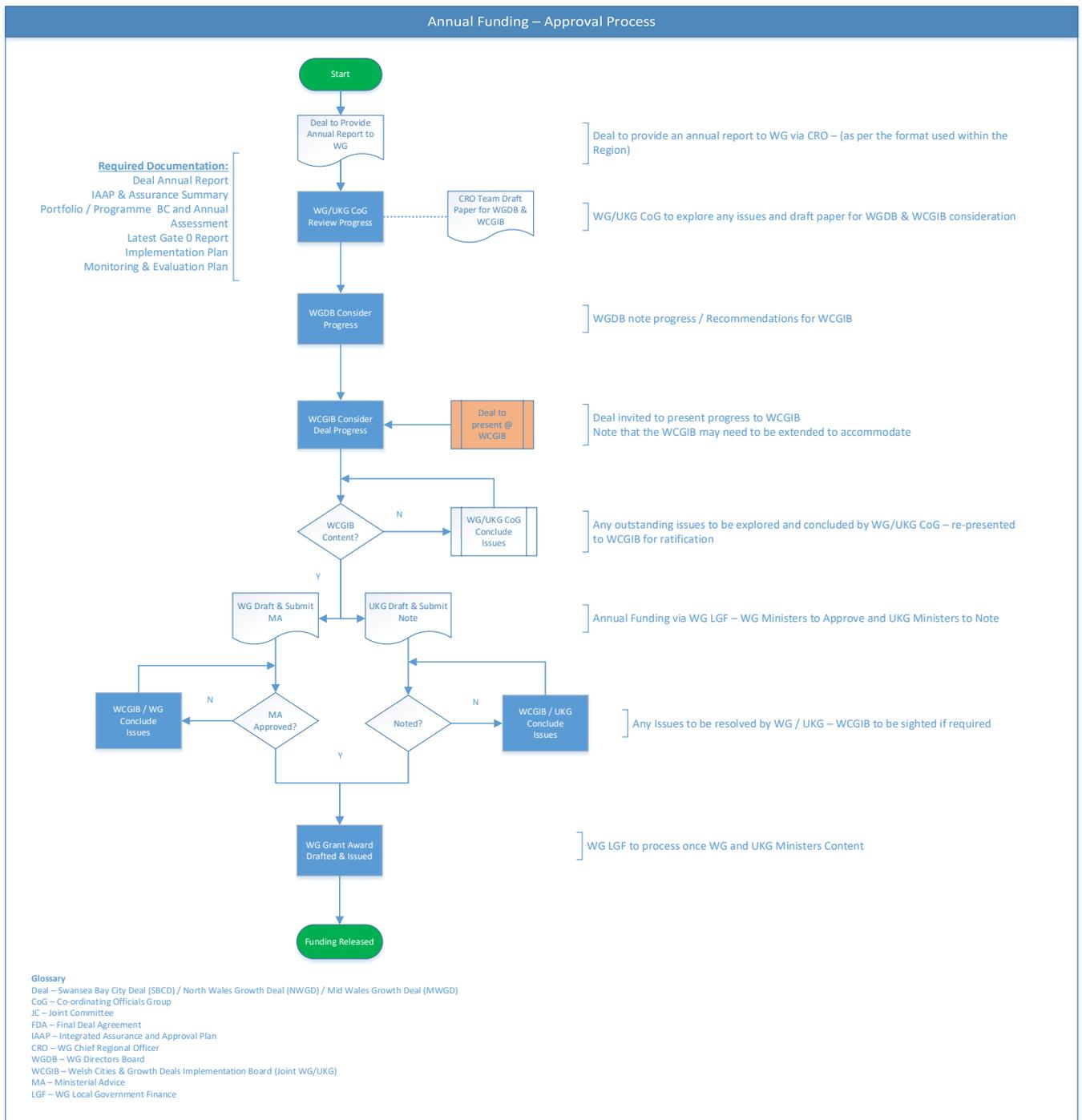
Short-listed Projects / Programmes for Tranche 1 of Mid Wales Growth Deal*			
Strategic Growth Priorities	Project / Programme	Summary	Business Case Maturity Index
		infrastructure of the wider agri-food economy in Mid Wales from the centre and its outreach work, particularly by focusing on skills and career development in the hospitality sector and other rural diversification sectors. Total capital costs are estimated to be £8 million.	
Strengthened Tourism Offer	Cynefin – The Green Heart of Wales	Lead by the Centre for Alternative Technology, seeks to create a powerful and immersive learning experience, bringing huge practical benefits to the delivery of Skills for the future in renewable energy, sustainable construction and retrofit, food, land use and sustainable tourism. The tourism element of the project comprises of: An Arrival and Welcome Hub, Green Street, Elemental and Site Accommodation. Total capital costs are estimated to be £24.2 million.	SOC (initial)
	Dwr Cymru Elan Valley	Lead by Dwr Cymru, the Elan Valley Lakes Project seeks to achieve economic growth and sustainability through adding appropriate high experience level adventure, sport and nature activities and improve provision of overnight accommodation. It is hoped this will increase visitor spend and enhance income streams. Total capital costs are estimated to be £12.7 million.	SOC (initial)
	Montgomery Canal Wales - Restoration to Navigation	Lead by the Canal and River Trust / Glandwr Cymru, the restoration of the Montgomery Canal in Wales seeks to facilitate linkage to the wider 2000-mile Canal network, and boater access through Powys to beyond Welshpool. So enhancing opportunities for a range of non-boater visitor activities, all with associated spend and opportunities for tourism and leisure businesses. Total capital costs are estimated to be £24.4 million.	SOC (initial)
	Ceredigion Harbours	Lead Ceredigion County Council, Ceredigion Harbours is an outline proposal for two major marina/harbour developments (Aberystwyth and Aberaeron). In both instances, the assets are to remain publicly-owned and will combine currently planned investment in sea defences/coastal flooding, adding further economic value through the reconfiguration and development of the assets to generate new economic opportunities in retail, leisure and tourism. In Aberystwyth, the proposals also incorporate strengthened faculties to	Concept

Short-listed Projects / Programmes for Tranche 1 of Mid Wales Growth Deal*			
Strategic Growth Priorities	Project / Programme	Summary	Business Case Maturity Index
		support the fisheries sector. Total capital costs are estimated to be between £20 and £30 million.	
Digital	Digital Programme	Lead jointly by Ceredigion County Council and Powys County Council, this programme seeks to accelerate the provision of connectivity services to strategic employment and residential sites within the Mid Wales region, and in doing so provide better services to businesses to facilitate greater economic growth. Connectivity is an essential part of modern life, influencing how individuals work, communicate and access services. Significant economic opportunities can be unlocked through investing in regional digital infrastructure. Total capital costs are estimated to be £50 million.	Programme Business Case (Initial)
Supporting Enterprise	Mid Wales Sites and Premises.	Lead jointly by Ceredigion County Council and Powys County Council, this intervention will deliver a strategic programme of prioritised, direct public sector investment in employment sites and premises and related infrastructure across Mid Wales to help meet current need and stimulate future economic growth in the region. This would be delivered through a Mid Wales Property Infrastructure Investment Fund. The proposal would be complemented by the development of broader financial incentives to help stimulate private sector investment in employment sites and premises, and targeted investments in strategic employment sites.	Programme Business Case (initial)

*These are the programmes and projects currently identified (Strategic Portfolio Business Case v1) as tranche 1 – shortlist proposals. This is defined as “*Shortlist for further development, with conditions. These are interventions that perform well against the spending objectives and Critical Success Factors, and are sufficiently well advanced at this stage to be mandated for further detailed business case development. These interventions make up the first tranche of the Growth Deal Portfolio.*”

The Strategic Portfolio Business Case is a live document that is subject to regular review and assurance. A continual process of alignment is required to ensure that the programmes and projects within the strategic portfolio remains linked to strategic objectives, because even as strategies are delivering changes and improvements to business operations, they may need to respond to internal and external changes and to accommodate new initiatives and policies.

Appendix B – Annual Funding Approval Process



Note: derived from the Welsh City and Growth Deals Implementation Board – Governance and Assurance Framework v1 December 2020.

Appendix C – Additional Governance Documents to Final Deal Agreement

- GMW Strategic Portfolio Business Case (v1)
- GMW Integrated Assurance and Approvals Plan (Draft v0.5)
- GMW Implementation Plan (Draft v0.5)
- GMW Risk Register (v0.5)
- GMW Communications Strategy (v7.3)
- GMW Inter-Authority Agreement (v3 signed)



Tyfu
Canolbarth Cymru
Growing
Mid Wales

BARGEN TWF CANOLBARTH CYMRU

Cytundeb y Fargen Derfynol

Fersiwn: 1.0

Statws: Terfynol

www.tyfucanolbarth.cymru

Rhagair

Mae **Bargen Twf Canolbarth Cymru** yn ffrwyth cydweithio agos ac ymrwymiad gan bartneriaid ar draws llywodraethau, awdurdodau lleol a rhanddeiliaid rhanbarthol er mwyn pennu Portffolio uchelgeisiol o flaenoriaethau buddsoddi a fydd yn ceisio dwyn newid o ran cyflogaeth a newid economaidd sylweddol i Ganolbarth Cymru.

Yn ystod ei chyfnod, bydd Bargen Twf Canolbarth Cymru yn grymuso'r rhanbarth i gyflwyno buddsoddiadau cyfalaf mewn ffordd strategol a chydgyssylltiedig, gan ystyried y sefyllfa dros y tymor hir.

Mae'n gyfle unigryw i sicrhau bod penderfyniadau ynghylch cyllid yn cael eu gwneud yn agosach i'r busnesau a'r cymunedau lleol sy'n bodoli yng Nghanolbarth Cymru, er mwyn dangos potensial a dyrchafu uchelgais ranbarthol yr hyn y gallai ein heconomi esblygu i fod. Mae ganddi rôl cadarn i'w gyflawni law yn llaw â buddsoddiad ehangach a chyllid gan y sectorau cyhoeddus a phreifat er mwyn darparu seilwaith economaidd a fydd yn gwneud gwahaniaeth go iawn er mwyn creu economi sy'n fwy bywiog, cynaliadwy a chynhwysol.

Mae'r ddogfen hon yn nodi'r egwyddorion a fydd yn sylfaen ar gyfer y fargen derfynol y bydd y rhanbarth a'r ddwy Lywodraeth yn cytuno arni. Mae'n seiliedig ar yr Achos Busnes Portffolio Strategol sy'n creu'r sylfaen ac sy'n pennu'r fframwaith gweithredol ar gyfer y Fargen, ac a fydd yn esblygu er mwyn adlewyrchu datblygiad ei rhaglenni a'i phrosiectau cyfansoddol, ynghyd â newidiadau yn y cyd-destun polisi ac economaidd.

Wrth lofnodi'r cytundeb hwn, mae Llywodraeth y DU a Llywodraeth Cymru ar y cyd yn ymrwymo buddsoddiad o £110 miliwn i'r Fargen Twf dros gyfnod o rhwng 10 a 15 mlynedd.

Gan ddatblygu dogfen y [Weledigaeth ar gyfer Tyfu Canolbarth Cymru](#) a gyhoeddwyd yn ystod yr Haf 2020, a dogfen [Penawdau'r Telerau](#) a lofnodwyd ym mis Rhagfyr 2020; mae'r ddogfen hon yn nodi'r paramedrau a'r fframwaith er mwyn cyflawni Bargen Twf Canolbarth Cymru sy'n ailddatgan ymrwymiad pob parti i sicrhau gweithrediad llawn a photensial y cyllid hwn.

Mae'r Fargen Twf yn gyfle uchelgeisiol, ond realistig, ac y mae cryn angen amdano ar gyfer Canolbarth Cymru, er mwyn ysgogi newid cadarnhaol, hirdymor a chynaliadwy a fydd yn llywio adferiad ac yn cynnig budd i genedlaethau'r dyfodol.

Ar y cyd, edrychwn ymlaen at weld y manteision y bydd y buddsoddiad pwysig hwn yn eu dwyn i bobl a busnesau ar draws Canolbarth Cymru.



Vaughan Gething, Aelod o'r Senedd
**Gweinidog yr Economi
Llywodraeth Cymru**



David TC Davies, Aelod Seneddol
**Is-Ysgrifennydd Gwladol Seneddol
Cymru Llywodraeth y DU**



Rebecca Evans, Aelod o'r Senedd
**Y Gweinidog Cyllid a Llywodraeth
Leol
Llywodraeth Cymru**



Neil O'Brien, Aelod Seneddol
**Is-Ysgrifennydd Gwladol Seneddol
(Gweinidog Codi'r Gwastad, Yr
Undeb a'r Cyfansoddiad)
Llywodraeth y DU**



Cyng Ellen ap Gwynn
**Arweinydd
Cyngor Sir Ceredigion**



Cyng Rosemarie Harris
**Arweinydd
Cyngor Sir Powys**



Llywodraeth Cymru
Welsh Government



Tyfu
Canolbarth Cymru
Growing
Mid Wales



UK Government
Llywodraeth y DU

Mae holl bartïon y Fargen Derfynol hon wedi darparu eu llofnodion yn electronig

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Crynodeb Gweithredol

Mae Bargen Twf Canolbarth Cymru (y Fargen Twf) yn gytundeb rhwng Llywodraeth y DU, Llywodraeth Cymru a Bwrdd Tyfu Canolbarth Cymru er mwyn darparu buddsoddiad cyfalaf trawsnewidiol yn economi Canolbarth Cymru, yn unol â'r uchelgais a nodwyd yn nogfen strategaeth y Weledigaeth ar gyfer Tyfu Canolbarth Cymru, a gyhoeddwyd ym mis Mai 2020.

Mae Bwrdd Tyfu Canolbarth Cymru yn bartneriaeth rhwng y ddau Awdurdod Lleol yng Nghanolbarth Cymru, sef Cyngor Sir Ceredigion a Chyngor Sir Powys, y maent gyda'i gilydd yn cynnig arweinyddiaeth ac atebolrwydd ac yn gwneud penderfyniadau strategol ar gyfer y Fargen Twf.

Ceir tystiolaeth dda o'r achos dros yr angen i wella economi'r rhanbarth yn ei ['Weledigaeth ar gyfer Tyfu Canolbarth Cymru](#) – sy'n ffurfio'r Strategaeth y seilir y Fargen Twf ynddi.

Mae gan y rhanbarth Werth Ychwanegol Gros cymharol isel o'i gymharu gyda rhanbarthau eraill yn y DU, poblogaeth y mae ei maint yn lleihau ac sy'n heneiddio, dirywiad disgwylidig o ran ei chyflogaeth, methiant y farchnad, cyflogau isel, a thlodi gwledig. Yr hyn sy'n peri'r pryder mwyaf yw dirywiad economaidd disgwylidig y rhanbarth yn ystod y cyfnod 2018-2040, sef 3.5%, o'i gymharu gyda thwf disgwylidig o 7.4% yn economi y DU. Mae angen rhoi sylw i'r cylch dirywio hwn ar fyrder.

Y Weledigaeth ar gyfer Tyfu Canolbarth Cymru yw y bydd Canolbarth Cymru yn rhanbarth mentrus ac unigryw erbyn 2035, a fydd yn cyflawni twf economaidd wedi'i ysgogi gan arloesedd, sgiliau, cysylltedd a swyddi mwy cynhyrchiol sy'n cefnogi cymunedau ffyniannus a dwyieithog.

Mae'r Fargen Twf yn gatalydd allweddol er mwyn trawsnewid yr economi ranbarthol fel rhan o gymysgedd ariannol ehangach. Mae chwistrelliad cyllid cyfalaf i'r rhanbarth dros y tymor hir yn cynnig y cyfle i symud buddsoddiadau mewn seilwaith economaidd arwyddocaol ar y cyd â'r sector preifat.

Cyflwynwyd y Fargen Twf fel Portffolio, ac mae ganddi y potensial i gyflawni yn erbyn yr wyth Blaenoriaeth Twf Strategol yn y Weledigaeth:

- Ymchwil ac Arloesi Cymhwysol
- Amaethyddiaeth, Bwyd a Diod
- Cynnig Twristiaeth Cryfach
- Ynni
- Digidol
- Cefnogi Menter
- Trafnidiaeth
- Sgiliau a Chyflogaeth

Trwy ganolbwyntio'r gweithgarwch cyflawni ar y Blaenoriaethau Twf Strategol hyn ar y cyd fel rhan o Portffolio, bydd y Fargen Twf yn sicrhau effaith lawer yn fwy o ran uchelgais y Bwrdd a'i ddefnydd o adnoddau na chanolbwyntio ar set o brosiectau unigol digyfnewid ar eu pen eu hunain.

Bydd yr holl raglenni a phrosiectau a ddarparir trwy gyfrwng y Fargen Twf yn gwneud cyfraniad uniongyrchol tuag at nodau ac amcanion y Portffolio. Mae'r Portffolio fel y'i cynlluniwyd ar hyn o bryd yn canolbwyntio ar set o 2 rhaglen a 9 prosiect sy'n ymwneud â 5 o'r Blaenoriaethau

¹ www.tyfuacanolbarth.cymru/yweledigaeth
www.tyfuacanolbarth.cymru

Twf Strategol. Mae'r prif ffigurau a rhagdybiaethau yn rhai dangosol ar hyn o bryd – ond maent yn nodi cynigion y rhanbarth er mwyn cyflwyno'r Portffolio.

Mae dull y Portffolio yn sicrhau bod y gymysgedd gywir o ran rhaglenni a phrosiectau yn cynnig buddion go iawn a hirhoedlog ar draws y rhanbarth, sy'n sicrhau ffocws parhaus gweithgarwch llywodraethu rhanbarthol ar gyflawni nodau ac amcanion y Strategaeth. Mae hyn yn golygu bod y Portffolio yn fyw – a gallai'r rhaglenni a'r prosiectau newid wrth i waith cynllunio a datblygu pellach gael ei wneud – yn unol â'r dull Portffolio.

Fel y nodwyd yn yr Achos Busnes Portffolio Strategol, mae asesiad dangosol o'r rhaglenni a'r prosiectau yn y rhestr fer yn amcangyfrif y bydd y Fargen Twf yn cyflwyno buddsoddiad o £280-400 miliwn i economi Canolbarth Cymru at ei gilydd (£110 miliwn ar y cyd gan Lywodraeth y DU a Llywodraeth Cymru), gan greu 1,100-1,400 o swyddi ychwanegol net a sicrhau £570-700 miliwn ar ffurf GYG ychwanegol net².

Gweithredir y Fargen Twf o fewn y fframwaith Llywodraethu a Sicrwydd, a sefydlwyd ac y cytunwyd arno gan Lywodraeth y DU a Llywodraeth Cymru – sy'n sicrhau bod Bargen Twf Canolbarth Cymru (MWGD) yn dilyn proses gymeradwyo a sicrwydd gytunedig er mwyn rheoli'r Portffolio.

Ers hynny, mae Cyngorau Sir Ceredigion a Phowys wedi gwneud trefniadau cyflawni, sicrwydd a llywodraethu cadarn er mwyn cynorthwyo darpariaeth y Fargen Twf trwy gyfrwng Bwrdd Tyfu Canolbarth Cymru, is-bwyllgorau a sefydlwyd a chapasiti pwrpasol er mwyn rheoli'r Fargen. Nodir hyn mewn Cytundeb Rhyng-Awdurdod, a lofnodir gan y ddau Awdurdod Lleol.

² Nodyn: Gwerthoedd heb eu disgowntio

1. Cyflwyniad

Mae Bargeinion Dinesig a Thwf yng Nghymru yn gytundebau rhwng Llywodraeth y DU, Llywodraeth Cymru ac awdurdodau lleol yng Nghymru er mwyn cydlynu ymyriadau polisi a buddsoddi newydd i ysgogi twf mewn meysydd allweddol. Arweinir y Bargeinion yn lleol wrth i arweinwyr ddod ynghyd ar draws daearyddiaeth economaidd y cytunir arni yn lleol i ddatblygu set o gynigion a fydd yn ysgogi twf a chynhyrchiant ar draws eu rhanbarth. Mae Llywodraeth y DU a Llywodraeth Cymru yn cynorthwyo'r partneriaid lleol hyn i ddarparu ymyriadau er mwyn sicrhau twf lleol.

Bwrdd Tyfu Canolbarth Cymru

Mae Bwrdd Tyfu Canolbarth Cymru (Cyd-Bwyllgor) yn bartneriaeth rhwng ardal y ddau Awdurdod Lleol yng Nghanolbarth Cymru, sef Cyngor Sir Ceredigion a Phowys. Rôl bwrdd Tyfu Canolbarth Cymru yw cynnig arweinyddiaeth ac atebolrwydd a gwneud penderfyniadau strategol ar gyfer Bargen Twf Canolbarth Cymru. Mae Bwrdd Tyfu Canolbarth Cymru wedi creu a neilltuo adnoddau ar gyfer Swyddfa Rheoli Portffolio (SRhP) i oruchwylio cyflawniad y Fargen Twf.

Ers y sefydlwyd Partneriaeth Tyfu Canolbarth Cymru yn 2015; mae partneriaid o'r sectorau cyhoeddus, preifat a gwirfoddol ar draws rhanbarth Canolbarth Cymru wedi datblygu'r arweinyddiaeth a'r llais angenrheidiol er mwyn dylanwadu ar a chryfhau'r ffocws ar dyfu Canolbarth Cymru.

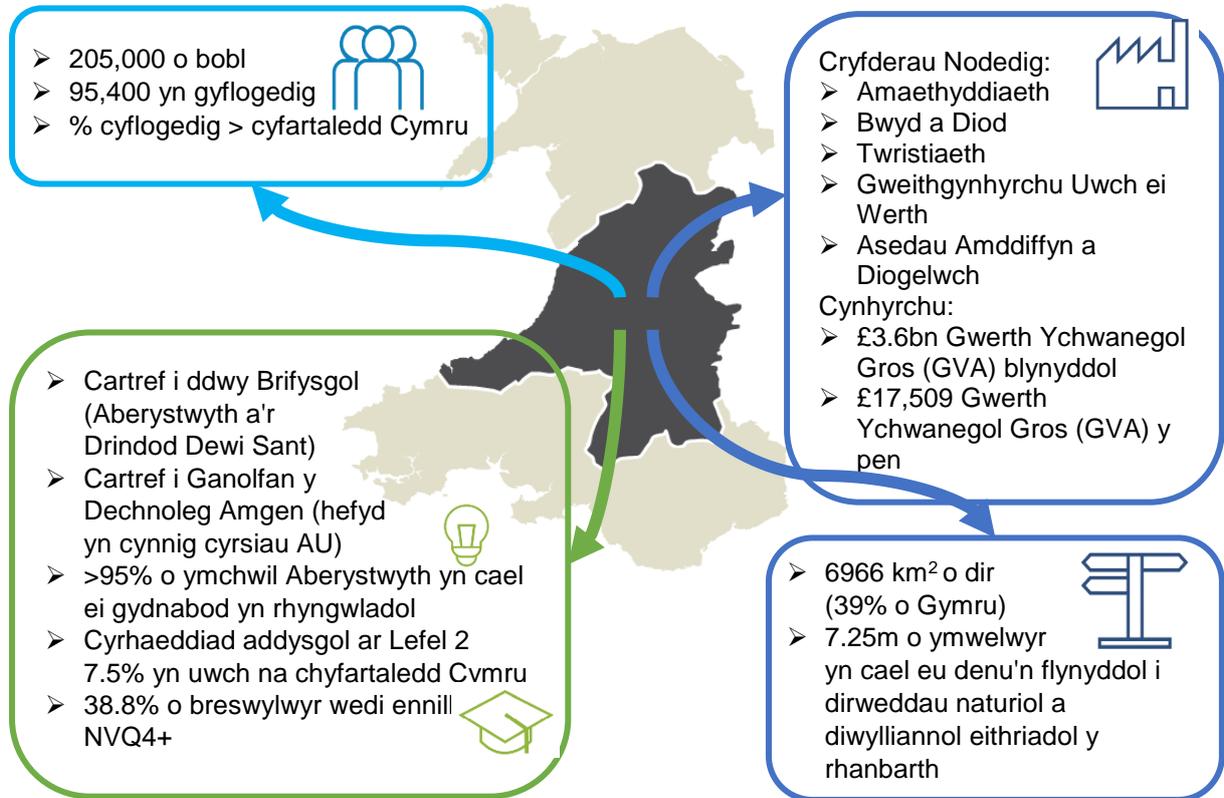
Ers y gwahoddiad i'r rhanbarth ddatblygu Bargen Twf yn 2017, daeth yn amlwg bod angen sefydlu strwythurau partneriaeth ffurfiol, cadarn a chllir pellach a fyddai'n pennu trefniadau llywodraethu a rheoli da a chllir er mwyn dwyn ymlaen datblygiad a chyflawniad y Fargen.

Fel sy'n digwydd gyda'r Bargeinion Dinesig a Thwf eraill yng Nghymru, nodir hyn ar ffurf cytundebau llywodraethu rhwng yr Awdurdodau Lleol perthnasol, er mwyn sefydlu fforymau newydd ar y cyd i wneud penderfyniadau ac ymgysylltu gyda rhanddeiliaid ehangach. Mae'r trefniadau llywodraethu ar gyfer y cam o gyflawni'r Fargen (ar ôl Cytundeb y Fargen Derfynol) yn cael eu hadolygu ar hyn o bryd. Nodir manylion y trefniadau llywodraethu a rheoli yn adran Strwythur Llywodraethu y ddogfen hon.

Y Weledigaeth ar gyfer Canolbarth Cymru

Ym mis Mai 2020, mabwysiadodd partneriaid Bwrdd Tyfu Canolbarth Cymru *Weledigaeth ar gyfer Tyfu Canolbarth Cymru* (y Weledigaeth ar gyfer Twf).

Roedd y Weledigaeth yn nodi prif nodweddion economaidd a chymdeithasol y rhanbarth:



Ffynhonnell: *Gweledigaeth ar gyfer Tyfu Canolbarth Cymru: Cynllun Economaidd Strategol a Map Ffordd y Fargen Twf, Mai 2020*

Mae'r Weledigaeth ar gyfer Twf a fabwysiadwyd yn amlinellu'r ffaith y bydd Canolbarth Cymru, erbyn 2035, yn "Rhanbarth mentrus ac unigryw sy'n cyflawni twf economaidd wedi'i ysgogi gan arloesedd, sgiliau, cysylltedd a swyddi mwy cynhyrchiol sy'n cefnogi cymunedau ffyniannus a dwyieithog".

Roedd y Weledigaeth ar gyfer Twf yn pennu 8 Blaenoriaeth Twf Strategol:



- **Amaethyddiaeth, Bwyd a Diod:** sector amaethyddol cryf a bywiog sy'n creu cyflogaeth arwyddocaol ac sy'n cynhyrchu i safon a gydnabyddir yn genedlaethol ac yn rhyngwladol, ar y cyd â chryfderau mewn diwydiant ac arloesi yn cynnig cyfle i dyfu'r sylfaen economaidd yn sylweddol ac i arwain ym maes datblygu bwyd uchel ei werth newydd.

- **Ymchwil ac Arloesi Cymhwysol:** cartref i ddiwydiannau o bwysigrwydd rhyngwladol ac asedau ac arbenigedd ymchwil a datblygu a gydnabyddir yn rhyngwladol sy'n cynnig cyfleoedd i gynyddu twf cynhyrchiant rhanbarthol.
- **Cynnig Twristiaeth Cryfach:** treftadaeth gyfoethog, diwylliant ac asedau naturiol eithriadol sy'n sail i sector twristiaeth bywiog – gan gynnig llwyfan cryf i hybu twf newydd.
- **Ynni:** mae'r rhanbarth mewn sefyllfa arbennig o dda i arwain ymdrechion Cymru a'r DU o ran datblygu a chreu atebion i heriau system ynni yn y dyfodol, a chyfrannu at nodau net sero. Mae'r rhanbarth wedi datblygu strategaeth Ynni gynhwysfawr gyda'r weledigaeth "I sicrhau system ynni carbon sero net sy'n cynnig buddion cymdeithasol ac economaidd, sy'n gwaredu tlodi tanwydd, sy'n cysylltu Canolbarth Cymru mewn ffordd well gyda gweddill y DU, ac sy'n cyfrannu at ddatgarboneiddio ehangach yn y DU".
- **Cefnogi Menter:** gweledigaeth o gael economi gref, cydnerth ac amrywiol yng Nghanolbarth Cymru ac mae hyn yn golygu bod gofyn i fentrau ddechrau, tyfu a ffynnu gyda'r cymorth a'r seilwaith iawn.
- **Digidol:** mae cysylltedd yn rhan hanfodol o fywyd modern, gan ddylanwadu ar sut mae unigolion yn gweithio, yn cyfathrebu ac yn cael gwasanaethau. Mae modd datgloi cyfleoedd economaidd arwyddocaol trwy fuddsoddi mewn seilwaith digidol rhanbarthol.
- **Trafnidiaeth:** bydd gofyn sicrhau gwelliannau cysylltedd hefyd er mwyn cynnig catalydd a sicrhau twf o ran y buddsoddiad yn y rhanbarth, gan ddatblygu cysylltiadau sy'n bodoli eisoes er mwyn helpu i ddarparu'r rhwydwaith trafndiaeth sy'n ofynnol er mwyn bodloni galwadau symudedd llafur a chymdeithasol economi sy'n tyfu.
- **Sgiliau a Chyflogaeth:** Mae marchnad lafur effeithiol a gweithredol gyda chyflenwad priodol sgiliau a gweithlu galluog yn hanfodol er mwyn i economi Canolbarth Cymru dyfu a ffynnu.

Cynnig y Fargen Twf

Gan ddatblygu'r Weledigaeth, cyflwynodd Bwrdd Tyfu Canolbarth Cymru ddogfen cynnig i Lywodraeth Cymru a Llywodraeth y DU, a arweiniodd ar lofnodi Penawdau'r Telerau ym mis Rhagfyr 2020. Roedd y cam o lofnodi'r ddogfen hon yn dangos ymrwymiad y partneriaid i gydweithio er lles pobl a busnesau Canolbarth Cymru a darparu rhaglenni a phrosiectau lleol a fydd yn cynyddu cyfleoedd a ffyniant mewn cymunedau ar draws y rhanbarth. Mae Cytundeb y Fargen Derfynol yn datblygu'r sylfeini a bennwyd trwy gyfrwng Penawdau'r Telerau.

Bydd y Fargen Twf yn gweithredu mewn ffordd ddoeth gyda'r buddsoddiad hwn, gan ddefnyddio dull gweithredu cadarn a chyson ac sy'n cynnwys ffocws er mwyn sicrhau twf economaidd ystyrlon. Mae economi Canolbarth Cymru yn bodoli gyda chydbwysedd gywrain, ac mae sawl diwydiant a sector yn rhyng-ddibynnol ar ei gilydd o ganlyniad i gyfansoddiad strwythurol ei daearyddiaeth naturiol ac economaidd ar hyn o bryd. Nod y Fargen Twf yw rhoi sylw i'r gwendidau strwythurol sy'n dal y rhanbarth yn ôl rhag gwireddu ei photensial llawn. Mae'r rhain yn cynnwys cynhyrchiant sydd ar ei hôl hi, demograffeg sy'n newid, sylfaen economaidd gul ac agored i niwed y rhanbarth, y dirywiad rhagamcanol mewn cyflogaeth, marchnad lafur ddisymud ac sy'n gwanhau, methiant y farchnad, a natur gudd economi wledig.

Trwy gyfrwng y Fargen Twf, manteisir i'r eithaf ar gyfleoedd gyda'r 14 awdurdod lleol cyfagos yn y rhanbarth. Mae hyn yn cynnwys yr ardal a gynrychiolir gan Bartneriaeth Menter Leol y Gororau, y ffurfiwyd cysylltiadau agos gyda hi. Bydd y rhanbarth yn datblygu'r cryfderau sy'n bodoli eisoes ar draws sawl sector, sy'n cynnwys gweithgynhyrchu gwerth uchel, amaethyddiaeth a bwyd, amddiffyn a diogelwch, a thwristiaeth. Bydd y bartneriaeth yn

manteisio ar amrediad o asedau mewn ffordd gynaliadwy gan gynnwys amgylchedd naturiol eithriadol, gallu ym maes ymchwil, y sector amddiffyn, gweithgynhyrchu uwch, clystyrau bwyd a diod o ansawdd uchel datblygedig, a thwf cynhyrchu ynni, datgarboneiddio a thechnoleg hydrogen.

Nod y Fargen Twf yw manteisio ar asedau ac arbenigedd ymchwil a datblygu sy'n bodoli eisoes ac sy'n cael eu cydnabod ar lefel ryngwladol, sy'n cynnig cyfleoedd i gynyddu twf o ran cynhyrchiant rhanbarthol. Cyflawnir hyn trwy gryfhau rhwydweithiau a ffyrdd o weithio a datblygu llwybrau gyrfa ym maes arloesi sy'n seiliedig ar dechnoleg a diwydiannau sy'n cynnal swyddi gwerth uwch. Mae'r Fargen yn bwriadu sicrhau twf arwyddocaol i sail economaidd y sector amaethyddiaeth, bwyd a diod, gan arwain ar ddatblygiad bwyd gwerth uchel newydd. Y nod yw y caiff twf newydd ei ysgogi hefyd trwy fanteisio ar yr asedau treftadaeth, diwylliant a naturiol eithriadol cyfoethog ac unigryw sy'n cynnig sylfaen ar gyfer y sector twristiaeth ffyniannus yn y rhanbarth. Cyflawnir hyn trwy gryfhau'r ymwybyddiaeth o gynnig Canolbarth Cymru, datblygu llwybrau hyfforddiant a gyrfa o fewn y sector twristiaeth, a buddsoddi mewn asedau rhanbarthol a'r seilwaith ategol. Trwy fuddsoddi nawr, bydd y Fargen Twf yn helpu i feithrin cydnheredd ar gyfer y dyfodol.

Mae'r rhanbarth yn cynnwys cryfderau allweddol ym maes technolegau carbon isel ac o ran asedau amgylcheddol. Nod y Fargen Twf yw cynorthwyo twf economaidd y rhanbarth, Cymru a'r DU ehangach yn y dyfodol trwy fanteisio ar y cryfderau hyn. Bydd hyn yn galluogi'r rhanbarth i wneud cyfraniad uniongyrchol i'r ymdrech o fynd i'r afael â'r argyfwng newid hinsawdd, gan arwain ymdrechion i ddatblygu a sicrhau datrysiadau er mwyn rhoi sylw i sialensiau system ynni yn y dyfodol.

Mae'r Fargen Twf yn amlygu gweledigaeth lle y bydd gan Ganolbarth Cymru economi gadarn, cydnorth ac amrywiol sy'n galluogi mentrau i ddechrau, tyfu a ffynnu gyda'r cymorth a'r seilwaith cywir. Cyflawnir hyn trwy greu amodau er mwyn ysgogi twf menter, buddsoddiad ac ysbryd cystadleuol a fydd yn gwella cynhyrchiant rhanbarthol.

Mae'r rhanbarth yn wynebu sialensiau penodol o ran cysylltedd digidol, o ganlyniad i natur wledig anghysbell y rhanbarth, hyfywedd masnachol a natur technolegau. Mae'n hanfodol bod y rhanbarth yn manteisio ar y cyfleoedd economaidd y mae modd eu datgloi trwy fuddsoddi yn ei seilwaith digidol, gan greu catalydd ar gyfer twf busnes o ansawdd uchel, arloesi o fewn sectorau a dargedir, a chynnig mynediad estynedig i gymunedau i gyflogaeth, addysg a gwasanaethau. Yn ogystal, mae maint, natur anghysbell a phatrwm gwasgaredig aneddiadau yng Nghanolbarth Cymru yn cynnig sialensiau o ran trafnidiaeth a chysylltedd pobl a nwyddau. Er mwyn ysgogi twf economaidd a denu buddsoddiad newydd, rhaid i'r rhanbarth wella cysylltedd â'r rhanbarth ac o fewn y rhanbarth, a fydd yn helpu i dyfu'r economi a gwella cynhyrchiant.

Yn olaf, nod y Fargen Twf yw manteisio ar gryfder gweithlu hynod o fedrus a chymwys y rhanbarth, gan roi sylw i'r gwendidau strwythurol yn y seilwaith sgiliau sy'n llesteirio'r farchnad lafur rhanbarthol ar hyn o bryd.

Bydd y Fargen Twf yn buddsoddi mewn ffordd sy'n hyrwyddo gwerth cymdeithasol ac sy'n creu cyfoeth o fewn cymunedau'r rhanbarth. Mae Bwrdd Tyfu Canolbarth Cymru yn cydnabod ac yn gwerthfawrogi'r rhwymedigaeth i gyflawni'r Fargen Twf mewn ffordd sy'n gwella ac sy'n cynyddu ein lles cymdeithasol, diwylliannol, amgylcheddol ac economaidd.

Y Rhanbarth

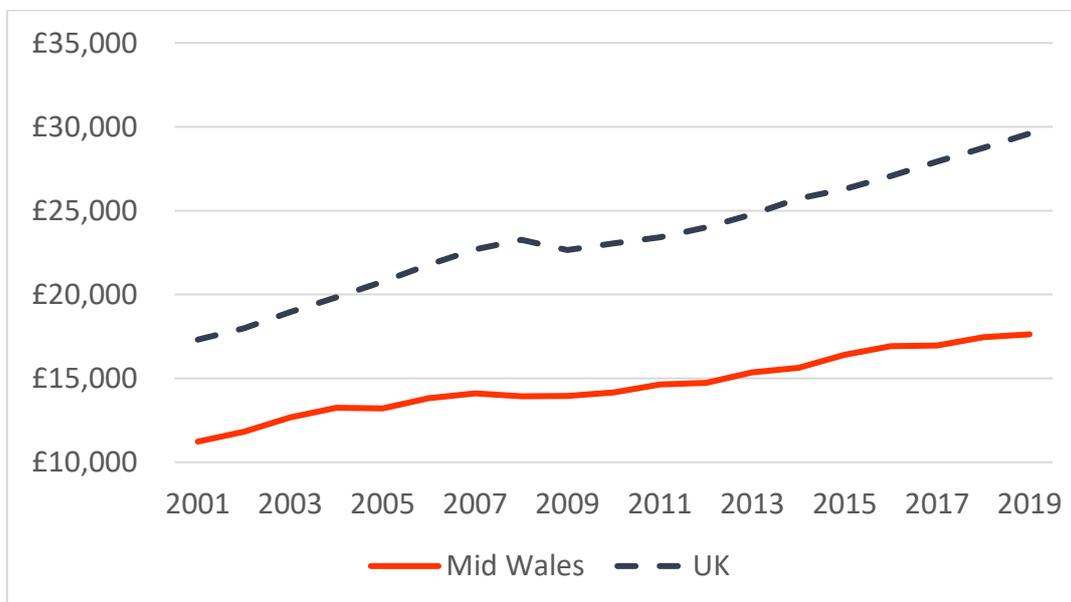
Yn aml, nodweddir economi Canolbarth Cymru fel rhanbarth mawr a gwledig at ei gilydd, sy'n cynnwys 34% o dir Cymru. Mae'n adnabyddus am ei harddwch naturiol, ei hunaniaeth ddiwylliannol gadarn, a'i dreftadaeth. Nid yw mor adnabyddus fel man lle nas manteisiwyd ar

y cyfle economaidd sydd ganddo – lle y mae cyfraddau goroesi busnesau yn rhagori ar y cyfartaledd yng Nghymru; lle y mae ein hasedau naturiol ac academiaidd yn cynnig dewis amlwg ar gyfer y gwaith ymchwil diweddaraf sy'n cynnig cyfleoedd cadarn i greu clystyrau diwydiannol newydd, lle y ceir marchnad lafur gadarn ond amrywiol – gyda chysylltiadau cymudo strategol o fewn a thu allan i'r rhanbarth i rannau eraill o Gymru ac ar draws y ffin i Loegr.

Mae ychydig dros 200,000 o breswylwyr yn byw yng Nghanolbarth Cymru, gan gyfrannu gwerth £3.6 billion ar ffurf Gwerth Ychwanegol Gros (GYG) (sy'n cyfateb ag £17,509 y pen neu £34,438 y swydd) i economi y DU bob blwyddyn, gan gynrychioli 5.5% o economi Cymru³. Mae cyfraniad Canolbarth Cymru i'r economi genedlaethol wedi aros bron yn gyson dros yr ugain mlynedd ddiwethaf. Nodweddir Canolbarth Cymru gan boblogaeth sy'n heneiddio ac allfudo net gan bobl ifanc. Er 2008, mae poblogaeth y rhanbarth wedi gostwng tua 1.2% yn gyffredinol.

Mae Powys yn cofnodi'r perfformiad isaf o ran GYG fesul awr a weithir ar draws holl ardaloedd y DU, ac mae gryn dipyn ar ei hôl hi o'i chymharu gyda gweddill Cymru (82% o'r cyfartaledd yng Nghymru) a'r DU (65% o'r cyfartaledd yn y DU).

GYG y Pen

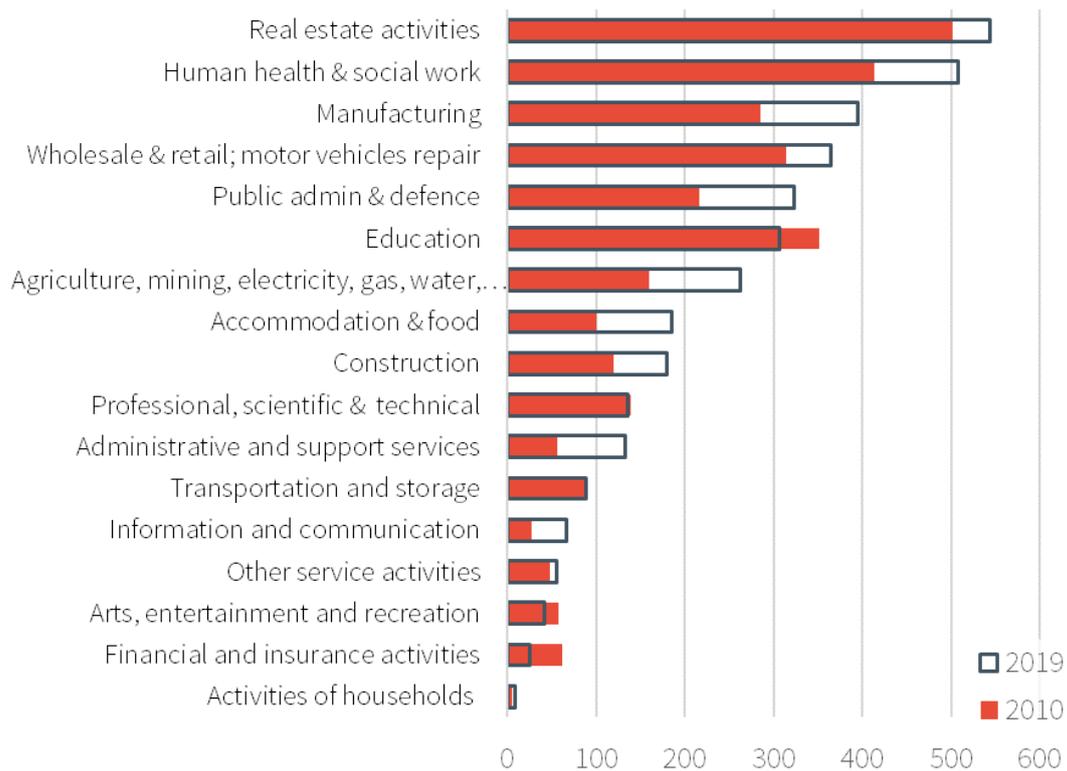


Ffynhonnell: ONS, GYG Rhanbarthol ac ONS, Amcangyfrifon poblogaeth canol blwyddyn

Mae ysgogwyr y tueddiadau hyn yn gymhleth ac maent o ganlyniad i'r strwythur cyflogaeth yn bennaf, gan gynnwys cyflogaeth dymhorol a phresenoldeb sectorau gwerth ychwanegol isel ar draws y rhanbarth. Y cyfranwyr mwyaf fesul sector i GYG y rhanbarth yw eiddo tirol, iechyd, gweithgynhyrchu, a chyfanwerthu a manwerthu. Mae hyn yn wahanol iawn i'r dadansoddiad cyflogaeth yn y rhanbarth, sy'n dangos trechedd amaethyddiaeth, sy'n uchel o ran cyflogaeth, ond sy'n cynnig GYG isel i economi Canolbarth Cymru.

³ StatsCymru, Rhagfyr 2019

GYG (£miliwn) fesul sector, Canolbarth Cymru



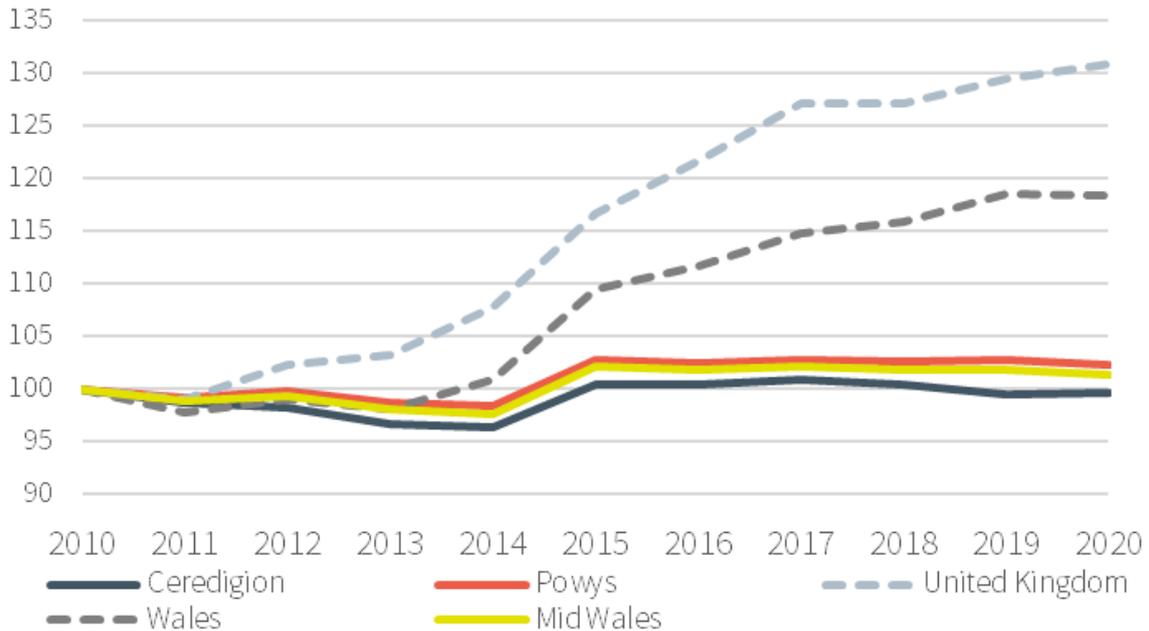
Ffynhonnell: ONS, Gwerth ychwanegol gros rhanbarthol (cytbwys) fesul diwydiant

Cyflogir tua 95,400 o bobl yng Nghanolbarth Cymru, ac mae cyfraddau y gweithgarwch economaidd yn cyd-fynd â'r cyfartaledd yng Nghymru ac yn y DU, ac mae'r rhain yn cael eu hysgogi gan lefelau hunangyflogaeth uchel. Mae lefelau diweithdra yn y rhanbarth yn gymharol isel, sef 2.6% ym mis Ionawr 2020, bron i hanner y lefel ar draws Cymru a'r DU, a gwelwyd mwy o welliant o ran y niferoedd diweithdra yn y rhanbarth o'i chymharu gyda'r sefyllfa yng Nghymru er 2001. Er hyn, mae tangyflogaeth, cyflogau isel a chyflogaeth dymhorol yn parhau i fod yn sialensiau allweddol. Roedd yr enillion wythnosol amser llawn cyfartalog, er enghraifft, yn 93% o'r cyfartaledd ar draws y DU yn 2016 ac yn 94% o'r cyfartaledd yng Nghymru. Bydd rhoi sylw i'r gwendidau strwythurol yn y seilwaith sgiliau sy'n llesteirio'r farchnad lafur ranbarthol ar hyn o bryd yn helpu i fynd i'r afael â'r sialensiau hyn.

Dros y bum mlynedd ddiwethaf (2014-2019), mae lefel y gyflogaeth yng Nghanolbarth Cymru wedi codi tua 7%. Gwelir bod rhan fwyaf y swyddi ym maes Cyfanwerthu a Manwerthu, Llety a Gwasanaethau Bwyd ac Iechyd a Gwaith Cymdeithasol. Gwelwyd y cynnydd mwyaf o ran y twf mewn cyflogaeth yn ystod y cyfnod hwn ym maes Llety a Bwyd, yn ogystal â Gwasanaethau Proffesiynol. Mae sectorau gan gynnwys gweinyddu busnes a gwasanaethau cymorth, a gwasanaethau proffesiynol, gwyddonol a thechnegol yn llai amlwg yng Nghanolbarth Cymru o'i chymharu â gweddill y DU, ond maent yn sicrhau twf cadarn. Mae'r cyfuniad hwn o gynrychiolaeth annigonol a thwf dynamig yn dangos y potensial i ehangu'r sectorau hyn ymhellach.

Yn 2020, roedd Canolbarth Cymru yn cynnwys 12,625 o fusnesau sydd wedi cofrestru at ddibenion TAW. Mae cyfran uchel iawn (>95%) o'r busnesau yn fusnesau micro (<10 o gyflogeion). Dosbarthir 0.8% yn unig o fusnesau ar draws Canolbarth Cymru yn rhai canolig neu fawr (50+ o gyflogeion). Dros y deng mlynedd ddiwethaf, mae'r twf yn nifer y busnesau wedi aros yn gymharol sefydlog, sef 3%, ac mae wedi bod gryn dipyn ar ei hôl hi o'i gymharu gyda'r sefyllfa ar draws Cymru (21%) a'r DU (32%).

Mynegai Twf Cyfrifiadau Busnes, 2010 = 100



Ffynhonnell: ONS, Cyfrifiadau Busnes y DU

Fodd bynnag, mae'r cyfraddau goroesi ar gyfer busnesau newydd ar ôl 5 mlynedd lawer yn well yng Nghanolbarth Cymru nag y maent yng Nghymru a Lloegr⁴.

Ysgogir cyfran fawr y busnesau micro ar draws Canolbarth Cymru gan niferoedd uchel y ffermydd a'r mentrau amaethyddol yn rhannol, sy'n cynrychioli 37% o'r holl fusnesau. Gwelir mentrau o faint canolig yn y sectorau iechyd a gweithgynhyrchu yn bennaf, gan gynrychioli 6% a 5% o gyfanswm y stoc busnes. Mae ardal ddaearyddol fawr a natur wledig Canolbarth Cymru yn golygu bod dwysedd busnesau lawer yn is nag y mae yng Nghymru a'r DU hefyd.

Mae Adeiladu, Llety a Gwasanaethau Bwyd, Gwasanaethau Proffesiynol, Gwyddonol a Thechnegol, a Gwasanaethau Gweinyddu Busnes yn sectorau arwyddocaol eraill o ran cyfrifiadau busnes.

Gan adlewyrchu cyfansoddiad sectorol busnesau, mae cyfran sylweddol o'r gyflogaeth ym myd amaeth, ac mae llety a gwasanaethau bwyd yn arwyddocaol hefyd, gan ddangos pwysigrwydd y diwydiant twristiaeth i'r rhanbarth. Mae addysg ac iechyd yn gwneud cyfraniad sylweddol i gyflogaeth yng Nghanolbarth Cymru hefyd, gan ddangos rôl allweddol y sector cyhoeddus fel ffynhonnell swyddi yn y rhanbarth, ac mae canolfannau milwrol mewn ardaloedd eraill yn cynnig cyflogaeth leol arwyddocaol. Nodir effeithiau penodol COVID-19 ar economi Canolbarth Cymru a'r Fargen Newydd yn yr adran nesaf.

⁴ Adroddiad Gwaelodlin Tyfu Canolbarth Cymru, AECOM, 2019
www.tyfuanolbarth.cymru

Yr Achos dros Newid

Mae'r adran hon yn nodi'r sialensiau a'r cyfleoedd ar draws y sectorau allweddol yn economi Canolbarth Cymru y mae gan y Fargen Twf y potensial i fynd i'r afael â nhw:

Ymchwil ac Arloesi Cymhwysol

Mae'r rhanbarth yn gartref i ddiwydiannau o bwysigrwydd rhyngwladol ac asedau ac arbenigedd ymchwil a datblygu a gydnabyddir yn rhyngwladol, gan gynnwys ym maes technoleg amaethyddol, bwyd a biowyddoniaeth, iechyd anifeiliaid, a gweithgynhyrchu uwch. Mae angen manteisio ar y cryfderau hyn o ran diwydiant a gwaith ymchwil o arwyddocâd rhyngwladol, gan harneisio arbenigeddau sy'n dod i'r amlwg, law yn llaw â gweithgarwch ymgysylltu a datblygu diwydiannol er mwyn cynyddu twf mewn cynhyrchiant rhanbarthol.

Amaethyddiaeth, Bwyd a Diod

Mae Canolbarth Cymru yn gartref i sefydliadau cymorth a mentrau strategol allweddol sy'n gysylltiedig â bwyd, ac mae gan ddwy o'r prif undebau amaeth (FUW ac NFU) bencadlys o fewn ei ffiniau. Mae'r sector yn gyflogwr mawr, a chyflogir 10,275 o bobl yn y diwydiant bwyd yng Nghanolbarth Cymru, sy'n uwch na'r cyfartaledd cenedlaethol. Mae'r sector yn agored i newidiadau mewn polisi allanol ac amgylcheddau masnachu, ond ceir cyfleoedd hefyd i ddatblygu marchnadoedd a phrosesau newydd. Ceir cyfleoedd i dyfu'r sylfaen economaidd a chyflogaeth yn sylweddol trwy ddatblygu bwyd gwerth uchel newydd a datblygu cynnyrch i safon gydnabyddedig ar lefel genedlaethol a rhyngwladol.

Cynnig Twristiaeth Cryfach

Mae'r diwydiant twristiaeth yn cyflogi dros 23,200 yn y rhanbarth. Fe'i cefnogir gan asedau naturiol eithriadol y rhanbarth, gan gynnwys Parc Cenedlaethol Bannau Brycheiniog a Llwybr Arfordir Cymru, a chaiff ei atgyfnerthu ymhellach gan ystod amrywiol o ddigwyddiadau blynyddol gan gynnwys brandiau a gydnabyddir ar lefel ryngwladol megis Gŵyl Green Man. Amcangyfrifwyd bod y sector yn werth £1.08 biliwn i economi Canolbarth Cymru yn 2016. Ceir cyfleoedd i fanteisio ar gryfder asedau naturiol, treftadaeth a diwylliannol yn y rhanbarth, gan ganolbwyntio ar ysgogi twf mwy cynaliadwy a chydnerth ym maes twristiaeth, sy'n canolbwyntio ar ansawdd a gwerth, nid cyfanswm.

Ynni

Mae adnoddau naturiol yng Nghanolbarth Cymru mewn sefyllfa dda i gynhyrchu ffurfiau ynni gwyrdd ac adnewyddadwy. Ar hyn o bryd, mae'r rhanbarth yn cynhyrchu 97% o'r trydan y mae'n ei ddefnyddio o ffynonellau adnewyddadwy lleol. Caiff cynnig y rhanbarth ei ymestyn gan bresenoldeb sefydliadau academiaidd / ymchwil adnabyddus, gan gynnwys CAT a Phrifysgol Aber/BERS. O ganlyniad i'w hadnoddau naturiol toreithiog, mae'r rhanbarth mewn sefyllfa dda i helpu Llywodraeth Cymru a Llywodraeth y DU i wireddu eu targed o leihau allyriadau carbon erbyn 2050. Ceir cyfle i sefydlu rôl canolbarth Cymru wrth gynorthwyo ymdrechion Cymru a'r DU i ddatblygu a chreu datrysiadau er mwyn rhoi sylw i sialensiau system ynni yn y dyfodol, ynghyd ag arwain yr ymdrechion hyn o bosibl.

Digidol

Er y gwnaethpwyd gwelliannau sylweddol dros y blynyddoedd diwethaf, mae cysylltedd digidol yn y rhanbarth lawer yn waeth nag y mae yng ngweddill Cymru a'r DU, a cheir dros 20,000 o 'safleoedd gwyn' yn y rhanbarth, nad ydynt yn gallu manteisio ar gyflymder o 30Mbps ac y maent yn cael 20% yn llai o wasanaeth 4g na gweddill Cymru. Bydd gwella'r seilwaith digidol a manteisio ar dechnolegau'r genhedlaeth nesaf yn hollbwysig er mwyn gwella cynhyrchiant, arloesedd a'r gallu i gystadlu. Bydd cynorthwyo datblygiad sgiliau digidol yn helpu i bontio'r bwlch digidol, gan ganiatáu i bobl fyw a gweithio mewn ffordd fwy rhydd. Trwy wneud hynny,

gall y rhanbarth fanteisio ar y cyfleoedd economaidd y bydd modd eu datgloi trwy fuddsoddi mewn seilwaith digidol.

Cefnogi Menter

Yn y rhanbarth, ceir cyfran uchel iawn (>95%) o fusnesau micro (<10 o gyflogeion), sy'n cynnig y potensial i nifer o fusnesau sicrhau twf. Yn ogystal, mae nifer y busnesau yng Nghanolbarth Cymru yn cynyddu'n raddol – yn 2020, roedd Canolbarth Cymru yn cynnwys 12,625 o fusnesau, cynnydd o 2.5% er 2010. Mae'r cyfraddau goroesi ar ôl 5 mlynedd ar gyfer busnesau newydd lawer yn well yng Nghanolbarth Cymru nag y maent ar draws Cymru a Lloegr, sy'n dynodi'r ffaith eu bod yn fusnesau cydnerth. Ceir cyfleoedd arwyddocaol o ran siapio cymorth busnes ac alinio argaeledd seilwaith (digidol, ffisegol, tir, a safleoedd) er mwyn cynorthwyo busnesau yn well ar draws Canolbarth Cymru. Bydd yn allweddol er mwyn meithrin amgylchedd am economi gadarn, cydnerth ac amrywiol yng Nghanolbarth Cymru sy'n galluogi mentrau i ddechrau, tyfu a ffynnu gyda'r cymorth a'r seilwaith cywir

Trafnidiaeth

Mae cysylltedd trafndiaeth o fewn a thu allan Canolbarth Cymru yn hanfodol ar gyfer twf economaidd a thwf yn y dyfodol. Fodd bynnag, mae'r rhanbarth yn wynebu sawl her, gan gynnwys y ffaith bod gwasanaethau rheilffordd yn anfyfyr, mae'r teithiau hyn ar y rheilffyrdd yn araf ac mae'r cysylltedd uniongyrchol gyda dinasoedd mawr y DU yn gyfyngedig, mae'r niferoedd sy'n manteisio ar drafnidiaeth gyhoeddus yn isel (<1% o ran defnydd bysiau yn y rhanbarth), a niferoedd isel sy'n defnyddio cerbydau trydan o ganlyniad i'r diffyg seilwaith. Mae angen buddsoddiad er mwyn gwella rhwydweithiau strategol i gadw gwasanaethau llafur a nwyddau i symud yn rhydd. Ar ben hynny, gellir cefnogi'r economi carbon isel trwy wella diogelwch a chydnerthedd rhwydwaith y rheilffyrdd, a fydd yn arwain at deithiau cyflymach ac a fydd yn cynyddu capasiti. Bydd datblygu cysylltiadau'r rhanbarth sy'n bodoli eisoes yn helpu i ddarparu'r rhwydwaith trafndiaeth sy'n ofynnol er mwyn helpu i dyfu'r economi a gwella cynhyrchiant.

Sgiliau a Chyflogaeth

Mae'r rhanbarth yn fan lle y mae'r addysg yn dda ac mae cyrhaeddiad plant oed ysgol yng Nghanolbarth Cymru yn rhagori ar y cyfartaledd yng Nghymru, ac mae cyfran uwch o bobl oedran gweithio wedi sicrhau cymhwyster ar lefel gradd o'i gymharu â'r cyfartaledd cenedlaethol. Mae prifysgolion y rhanbarth yn darparu cyflenwad o bobl ifanc talentog a medrus, ond ceir cyfleoedd i gynyddu nifer y graddedigion sy'n llwyddo i sicrhau cyflogaeth yng Nghanolbarth Cymru ar ôl eu hastudiaethau. Mae'r Bartneriaeth Sgiliau Rhanbarthol sy'n datblygu yn cynnig cyfle i nodi a chydlynu cynllun i alinio'r cyflenwad sgiliau a'r galw am sgiliau yng Nghanolbarth Cymru. Trwy sicrhau bod cyflenwad priodol o sgiliau a bod gweithlu galluog yn bodoli, gellir bodloni anghenion busnesau a diwydiant fel rhan o farchnad lafur weithredol er mwyn cynnig sylfaen ar gyfer twf economaidd yn y dyfodol.

Effaith Economaidd COVID-19

Mae COVID-19 wedi cael effaith economaidd anferthol ar Ganolbarth Cymru fel y mae wedi'i chael yn rhannau eraill o'r DU ac ar draws y byd. Bydd Bwrdd Tyfu Canolbarth Cymru yn cydweithio'n agos gyda'r ddau awdurdod lleol, Llywodraeth y DU a Llywodraeth Cymru a chynrychiolwyr o'r sector preifat er mwyn cydlynu'r ymateb rhanbarthol i adferiad economaidd.

Nid yw effaith economaidd hirdymor cyfyngiadau a'r amhariad ar fusnesau sy'n gysylltiedig â COVID-19 wedi cael ei sylweddoli'n llawn eto, ac fe allai effeithio ar fusnesau lleol, awdurdodau lleol a darparwyr addysg yn yr un modd. Mae'n aneglur hefyd sut y mae'r pandemig wedi effeithio ar hyder buddsoddwyr, a bydd y goblygiadau yn amrywio fesul sector.

Mae amhariad parhaus trwy brinder llafur oherwydd hunanynysu/salwch, ynghyd ag amhariad ar ddatblygiad cadwyni cyflenwi/hyfforddiant wedi creu prinder o ran deunyddiau adeiladu, a gwelir chwyddiant mewn prisiau, yn enwedig ar fewnforion.

Cynlluniwyd Blaenoriaethau Twf Strategol y Fargen Twf i fod yn gadarn ac yn berthnasol er mwyn sicrhau twf economaidd hirdymor ar gyfer y rhanbarth. Er gwaethaf sialensiau COVID-19, mae'r Blaenoriaethau Twf Strategol y rhoddir sylw iddynt yn dangos sut y maent yn cynnig gwerth er mwyn gwrthsefyll effeithiau pandemig COVID-19.

Ymchwil ac Arloesi Cymhwysol – Mae diwydiannau allweddol megis gweithgynhyrchu uwch a thechnoleg amaethyddol wedi cael eu heffeithio'n sylweddol gan bandemig y coronafeirws. Fodd bynnag, mae'r pandemig wedi dangos yr angen hefyd am arloesedd a thwf yn y sectorau hyn yn y dyfodol er mwyn ymdopi â sialensiau yn y dyfodol. Bydd yr adferiad ar ôl y pandemig yn cynnig cyfleoedd i arloesi yn y sectorau hyn er mwyn annog twf glân a digido y diwydiannau.

Amaethyddiaeth, Bwyd a Diod – Mae cyfyngiadau ar symudedd pobl ar draws ffiniau cenedlaethol a rhyngwladol yn ystod cyfnodau clo wedi cyfrannu at brinder llafur ar gyfer sectorau amaethyddol. Yn ogystal, roedd y ffaith bod manwerthwyr bwyd a diod nad ydynt yn cael eu hystyried yn rhai hanfodol wedi gorfod cau, wedi lleihau'r galw am rai sectorau o'r diwydiant.

Cynnig Twristiaeth Cryfach – Yn ystod y pandemig a chyfnodau clo cenedlaethol, effeithiwyd ar y sector twristiaeth yn arbennig o ganlyniad i'r symud cyfyngedig yng Nghymru a'r DU ehangach. Fodd bynnag, wrth godi'r cyfyngiadau yn y DU wrth i gyfyngiadau teithio i wledydd tramor barhau i fod yn gymhleth, gwelwyd cynnydd mewn 'gwyliau gartref' yn ystod yr haf 2021. Gallai hyn helpu i gryfhau'r galw am dwristiaeth 'gwyliau gartref' yn y dyfodol.

Ynni – Bydd sefydlu Canolbarth Cymru fel lleoliad allweddol yn y DU er mwyn cynhyrchu ynni carbon isel a buddsoddi yn y gadwyn gyflenwi yn sicrhau cannoedd o swyddi newydd ar gyfer cenedlaethau i ddod. Bydd hyn yn cyflawni rôl allweddol yng ngallu'r rhanbarth i roi sylw i'r newid yn yr hinsawdd a chyflawni yn erbyn meysydd polisi y llywodraeth, gan greu cymunedau mwy llewyrchus yn y rhanbarth a fydd yn helpu i oresgyn effeithiau'r pandemig.

Digidol – Yn ystod y pandemig, gwelwyd y galw am a'r ddibyniaeth ar gysylltedd digidol er mwyn galluogi pobl i weithio a dysgu gartref, cadw mewn cysylltiad â ffrindiau a theulu, rhedeg busnesau, a manteisio ar wasanaethau cyhoeddus hanfodol, yn tyfu mewn ffordd ddramatig ac mae hwn yn faes a fydd yn parhau i dyfu.

Cefnogi Menter – Mae'r pandemig wedi peri i fusnesau bychain a newydd niferus ddioddef oherwydd y bu llai o alw, ac mae diwydiannau fel y sectorau harddwch a thwristiaeth wedi cael anhawster arbennig. Fodd bynnag, mae wedi bod yn gyfle i fusnesau newydd gychwyn hefyd, a gwelwyd nifer uwch nag erioed o'r blaen o fusnesau newydd yn cael eu sefydlu yn 2020. Bydd hi'n allweddol cynorthwyo'r busnesau hyn mewn meysydd twf allweddol gyda'r cymorth a'r seilwaith cywir.

Trafnidiaeth – Roedd y cyfyngiadau ar symudedd pobl yn ystod cyfnodau clo cenedlaethol wedi peri i nifer o bobl deithio llai. Yn ogystal, gwelwyd newid o ran y mathau o drafnidiaeth a ddefnyddiwyd, wrth i fwy ddewis peidio defnyddio trafndiaeth gyhoeddus, o ganlyniad i bryderon ynghylch diogelwch, gan ddefnyddio cerbydau preifat yn lle hynny. Fodd bynnag, gwelwyd cynnydd yn y galw am ychydig ddefnydd o drafnidiaeth gyhoeddus unwaith eto, wrth i'r defnydd a wneir o fysiau (heb gynnwys Llundain) ddychwelyd i'r sefyllfa fel ag yr oedd cyn y pandemig. Mae defnydd o'r rheilffyrdd ar lefel genedlaethol yn adfer yn arafach, gyda'r

defnydd ym mis Medi 2021 yn ~67% o'r defnydd a welwyd cyn y pandemig.⁵ Mae'r cyfnod ar ôl y pandemig yn cynnig cyfle i ddiwygio'r sector trafndiaeth gyhoeddus.

Sgiliau a Chyflogaeth – Mae cynlluniau gan Lywodraeth y DU a Llywodraeth Cymru, megis y Cynllun Cadw Swyddi a'r Gronfa Cadernid Economaidd, wedi helpu i leddfu effaith economaidd COVID-19. Fodd bynnag, teimlwyd effeithiau sylweddol o hyd, wrth i 16,000 o swyddi gael eu dileu yng Nghanolbarth Cymru yn ystod y tri mis tan fis Tachwedd 2020, y gyfradd uchaf yn ystod y cyfnod hwn er 2009. Mae menywod, lleiafrifoedd ethnig a phobl ifanc wedi cael eu heffeithio yn arbennig, wrth i gyfrannau uwch o'r rhai sy'n perthyn i'r ddemograffeg hon gael eu rhoi ar ffyrlo⁶. Yn ogystal, mae sectorau allweddol megis gweithgynhyrchu yng Nghymru wedi cael eu heffeithio gan y pandemig a chan ansicrwydd economaidd. Ceir cyfleoedd i arloesi'r sectorau hyn a chynorthwyo cyfleoedd i ailhyfforddi mewn sectorau y maent yn debygol o dyfu.

Buddsoddiad y Fargen Twf

Bydd y buddsoddiad gan Lywodraeth y DU, Llywodraeth Cymru, Bwrdd Tyfu Canolbarth Cymru a'i bartneriaid rhanbarthol yn gweithredu fel catalydd er mwyn datgloi buddsoddiad a chynorthwyo adferiad economaidd yn y rhanbarth.

Mae Llywodraeth y DU a Llywodraeth Cymru wedi gwneud ymrwymiad ar y cyd i fuddsoddi £110 miliwn dros y 10/15 mlynedd nesaf⁷, yn unol â phroses flynyddol i gymeradwyo'r cyllid; yn ogystal, ymrwymodd Bwrdd Tyfu Canolbarth Cymru i sicrhau buddsoddiad pellach gan y sector cyhoeddus a'r sector preifat er mwyn darparu buddsoddiad cyffredinol o £280-400 miliwn. Datblygir strategaeth fuddsoddi ar gyfer y sector preifat er mwyn cynnig sicrwydd o ran sbardun a chyllid cyfatebol.

Trwy gyfrwng Bargen Twf Canolbarth Cymru, mae Llywodraeth Cymru a Llywodraeth y DU a phartneriaid yn cychwyn ar berthynas strategol newydd sy'n creu gwaddol a fydd yn trawsnewid y rhanbarth dros y tymor hir, gyda gweithgarwch cydlynu yn canolbwyntio ar Flaenoriaethau Twf Strategol.

Isod, cyflwynir dadansoddiad o'r cyllid dangosol ar gyfer Bargen Twf Canolbarth Cymru:

Llywodraeth y DU	Llywodraeth Cymru	Sector Cyhoeddus Arall	Sector Preifat	CYFANSWM
£55m	£55m	£75-£132m	£92-£157m	£280-£400m

Nodyn: Rhoddir cap o £110 miliwn o ran uchafswm y cyfraniad gan y Fargen Twf. Mae'r amrediadau a gyflwynir yn seiliedig ar gyfanswm y costau cyfalaf a nodir mewn Ffurflenni Prosiectau ac Achosion Amlinellol Strategol a ddarparir fel rhan o broses ddatblygu SPBC (terfyn is) a gweithrediad tuedd optimistaeth ar 44% wedi'i ddosbarthu rhwng y cyfraniadau cyllid cyfatebol (terfyn uwch).

⁵ DfT Domestic Transport Use by Mode, Great Britain, since 1st March 2020

⁶ <https://phw.nhs.wales/publications/publications1/covid-19-and-employment-changes-in-wales-what-we-know-about-current-and-future-impacts/>

⁷ Nodyn: Roedd Llywodraeth y DU wedi cyfleu ei bwriad i gyflymu'r Fargen Twf i broffil 10 mlynedd fel rhan o Adolygiad Gwariant 2020. Ni chadarnhawyd safbwynt Llywodraeth Cymru, felly mae'n bosibl ei fod yn 15 mlynedd o hyd, fel y nodwyd yng nghytundeb Penawdau'r Telerau. Trafodir a chytunir ar y cyfnod cyllid a chytunir arno cyn cyhoeddi llythyrau cynnig grant.

Amcan Buddsoddi 1	Creu rhwng 1,100 a 1,400 o swyddi newydd yng Nghanolbarth Cymru trwy gyfrwng y Fargen Twf erbyn 2032.
Amcan Buddsoddi 2	Cynorthwyo ymgodiad GYG ychwanegol net o rhwng £570 miliwn a £700 miliwn ar gyfer Economi Canolbarth Cymru trwy gyfrwng y Fargen Twf erbyn 2032 ⁸ .
Amcan Buddsoddi 3	Sicrhau cyfanswm o hyd at £400 miliwn ar ffurf buddsoddiad yn Economi Canolbarth Cymru trwy gyfrwng y Fargen Twf erbyn 2032.

Effaith y Fargen Twf

Datblygwyd yr amcanion buddsoddi dangosol canlynol trwy greu Achos Busnes Portffolio Strategol er mwyn cynorthwyo'r rhanbarth i sicrhau Cytundeb y Fargen Derfynol gyda Llywodraeth Cymru a Llywodraeth y DU.

Bydd Portffolio y Fargen Twf yn cyfrannu at gyflawni'r amcanion buddsoddi uchod. Bydd y Portffolio yn creu set o fuddion a ddsbarthir yn fuddion uniongyrchol, anuniongyrchol ac ehangach. Bydd yn rhaid i Raglenni a Phrosiectau cyfansoddol y Portffolio ddangos yn eu datblygiad sut y byddant yn cyflawni'r amcanion hyn.

Dylid nodi hefyd y disgwylir i Adolygiad y Swyddog Cyfrifyddu (AOR) wneud argymhellion ynghylch sicrhau bod y Portffolio yn cyflawni ar sail ystod ehangach o ganlyniadau er mwyn cyflawni mewn perthynas â lles economaidd, cymdeithasol ac amgylcheddol. Enghraifft o hyn fydd datblygiad asesiad effaith carbon isel ar gyfer y Fargen a chynnwys hyn mewn achosion busnes prosiectau.

Yn ogystal, wrth i achosion busnes prosiectau esblygu, datblygir cyfres o ddangosyddion a mesurau sy'n adlewyrchu llwyddiant orau ar gyfer y Fargen a nodweddion rhanbarth Canolbarth Cymru.

Dylid nodi nad oes unrhyw raglenni a phrosiectau penodol ar gyfer Ynni, Trafnidiaeth a Sgiliau a Chyflogaeth wedi cael eu nodi yn Rhestr Fer gyfredol Portffolio y Fargen Twf.

O ganlyniad i'r broses hon o lunio rhestr fer, nid yw buddion sy'n gysylltiedig â'r Blaenoriaethau Twf Strategol hyn wedi cael eu meintoli ar yr adeg hon. Fodd bynnag, dylid nodi bod creu'r Achos Busnes Portffolio Strategol yn broses ailadroddol lle y gall rhaglenni a phrosiectau yn y Blaenoriaethau Twf Strategol hyn ddod ymlaen yn nes ymlaen yn ystod cyfnod y Fargen Twf.

Isod, rhoddir crynodeb o'r prif fathau o fuddion sy'n cael eu hystyried ar gyfer y Rhaglenni a'r Prosiectau yn y rhestr fer:

⁸ Nodyn: Gwerthoedd heb eu disgowntio.

Fframwaith Buddion					
	Ymchwil ac Arloesi Cymhwysol	Amaethyddiaeth, Bwyd a Diod	Cynnig Twristiaeth Cryfach	Digidol	Cefnogi Mentrau
Buddion Uniongyrchol	Swyddi a GYG	Swyddi a GYG	Swyddi a GYG	Heb ei feintioli	Swyddi a GYG
Buddion Anuniongyrchol	Swyddi Cadwyn Gyflenwi a GYG	Swyddi Cadwyn Gyflenwi a GYG	Swyddi Cadwyn Gyflenwi a GYG Gwariant Ymwelwr Gwerth Amwynder	Cynhyrchiant Busnes Arloesedd Busnes	Cynhyrchiant Busnes Arloesedd Busnes
Buddion Ehangach	Buddion Lles Cymdeithasol Buddion Amgylcheddol Mewnfuddso ddiad Argraffiadau Gwell Llai o Amddifadedd	Manteisio ar gryfderau diwydiannol ac ymchwil o arwyddocâd rhyngwladol Harneisio arbenigeddau sy'n dod i'r amlwg Gweithgarwch ymgysylltu cryfach gyda diwydiant	Datblygu'r sector i safon a gydnabyddir ar lefel genedlaethol a rhyngwladol	Manteisio ar asedau naturiol, treftadaeth a diwylliannol Ysgogi twf cynaliadwy a chydnerth mewn twristiaeth gan ganolbwyntio ar ansawdd	Hwyluso Arloesi Twf clystyrau Mewnfuddso ddiad

Ffynhonnell: Achos Busnes Portffolio Strategol Canolbarth Cymru

2. Y Fargen Twf– Cwmpas Cyfredol

Nod y Fargen Twf yw darparu rhanbarth llawn menter ac sy'n unigryw, gan sicrhau twf economaidd a ysgogir gan arloesi, sgiliau, cysylltedd, a swyddi mwy cynhyrchiol sy'n cynorthwyo cymunedau llewyrchus a dwyieithog. Y dull gweithredu yw hyrwyddo twf mewn ffordd gynaliadwy, cynhwysol a graddiadwy yn unol â *Deddf Llesiant Cenedlaethau'r Dyfodol (Cymru) 2015*.

Ar hyn o bryd, mae Portffolio y Fargen Twf yn seiliedig ar ddwy rhaglen a naw prosiect sy'n eistedd o fewn pump o'r wyth Blaenoriaeth Twf Strategol a nodwyd, fel a ganlyn:

Blaenoriaethau Twf Strategol	Prosiectau
Ymchwil ac Arloesi Cymhwysol	<ul style="list-style-type: none"> • Parc Arloesi. • Canolfan Sbectrwm Genedlaethol. • Campws Gweithgynhyrchu Uwch Canolbarth Cymru.
Amaethyddiaeth, Bwyd a Diod	<ul style="list-style-type: none"> • Canolfan Arloesi Cynhyrchu Bwyd. • Prifysgol Gastronomeg.
Cynnig Twristiaeth Cryfach	<ul style="list-style-type: none"> • Cynefin – Calon Werdd Cymru. • Dŵr Cymru Cwm Elan. • Camlas Maldwyn Cymru – Adfer i Fordwyo. • Harbyrau Ceredigion.
Ynni	<ul style="list-style-type: none"> • Ni nodwyd prosiectau ar yr adeg hon.
Digidol	<ul style="list-style-type: none"> • Cysylltedd Safle Cyflogaeth Strategol.
Cefnogi Menter	<ul style="list-style-type: none"> • Safleoedd ac Adeiladau Canolbarth Cymru.
Trafnidiaeth	<ul style="list-style-type: none"> • Ni nodwyd prosiectau ar yr adeg hon.
Sgiliau a Chyflogaeth	<ul style="list-style-type: none"> • Ni nodwyd prosiectau ar yr adeg hon.

Mae'r holl raglenni a phrosiectau presennol a gynigiwyd o fewn y Fargen Twf yn cyfrannu at gyflawni'r Weledigaeth Twf a chyflawni'r buddion ar gyfer Canolbarth Cymru. Bydd buddion y Fargen Twf yn cynorthwyo twf cynaliadwy a chynhwysol ar draws y rhanbarth – yn unol â'r Weledigaeth Twf, yn ogystal â blaenoriaethau *Deddf Llesiant Cenedlaethau'r Dyfodol (Cymru) 2015*.

Mae nodau strategol ac amcanion gwario y set o raglenni a phrosiectau yn y rhestr fer o fewn y 5 blaenoriaeth twf strategol hyn yn cyfateb â'r prif grynodebau canlynol:

Ymchwil Gymhwysol ac Arloesi

Nod Strategol:

Manteisio ar gryfderau diwydiannol a gwaith ymchwil o arwyddocâd rhyngwladol, gan harnesu arbenigeddau sy'n dod i'r amlwg, law yn law â gweithgarwch ymgysylltu a datblygu diwydiannol wedi'i gryfhau er mwyn cynyddu twf mewn cynhyrchiant rhanbarthol.

Amcanion Gwario:



CREU SWYDDI

Creu rhwng 185 a 255 o swyddi dros gyfnod o 10 mlynedd.



GYG

Creu GYG ychwanegol net o £55-65 miliwn dros gyfnod o 10 mlynedd.



BUDDSODDI

Buddsoddi rhwng £86 a £95 miliwn dros gyfnod o 10 mlynedd.

Amaethyddiaeth, Bwyd a Diod

Nod Strategol:

Tyfu'r sylfaen economaidd a chyflogaeth yn sylweddol trwy ddatblygu bwyd gwerth uchel newydd a datblygu cynnyrch i safon gydnabyddedig ar lefel genedlaethol a rhyngwladol.

Amcanion Gwario:



CREU SWYDDI

Creu rhwng 35 a 55 o swyddi dros gyfnod o 10 mlynedd.



GYG

Creu GYG ychwanegol net o £40-50 miliwn dros gyfnod o 10 mlynedd.



BUDDSODDI

Buddsoddi rhwng £12 ac £17 miliwn dros gyfnod o 10 mlynedd.

Cynnig Twristaeth Cryfach

Nod Strategol:

Manteisio ar gryfder ein hasedau a'n cynnig naturiol, treftadaeth a diwylliannol yn y rhanbarth, er mwyn ysgogi twf cynaliadwy a chydnerth ym maes twristiaeth sy'n canolbwyntio ar ansawdd a gwerth, nid cyfanswm.

Amcanion Gwario:



CREU SWYDDI

Creu rhwng 200 a 245 o swyddi dros gyfnod o 10 mlynedd.



GYG

Creu GYG ychwanegol net o £120-145 miliwn dros gyfnod o 10 mlynedd.



BUDDSODDI

Buddsoddi rhwng £92 a £132 miliwn dros gyfnod o 10 mlynedd.

Digidol

Nod Strategol:

Manteisio ar y cyfleoedd economaidd y mae modd eu datgloi trwy fuddosodi yn ein seilwaith digidol.

Amcanion Gwario:



CREU SWYDDI

Creu rhwng 370 a 450 o swyddi dros gyfnod o 10 mlynedd.



GYG

Creu GYG ychwanegol net o £95-115 miliwn dros gyfnod o 10 mlynedd.



BUDDSODDI

Buddsoddi rhwng £50 a £72 miliwn dros gyfnod o 10 mlynedd.

Cefnogi Menter

Nod Strategol:

Meithrin amgylchedd am economi gadarn, cydnerth ac amrywiol yng Nghanolbarth Cymru sy'n galluogi mentrau i ddechrau, tyfu, a ffynnu gyda'r cymorth a'r seilwaith cywir.

Amcanion Gwario:



CREU SWYDDI

Creu rhwng 340 a 415 o swyddi dros gyfnod o 10 mlynedd.



GYG

Creu GYG ychwanegol net o £85-105 miliwn dros gyfnod o 10 mlynedd.



BUDDSODDI

Buddsoddi rhwng £56 ac £81 miliwn dros gyfnod o 10 mlynedd.

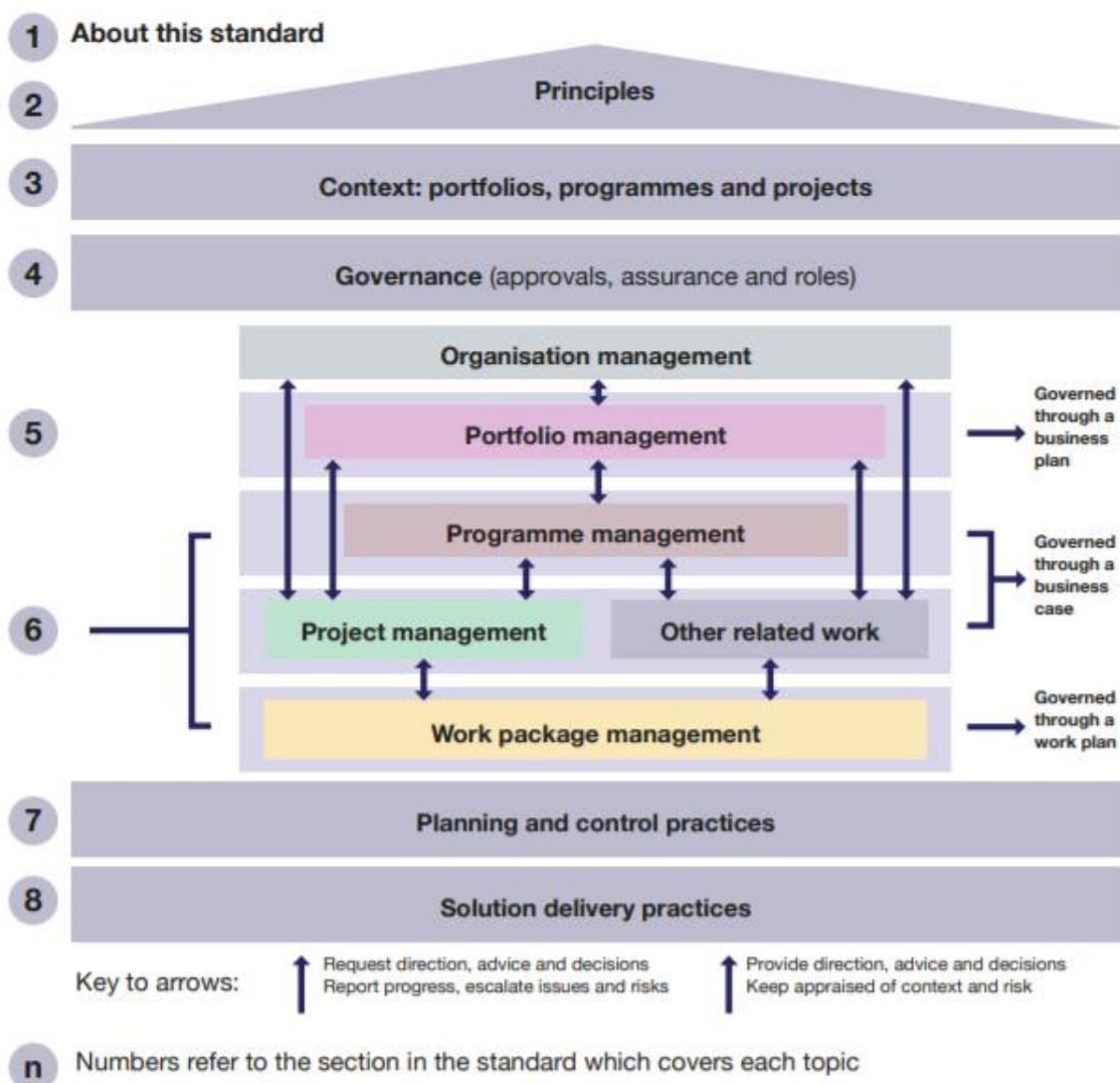
3. Strwythur Llywodraethu

Mae trefniadau llywodraethu y Fargen Twf yn galluogi i benderfyniadau gael eu gwneud mewn ffordd agored a thryloyw er budd y rhanbarth cyfan. Mae'r adran hon yn nodi manylion y trefniadau sy'n bodoli eisoes a sut y maent yn cyfrannu at reolaeth y rhaglen a'r risgiau cysylltiedig.

Bydd dogfennau llywodraethu ychwanegol yn berthnasol i gyflawniad y Fargen Twf dros y 10-15 mlynedd.

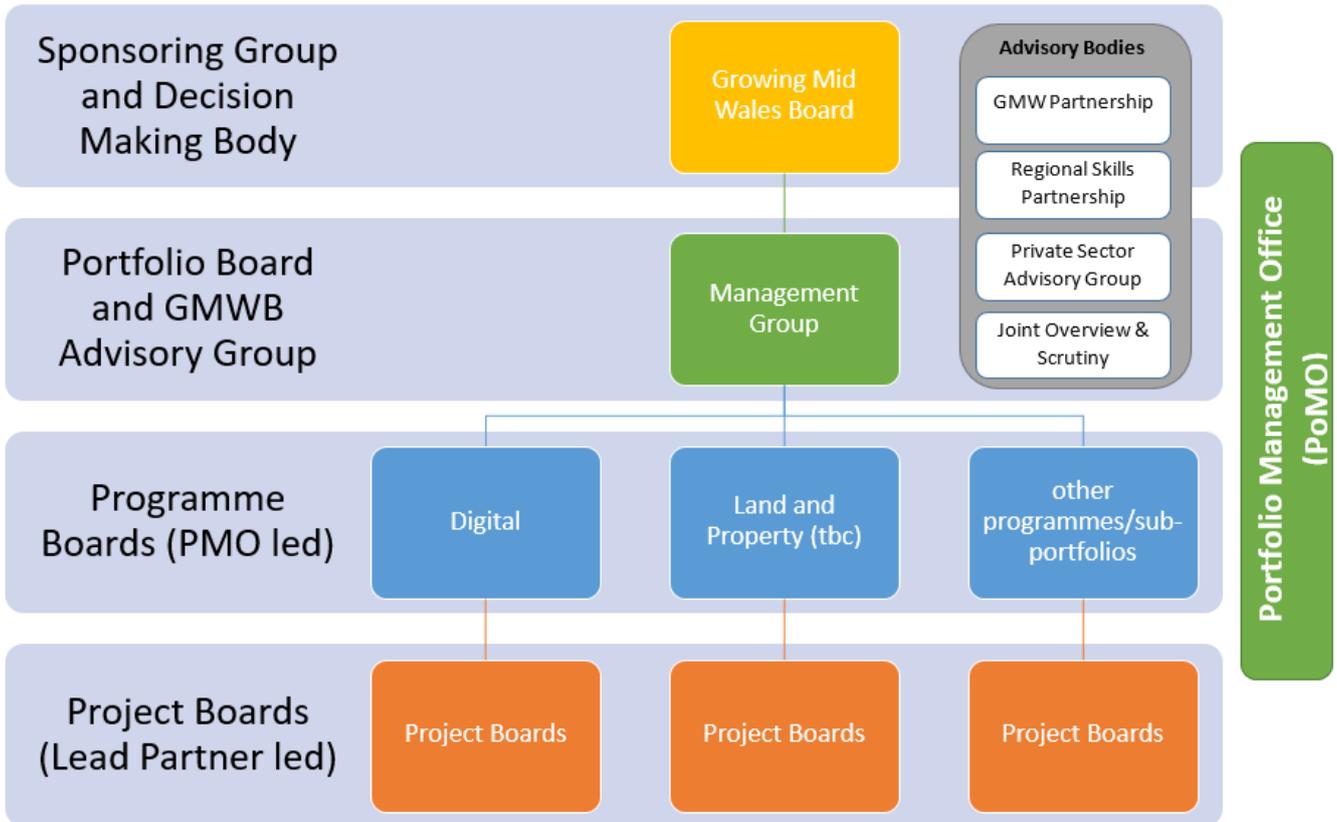
Strwythur Llywodraethu Bargen Twf Canolbarth Cymru

Mae Bwrdd Tyfu Canolbarth Cymru wedi mabwysiadu model cyflawni sy'n seiliedig ar ddull gweithredu arfer gorau tuag at reoli portffolios, rhaglenni a phrosiectau, fel y nodir yn 'Safon Gweithredol Llywodraethol GovS 002: Darparu Prosiect'. Mae rheoli portffolios, rhaglenni a phrosiectau yn ffordd integredig o gyflawni uchelgais sefydliad, ysgogi penderfyniadau gwell a chynyddu'r tebygolrwydd o sicrhau canlyniadau llwyddiannus. Mae'r strwythur cyflawni ar gyfer Bargen Twf Canolbarth Cymru yn dilyn y safonau isod yn fras:



Ffynhonnell: Llywodraeth EM, Safon Gweithredol Llywodraethol, GovS 002: Darparu Prosiect, 15 Gorffennaf 2021

Mae'r diagram isod yn nodi'r strwythur Llywodraethu ar gyfer Bargen Twf Canolbarth Cymru:



Lefel Strategol a Phortffolio

Bwrdd TCC (Grŵp sy'n Noddi) – Arweinyddiaeth, gwneud penderfyniadau strategol, ac atebolwydd ar gyfer Bargen Twf Canolbarth Cymru. Caiff yr holl awdurdod dan y lefel hon ei ddirprwyo i bartion perthnasol fel sy'n ofynnol trwy gyfrwng penderfyniad ffurfiol gan BTCC. Bydd BTCC yn gyfrifol am ystyried a chymeradwyo achosion busnes prosiectau a rhaglenni o fewn y portffolio a bydd yn gyfrifol am weithredu a ddirprwywyd i'r byrddau rhaglen a phrosiect perthnasol.

Grŵp Rheoli (Bwrdd Portffolio) – Y grŵp hwn yw corff cynghorol BTCC ond mae'n gweithredu fel Bwrdd Portffolio y Fargen Twf hefyd er mwyn cynorthwyo a herio'r Rheolwr Gweithrediadau a'r Swyddfa Rheoli Portffolio (SRhP) er mwyn sicrhau cyflawniad. Mae'r grŵp rheoli yn cynnwys swyddogion uwch o'r Awdurdodau Lleol, a gadeirir gan Berchennog Cyfrifol Uwch (SRO) a benodir ar gyfer y Portffolio. Yn ogystal, penodir aelod o'r Grŵp Rheoli i fod yn Berchennog Cyfrifol Uwch (SRO) ar gyfer pob un o'r rhaglenni ac i arwain y Bwrdd Rhaglen perthnasol.

Rheolwr Gweithrediadau – Mae'r Rheolwr Gweithrediadau yn atebol i'r Grŵp Rheoli dros gyflawni Portffolio y Fargen Twf.

Partneriaeth TCC (Cynghorol) – Mae hwn yn gorff cyfansoddiadol ac mae ganddo ei Gylch Gorchwyl ei hun, mae'n cynnig cynrychiolaeth ehangach o randdeiliaid traws-sectorol er mwyn hysbysu, herio a chynnig cyngor am y Fargen Twf; ac er mwyn cynnig arweinyddiaeth ranbarthol o'r Weledigaeth ehangach ar gyfer Tyfu Canolbarth Cymru.

Partneriaeth Sgiliau Rhanbarthol (Cynghorol) – Grŵp rhanddeiliaid o'r sector cyhoeddus a phreifat i nodi a rhoi cyngor ynghylch cyflenwad a galw y farchnad lafur. Mae'n cydweithio'n agos gyda Grŵp Cynghorol y Sector Preifat.

Grŵp Cyngorol y Sector Preifat (Cyngorol) – Mekanwaith cyngorol, cymorth ac eiriolaeth er mwyn datblygu a chyflawni'r Fargen Twf, gan gynnig llais busnes sy'n berthnasol i economi Canolbarth Cymru.

Is-Bwyllgor Trosolwg a Chraffu ar y Cyd (Cyngorol) – Swyddogaeth fonitro a chraffu ar ran y Cyngorau, er mwyn craffu penderfyniadau a wneir neu gamau sy'n cael eu cymryd gan BTCC ar gyfer MWGD.

Lefel Rhaglen a Phrosiect

Byrddau Rhaglen/Themtig – Pan fydd rhaglen yn bodoli, bydd gan bob un Fwrdd ffurfiol a Pherchennog Cyfrifol Uwch (SRO) a benodwyd. Ar y dechrau, bydd y byrddau hyn yn canolbwyntio ar ddatblygu'r achosion busnes y cytunwyd arnynt ac wedi hyn, byddant yn goruchwyllo'r gwaith cyflawni, gan ganolbwyntio'n benodol ar y buddion a'r canlyniadau i'w sicrhau. Mae Byrddau Rhaglen/Themtig yn uwchgyfeirio i Fwrdd TCC trwy'r Rheolwr Gweithrediadau (Portffolio). Bydd Byrddau Rhaglen/Themtig yn cydymffurfio â'r fethodoleg a nodwyd yn MSP.

Byrddau Prosiect – Rheolir pob prosiect o fewn y Fargen Twf trwy Fwrdd Prosiect a bydd SROs a rheolwyr prosiect yn eu lle er mwyn sicrhau cyflawniad. Bydd Byrddau Prosiect yn cydymffurfio â'r fethodoleg a nodir yn PRINCE2. Bydd y byrddau hyn yn canolbwyntio ar ddatblygiad a chyflawniad yr achos busnes y cytunwyd arno, gan ganolbwyntio ar gyflawni allbynnau penodedig. Noddwr y Prosiect fydd yn gyfrifol am Brosiectau a Byrddau Prosiect a nodir trefniadau clir er mwyn cyflawni'r prosiectau yn unol ag arfer gorau ym mhob achos busnes. Bydd prosiectau yn adrodd i'r Bwrdd Themtig/Rhaglen perthnasol. Pan na fydd prosiect yn eistedd yn naturiol o fewn Rhaglen y Fargen Twf, bydd y Grŵp Rheoli yn ceisio sefydlu byrddau monitro prosiect/lefel themtig a fydd yn darparu mecanwaith er mwyn adrodd yn ôl i'r SRhP.

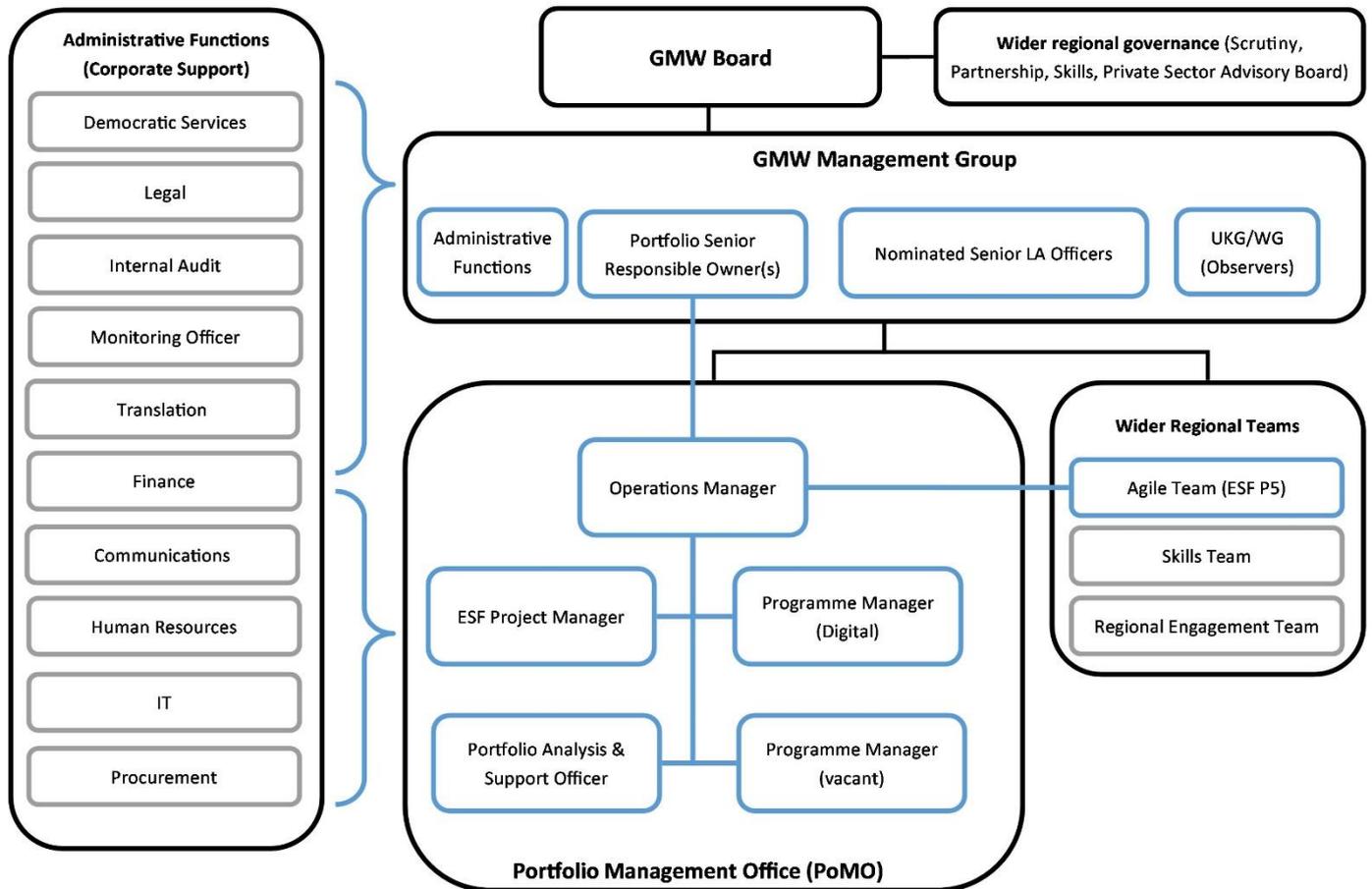
Swyddfa Rheoli Portffolio (SRhP) – Mae'r SRhP yn darparu tîm cymorth proffesiynol er mwyn cyflawni rhaglen waith y Bwrdd y cytunwyd arni. Mae'n cynorthwyo ac yn cydlynu gweithgarwch ar draws y portffolio, gan weithredu fel canolfan wybodaeth a chan sicrhau dull gweithredu cyson tuag at adrodd, rheoli risg a phroblemau. Yn ogystal, mae'n gweithredu fel swyddogaeth sicrwydd werthfawr, gan gynnig cyngor a her i raglenni a phrosiectau. Caiff Rheolwr Rhaglen o fewn yr SRhP eu neilltuo i bob rhaglen.

Mae ffurfio'r SRhP yn gam mawr ymlaen tuag at gyflawni'r Portffolio a'r Rhaglenni a'r Prosiectau dilynol. Gan eistedd law yn llaw â llywodraethu rhanbarthol, mae'r SRhP yn cyflawni rôl allweddol yn y meysydd canlynol:

- Cymorth Llywodraethu: Cydlynu a gwasanaethu anghenion busnes pwyllgorau rhanbarthol;
- Rheolaeth Weithredol: Pobl, Cyllideb, Risg a Phroblemau, Cynllunio Strategol ac Adrodd am Weithgarwch;
- Datblygiad Rhaglen / Prosiect: Trefnu a chydlynu ffrydiau gwaith, ymgysylltu â phrosiectau, a chymorth rhaglen / datblygu prosiect / noddwr;
- Cyfathrebu ac Ymgysylltu â Rhanddeiliaid: Cydlynu gweithgarwch cyfathrebu a negeseuon allweddol; a
- Chydlynu ar draws gweithgarwch rhanbarthol ehangach: cyllid UE (RET), Trafnidiaeth (TRaCC) a Chyllid Adfywio.

Nodir strwythur SRhP ar y dudalen ganlynol:

Strwythur y Swyddfa Rheoli Portffolio



Rheolwr Gweithrediadau (Portffolio)– Rôl y Rheolwr Gweithrediadau (Portffolio) yw goruchwylio cyflawniad portffolio y Fargen Twf ac mae'n atebol i Grŵp Rheoli Tyfu Canolbarth Cymru.

Rheolwr Rhaglen (Digidol) – Datblygu, rheoli a chyflawni'r Rhaglen Digidol;

Rheolwr Rhaglen (swydd wag) – Datblygu, rheoli a chyflawni'r Rhaglen Safleoedd ac Adeiladau; a

Swyddog Prosiect ESF– Cynorthwyo rheolaeth weithredol y Swyddfa Cydweithio Rhanbarthol, galluogi datblygiad tîm ystwyth, cydymffurfiaeth a monitro.

Swyddog Cymorth a Dadansoddi Portffolio – Cymorth Gweithredol/Portffolio ar gyfer y tîm gan gynnwys cymorth rheoli a dadansoddi perfformiad, monitro, rheoli systemau a dogfennau.

Rheolau Sefydlog, awdurdod dirprwyedig a chylch gorchwyl

Cyflogir aelodau craidd SRhP gan y Corff Atebol ac maent yn gweithredu yn unol â'u safonau, eu gweithdrefnau a'u polisiau nhw. Gellir penodi aelodau eraill y tîm trwy'r trefniadau gyda'r Awdurdodau Lleol a Phrifysgol Aberystwyth er mwyn cael tîm ystwyth – sy'n cael eu dwyn i mewn yn ôl y gofyn ar sail 'secondiad' a ariannir gan yr Awdurdodau Lleol ac arian y Gronfa Gymdeithasol Ewropeaidd a ddarparir gan WEFO.

Ni fydd Cyngor Sir Ceredigion fel y Corff Atebol yn rhyddhau cyllid ar gyfer rhaglenni/prosiectau nes bydd Bwrdd Tyfu Canolbarth Cymru yn cymeradwyo achosion busnes rhaglenni/prosiectau ac ar sail y trefniant y bydd noddwyr y prosiect yn cyflwyno hawliadau chwarterol a bod y rhain yn cael eu dilysu.

Bydd y perthnasoedd cytundebol gofynnol rhwng Cyngor Sir Ceredigion fel y Corff Atebol dros Fargen Twf Canolbarth Cymru a'r Noddwyr Prosiect/Rhaglen perthnasol sy'n cyflawni'r cynlluniau. Yna, bydd Noddwyr y Prosiect / Rhaglen yn mynnu perthnasoedd cytundebol priodol gydag unrhyw gontractwyr neu gyflenwyr sy'n cael eu caffael i gyflawni'r cynlluniau.

Nodir natur y perthnasoedd cytundebol hyn yn achos masnachol achos busnes pob prosiect / rhaglen.

Bydd pob rhaglen neu brosiect yn adrodd yn ôl i Fwrdd Tyfu Canolbarth Cymru yn unol â'r dull gweithredu a nodir yn Achos Rheoli yr Achos Busnes Portffolio Strategol a'r Cynllun Cyflawni.

Cytunir ar Gylch Gorchwyl ar gyfer Byrddau Rhaglen a Phrosiect gyda Noddwyr Prosiect ac SROs i sicrhau bod y ddau barti yn deall y trefniadau adrodd a'r cysylltiadau priodol.

Nodir yr union ddarpariaethau a'r cylch gorchwyl ar gyfer llywodraethu a gweithrediad y Fargen yn y Cytundeb Rhyng-Awdurdod perthnasol.

Adnoddau

Sefydlwyd SRhP ym mis Gorffennaf 2021 a bydd yn cael ei hariannu tan fis Gorffennaf 2023 trwy gyfrwng cyfuniad o gyllid cyfatebol partner (Awdurdod Lleol) a grantiau'r Gronfa Gymdeithasol Ewropeaidd. Mae hyn yn darparu cyllid i gynorthwyo'r tîm sy'n bodoli eisoes, a rolau tîm ystwyth ehangach er mwyn cynorthwyo elfennau o'r weledigaeth ehangach a gwaith rhanbarthol. Mae SRhP yn adolygu ei gofynion o ran capasiti a neilltuo adnoddau ar hyn o bryd.

Mae'r Awdurdodau Lleol yn ymwybodol o'r gofyniad i barhau i gefnogi costau referniw SRhP ar ôl mis Gorffennaf 2023. Caiff cyllideb referniw ei phennu ar gyfer Bwrdd TCC maes o law – ac mae dewisiadau a chyllidebau yn cael eu hystyried. Rhagwelir y bydd y costau referniw o gyflawni'r Fargen Twf a'r SRhP yn cael eu talu trwy gyfuniad o gyfraniadau parhaus gan bartneriaid a dewisiadau i dynnu haenen uchaf o grant blynyddol y Llywodraeth.

Y Broses o wneud Penderfyniad

Llywodraeth y DU a Llywodraeth Cymru

Mae Llywodraeth y DU a Llywodraeth Cymru yn atebol dros sicrhau'r defnydd mwyaf priodol o gyllid y Llywodraeth ar gyfer y Fargen Twf.

Mae Llywodraeth y DU wedi neilltuo cyllid Bargeinion Dinesig a Thwf i Lywodraeth Cymru ei weinyddu, gan ganiatáu i gyllid gan y ddwy Lywodraeth i gael ei reoli a'i ryddhau trwy gyfrwng un proses gytunedig. Cyhoeddir Llythyr Dyfarnu Cyllid sy'n rhwymo mewn cyfraith gan Lywodraeth Cymru, a fydd yn nodi'r broses er mwyn rhyddhau Cronfeydd y Fargen Twf. Deallir y caiff y cyllid ei dalu i Gorff Atebol y Fargen Twf (Cyngor Sir Ceredigion) bob blwyddyn

dros gyfnod y Fargen Twf ar broffil wedi'i gadarnhau, a bydd y gallu i dynnu'r arian i lawr yn amodol ar gynnig sicrwydd parhaus.

Bydd monitro a gwerthuso cynnydd y Fargen Twf yn weithgarwch parhaus a bydd gofyn cynnal adolygiad blynyddol o'r cynnydd cyn y caiff cyllid blynyddol ei ryddhau. Bydd hyn ar ffurf asesiad o amrediad o ddogfennaeth a chyflwyniad i Fwrdd Gweithredu Dinasoedd a Thwf Cymru (WCGIB) gan SRhP, a fydd yn cynnwys Achos Busnes Portffolio Strategol a gaiff ei ddiweddarau bob blwyddyn ac a fydd yn cynnig mwy o fanylion am Raglenni a Phrosiectau. Bydd yr adolygiad sicrwydd nesaf a gynllunnir yn canolbwyntio'n benodol ar fod yn barod i gyflawni (PAR/Porth 0) gyda ffocws penodol ar sicrhau y caiff argymhellion AOR eu datrys.

Caiff penderfyniadau ynghylch rhyddhau cyllid i'r Fargen Twf eu cymryd gan Weinidogion Llywodraeth Cymru a Llywodraeth y DU bob blwyddyn. Hysbysir y penderfyniadau hyn gan argymhellion a wneir gan Fwrdd Gweithredu Dinasoedd a Thwf Cymru (WCGIB).

Nodir y broses flynyddol er mwyn cymeradwyo cyllid yn Atodiad B.

Er mai Ysgrifennydd Parhaol Llywodraeth Cymru sy'n meddu ar yr atebolrwydd cyffredinol dros weinyddu cyllid, mae angen i aelodau Bwrdd Gweithredu Dinasoedd a Thwf Cymru sicrhau eu bod yn gweithredu yn unol â'r egwyddorion yn Rheoli Arian Cyhoeddus Cymru⁹ (yn achos swyddogion Llywodraeth Cymru) a Rheoli Arian Cyhoeddus HMT¹⁰ (ar gyfer swyddogion Llywodraeth y DU). Mae hyn yn cynnwys yr angen i argyhoeddi eu hunain bod y defnydd a wneir o'r cyllid yn cynnig gwerth am arian da ac y caiff ei ddefnyddio mewn ffordd gyson a phriodol sy'n ofynnol.

Ar hyn o bryd, mae Llywodraeth Cymru yn pennu Cytundeb Amodau Cyffredin ar wahân, a fydd yn ymwneud ag agweddau penodol ar y Fargen Twf megis cyfrinachedd, diogelu data, datrys anghydfodau a sicrwydd rhwng Llywodraeth Cymru a'r partneriaid yn y rhanbarth.

Bwrdd Tyfu Canolbarth Cymru

Mae partneriaid y Fargen Twf wedi ymrwmo i weithredu prosesau cadarn er mwyn gwneud penderfyniadau ac ar gyfer rheolaeth ariannol, er mwyn sicrhau y caiff arian cyhoeddus ei wario mewn ffordd gyfrifol ac y rhoddir cyfrif amdano. Mae Bwrdd Tyfu Canolbarth Cymru yn Gyd-Bwyllgor gweithredol Awdurdod Lleol, felly mae'n rhwym i ofynion sy'n ymwneud â thryloywder, atebolrwydd, safonau llywodraethu, gwneud penderfyniadau ac ymddygiad sy'n berthnasol i gorff o'r fath.

Bydd Bwrdd Tyfu Canolbarth Cymru yn gyfrifol am ystyried a chymeradwyo achosion busnes prosiectau a rhaglenni o fewn y portffolio, cyn iddynt gael eu hystyried gan Lywodraethau, fel y diffiniwyd yn Fframwaith Llywodraethu a Sicrwydd Bargeinion Dinesig a Thwf Cymru; a chaiff y cyfrifoldeb dros gyflawni ei ddirprwyo i'r byrddau rhaglen a phrosiect perthnasol. Bydd pob prosiect a rhaglen yn destun "archwiliad iechyd" gan aswirwyr lleol hefyd a bydd gofyn iddynt gael eu cymeradwyo trwy gyfrwng adolygiad Porth Prosiect 1.

Mae Bwrdd Tyfu Canolbarth Cymru yn gweithredu fel Cyd-Bwyllgor trwy Gytundeb Rhyng-Awdurdod sefydledig, a bydd yn ceisio sicrhau consensws ymhlith yr holl bartneriaid ynghylch pob penderfyniad sy'n ymwneud â'r Fargen Twf.

⁹ <https://gov.wales/managing-welsh-public-money>

¹⁰ <https://www.gov.uk/government/publications/managing-public-money>
www.tyfuacanolbarth.cymru

Cydnabyddir bod pwerau a dyletswyddau Bwrdd Tyfu Canolbarth Cymru yn ymwneud â gweithgareddau a nodir yn y Fargen Twf. Ni fydd gweithgarwch penderfynu pob partner cyfansoddol mewn perthynas â'i ymrwymadau ariannol ei hun yn destun cymeradwyaeth Bwrdd Tyfu Canolbarth Cymru. Fodd bynnag, mae gan Fwrdd Tyfu Canolbarth Cymru sy'n gweithio gyda'r Corff Atebol rôl monitro a sicrwydd mewn perthynas â chyllid y Fargen Twf er mwyn sicrhau y caiff ei wario yn unol ag amcanion y Fargen Twf.

Y broses o gymeradwyo prosiect

Llofnodir Cytundeb Bargen Derfynol Bargen Twf Canolbarth Cymru ar sail Achos Busnes Portffolio Strategol cymeradwy a'r cynigion rhaglenni a phrosiect posibl sy'n cael eu hystyried ar yr adeg honno. Wrth bod gwaith yn mynd ymlaen yn y cefndir i ddatblygu Achosion Busnes Rhaglenni a Phrosiectau ymhellach, ar ôl cytuno ar y fargen derfynol, gellir cyflwyno achosion busnes rhaglenni a phrosiectau i'w hystyried gan Fwrdd Bargen Tyfu Canolbarth Cymru.

Datblygir achosion busnes ar gyfer pob rhaglen a phrosiect o fewn Bargen Twf Canolbarth Cymru yn unol ag arweiniad '*Achos Busnes Gwell*' a ddatblygwyd gan Lywodraeth Cymru a Thrysorlys EM.

Mae paratoi Achos Busnes gan ddefnyddio'r model pum Achos yn cynnig fframwaith sicr ar gyfer 'meddwl' strwythuredig a sicrwydd bod y cynllun yn cynnig ffit strategol, gan fanteisio i'r eithaf ar werth cyhoeddus, ei fod yn hyfyw ar lefel fasnachol, ei fod yn fforddiadwy a bod modd ei ariannu dros gyfnod o amser.

Dylid cynnal y broses o ddatblygu achosion busnes rhaglenni (PBC) a phrosiectau (SOC, OBC ac FBC) yn unol â'r Achos Busnes Portffolio / Rhaglen – Cam Datblygu ac Achos Busnes Prosiect.

Bydd gofyn i achosion busnes ddangos sut y maent yn cyflawni yn erbyn amcanion ac uchelgais Achos Busnes Portffolio Strategol Bargen Twf Canolbarth Cymru.

Yn unol â'r arweiniad, bydd yr SRhP yn pennu pa ddull gweithredu tuag at achosion busnes sydd fwyaf addas ar gyfer pob cynllun. Dylid ystyried cynhyrchu ailadroddol yr Achos Busnes (Achos Amlinellol Strategol SOC), Achos Busnes Amlinellol (OBC) ac Achos Busnes Llawn (FBC) ar gyfer prosiectau cymhleth a mwy o faint y bydd gofyn gweithredu trefniant caffael cystadleuol ar eu cyfer.

Gellir ystyried cyfuno'r SOC a'r OBC lle y gwnaethpwyd yr achos dros newid eisoes, a lle y cytunwyd arno fel rhan o Achos Busnes Rhaglen (PBC).

Efallai y gellir ystyried cyfuno'r OBC a'r FBC lle y mae'r llwybr caffael bwriadedig wedi cael ei gystadlu ymlaen llaw ac mae prisiau cadarn ar gael i gefnogi'r cynnig gwario.

Efallai y gellir ystyried Achos Cyfiawnhau Busnes (BJC) ar gyfer eitemau gwariant llai, NAD YDYNT yn newydd neu'n ddadleuol; o fewn y cyfyngiad sefydliadol y cytunwyd arno er mwyn defnyddio achosion busnes unigol (BJC); a gellir eu caffael o gytundeb y cystadlwyd ymlaen llaw ar ei gyfer ac sy'n bodoli eisoes.

Bydd pob achos busnes prosiect neu raglen yn destun adolygiadau porth fel y nodir yn y Cynllun Sicrwydd a Chymeradwyo Integredig (IAAP).

Ystyrir achosion busnes prosiect / rhaglen gan y Bwrdd Rhaglen/Thematiig perthnasol yn y lle cyntaf. Dim ond ar ôl i'r bwrdd Rhaglen/Thematiig perthnasol eu cymeradwyo ac ar ôl cwblhau adolygiadau porth gofynnol y caiff achosion busnes eu cyflwyno i Fwrdd Tyfu Canolbarth Cymru. Mae SRhP yn cadw'r hawl i gomisiynu adolygiadau allanol o achosion busnes yn ôl y gofyn.

Bydd gofyn i bob achos busnes prosiect / rhaglen lenwi asesiad o'r effaith ar yr Iaith Gymraeg ac asesiad effaith Llesiant Cenedlaethau'r Dyfodol cyn iddynt gael eu hystyried gan Fwrdd Tyfu Canolbarth Cymru.

Sicrwydd

Mae sicrwydd yn rhan annatod o ddatblygiad Portffolio y Fargen Twf ac mae Adolygiad y Swyddog Cyfrifyddu yn bwynt hollbwysig, a chaiff y cynnydd yn erbyn yr argymhellion o hwn ei adolygu fel rhan o'r adolygiad sicrwydd nesaf a gynllunnir yn ystod y Gwanwyn 2022.

Ar ôl cymeradwyo IAAP y Portffolio, datblygir IAAPs manwl ar gyfer pob rhaglen a phrosiect o fewn y Fargen Twf. Bydd union amseriad adolygiadau sicrwydd yn rhywbeth i SRhP gytuno arno gyda Llywodraeth Cymru a'r Byrddau Rhaglen a Phrosiect perthnasol.

Er na chytunwyd ar union amseriad adolygiadau eto, gweithredir yr egwyddorion canlynol:

- Cynhelir adolygiadau sicrwydd portffolio mawr o bryd i'w gilydd ar adegau cytunedig oni bai y bydd Bwrdd Tyfu Canolbarth Cymru, Llywodraeth y DU neu Lywodraeth Cymru yn gofyn amdanynt yn gynt;
- Cynhelir adolygiadau sicrhau ansawdd o bryd i'w gilydd ar adegau cytunedig oni bai y bydd Bwrdd Tyfu Canolbarth Cymru, Llywodraeth y DU neu Lywodraeth Cymru yn gofyn amdanynt yn gynt;
- Cynhelir adolygiadau sicrwydd prosiect trwy gydol cyfnod y prosiect ar gamau y cytunir arnynt ymlaen llaw. Gallai lefel y sicrwydd amrywio fesul prosiect, ond byddai'n cynnwys isafswm o ddau adolygiad Porth allanol fesul prosiect, gan gynnwys adolygiad cyn cyflawni ac adolygiad gwireddu buddion. Nodir y rhesymeg dros y dull gweithredu arfaethedig isod:
 - **Porth Prosiect 1 (SOC / PBC)** – Yn ofynnol ar gyfer prosiectau newydd yn unig neu'r rhai sydd yn eu cam cysyniad ar hyn o bryd o ganlyniad i'r Achos Busnes Rhaglen cymeradwy. Bydd gofyn i bob prosiect arall greu SOC/OBC cyfunol ar gyfer Porth 2;
 - **Porth Prosiect 2 (OBC)** – Yn ofynnol ar gyfer pob prosiect o fewn y Fargen Twf;
 - **Porth Prosiect 3 (FBC)** – Mae gofyn cael penderfyniad SRhP ynghylch a oes gofyn cael Porth 3 fesul prosiect;
 - **Porth Prosiect 4 (Gweithredu)** – Penderfyniad SRhP ynghylch a oes gofyn cael Porth 4 fesul prosiect; a
 - **Phorth Prosiect 5 (Gwireddu Buddion)** – Yn ofynnol ar gyfer pob prosiect o fewn y Fargen Twf.
- Dylid cyflawni'r Portffolio trwy gyfrwng rhaglenni a phrosiectau (Porth Prosiect 4 a 5) yn unol â siartiau llif y Portffolio / Rhaglen– Cam Cyflawni a Phrosiect – Cam Cyflawni.
- **Adolygiad Asesu Prosiect (PAR)** – gellir ei ddefnyddio yn lle Porth 1-5 lle y mae'r SRhP trwy ymgynghori gyda Chanolfan Sicrwydd LIC yn ystyried ei fod yn fecanwaith adolygu mwy priodol.

Rheoli Newid

Datblygir Cynllun Rheoli Newid ar gyfer Bargen Twf Canolbarth Cymru.

Bydd y cynllun yn mabwysiadu egwyddor debyg i'r Fframwaith Rheoli Risg a Phroblemau, lle y rhoddir sylw i newidiadau ar y lefel briodol o fewn goddefiannau cytunedig. Cytunir ar y goddefiannau hyn ar gyfer pob achos busnes prosiect, a bydd proses uwchgyfeirio glir yn ei lle.

Asesir newidiadau o ran eu heffaith ariannol ond hefyd, eu heffaith ar y buddion i'w cyflawni trwy gyfrwng y rhaglen a phrosiectau.

Rheolir gweithgarwch rheoli newid ar gyfer y rhaglenni trwy gyfrwng y Bwrdd Rhaglen/Themateg a'r Bwrdd Prosiect perthnasol yn bennaf o fewn goddefiannau a gaiff eu dirprwyo gan Fwrdd Tyfu Canolbarth wrth ystyried achos busnes y prosiect.

Byddai angen uwchgyfeirio newidiadau arwyddocaol y tu hwnt i'r goddefiannau hyn i Grŵp Rheoli TCC neu i Fwrdd Tyfu Canolbarth Cymru ac efallai y bydd gofyn diweddarau'r achos busnes neu gynnal gweithgareddau sicrwydd ychwanegol.

Rhaid i unrhyw brosiectau newydd neu amnewid a gyflwynir i'w hystyried ddangos cyflawni yn erbyn yr achos busnes rhaglen perthnasol ac amcanion yr Achos Busnes Portffolio Strategol. Pan fo'r prosiectau hynny o fewn yr amlen ariannol gytunedig sy'n bodoli eisoes ar gyfer y Bwrdd, dylai'r prosiectau hynny fod yn fater i Fwrdd Tyfu Canolbarth Cymru benderfynu yn ei gylch.

Byddai prosiectau nad ydynt yn dod o fewn cylch gwaith achos busnes rhaglen cytunedig neu'r rhai y byddent yn mynd y tu hwnt i'r amlen ariannol gytunedig yn cael eu hystyried fel 'mater neilltuol' ar gyfer partneriaid Bwrdd Tyfu Canolbarth Cymru.

Caiff cymeradwyaeth ei geisio gan WCGIB ynghylch unrhyw newidiadau arwyddocaol, y gallent newid cwmplas gwreiddiol y Fargen a'r canlyniadau gwreiddiol bwriadedig, a rhoddir sicrwydd ynghylch sut y rheolir y newidiadau hyn. Mae hyn yn cyd-fynd â'r Fframwaith Llywodraethu a Sicrwydd, a chaiff ei gasglu fel rhan o waith monitro ac adrodd rheolaidd hefyd.

Rôl aelodau/atebolrwydd

Mae'n ddyletswydd ar holl aelodau Bwrdd Tyfu Canolbarth Cymru i weithredu er budd pennaf rhanbarth y Fargen Twf. Yn ogystal, bydd gofyn i bob aelod o'r sector preifat a'r trydydd sector weithredu er budd rhanbarth y Fargen Twf; gan ildio unrhyw fudd (os o gwbl) y gallai fod gan eu sefydliad nhw yn y Fargen Twf ac unrhyw brosiectau cysylltiedig.

Disgwylir i bob aelod gydymffurfio â chod ymddygiad eu sefydliadau priodol, y polisiau a'r gweithdrefnau priodol a bennir gan Fwrdd Tyfu Canolbarth Cymru a gwerthoedd ac uchelgais y Fargen Twf.

Gall cynrychiolwyr y Llywodraeth fynychu fel arsylwyr/cynghorwyr ac nid ydynt yn rhwym i'r gofynion ar aelodau Bwrdd Tyfu Canolbarth Cymru.

Nodir materion sy'n ymwneud â llywodraethu'r Fargen yn y Cytundeb Rhyng-Awdurdod (IAA3).

4. Rôl y Corff Atebol

Yn ystod cyfnod y Fargen Twf, bydd y corff atebol yn gyfrifol am gael a neilltuo cronfeydd dros ac ar ran Bwrdd Tyfu Canolbarth Cymru. Bydd Cyngor Sir Ceredigion, fel y Corff Atebol, yn:

- gweithredu mewn ffordd ddiwyd a gydag ewyllys da yn ei holl gyswllt gyda'r Cyngor arall a bydd yn gwneud ymdrechion rhesymol i gyflawni rhwymedigaethau'r Cynghorau mewn perthynas â'r MWGD, yn unol â'r Cytundeb hwn a'r holl ddeddfwriaeth berthnasol, ond heb ei gyfyngu i:-
 - Ddeddf Llesiant Cenedlaethau'r Dyfodol (Cymru) 2015;
 - Mesur yr Iaith Gymraeg (Cymru) 2011; a
 - Safonau'r Gymraeg
- gweithredu fel y prif ryngwyneb (ar ran ei hun a'r Cyngor arall) gyda LIC, Llywodraeth y DU ac unrhyw gorff arall sy'n angenrheidiol er mwyn cyflawni rhwymedigaethau'r Cyngor mewn perthynas â MWGD;
- gweithredu fel y Corff Atebol ac ymrwmo i a chyflawni'r holl gontractau a gymeradwywyd gan BTCC neu'r Cynghorau (os ceir "Mater wedi'i Neilltuo i'r Cynghorau) ar ran MWGD; a
- gweithredu fel y Corff Atebol er mwyn dal unrhyw gronfeydd a geir yn uniongyrchol gan LIC, Llywodraeth y DU (os o gwbl), y Cynghorau (os o gwbl) a/neu unrhyw ffynonellau eraill (os o gwbl) mewn perthynas â'r MWGD a defnyddio a rhyddhau cronfeydd o'r fath fel y cytunir yn unol ag amodau cyllid o'r fath a'r Cytundeb hwn yn unig.

Nodyn: nodir y darpariaethau a'r cylch gorchwyl ar gyfer rôl (a phenodi) y Corff Atebol, yn y Cytundeb Rhyng-Awdurdod mwyaf diweddar y cytunwyd arno gan Fwrdd TCC a'i Awdurdodau Lleol cyfansoddol.

5. Monitro a Gwerthuso

Bydd rheoli ein dull gweithredu fel Portffolio yn gofyn am ddolenni adborth parhaus sy'n cysylltu agweddau ar sicrwydd rhaglen, effaith economaidd wedi'i modelu, monitro a gwerthuso er mwyn sicrhau bod gweithgarwch a gynlluniwyd, sy'n datblygu ac sy'n cyflawni yn parhau i fodloni'r anghenion busnes a nodwyd yn yr Achos Busnes Portffolio.

Sefydlwyd ein strwythurau llywodraethu a rheoli er mwyn delio â ffordd o weithio a dull gweithredu sy'n galluogi cylch sicrwydd ac adolygu parhaus, trwy gyfrwng:

- SRhP wedi'i diffinio mewn ffordd glir
- Cynllun Sicrwydd a Chymeradwyo Integredig (IAAP) a fydd yn pennu prosesau clir
- Cynllun Gweithredu ar gyfer y Portffolio
- Gweithgarwch monitro a gwerthuso cadarn a pharhaus a fydd yn parhau i gyfrannu at a siapio cyfeiriad y Portffolio.

6. Protocol Cyfathrebu

Datblygwyd Fframwaith Cyfathrebu Strategol sy'n darparu fframwaith cyffredinol ar gyfer llywodraethu a chyfeirio'r holl weithgarwch cyfathrebu strategol sy'n ymwneud â gwaith Tyfu Canolbarth Cymru a chyflawni'r uchelgais a amlinellwyd yn Y Weledigaeth ar gyfer Tyfu Canolbarth Cymru. Bydd y fframwaith strategol hwn yn berthnasol i'r rhanbarth ehangach yn ogystal ag i'r Fargen Twf. Dan y fframwaith strategol, bydd y swyddogaethau rhanbarthol unigol yn paratoi eu cynlluniau cyfathrebu priodol eu hunain.

Bydd SRhP yn gyfrifol am reoli cyfathrebu ynghylch y Fargen Twf a bydd yn cyfathrebu mewn ffordd briodol gyda phartneriaid a rhanddeiliaid perthnasol. SRhP fydd y prif bwynt cyswllt ar gyfer Llywodraeth Cymru a Llywodraeth y DU o ran y Fargen Twf a bydd yn sicrhau yr ymgynghorir â'r ddwy Lywodraeth ynghylch unrhyw ddogfennau neu ddeunydd cyfathrebu y bydd y cyhoedd yn eu gweld, a'i fod yn cael ei frandio mewn ffordd briodol. Cynrychiolir y Gymraeg a'r Saesneg mewn ffordd gyfartal ym mhob cyhoeddiad digidol ac ysgrifenedig.

7. ar gyfer Canolbarth Cymru

Bydd y Fargen Twf yn parhau i esblygu yn ystod ei chyfnod ac mae Cytundeb y Fargen Derfynol hwn yn nodi'r egwyddorion a'r prosesau ynghylch llywodraethu a sicrwydd y maent wedi neu y byddant yn cael eu rhoi yn eu lle er mwyn sicrhau bod y Fargen Twf yn parhau i fod yn berthnasol ac yn gyflawnadwy.

Mae'r holl lofnodwyr yn edrych ymlaen i gydweithio er lles pobl a busnesau Canolbarth Cymru.

Atodiad A – Prosiectau / Rhaglenni yn y Rhestr Fer ar gyfer Tranche 1 Bargen Twf Canolbarth Cymru*

Prosiectau / Rhaglenni yn y Rhestr Fer ar gyfer Tranche 1 Bargen Twf Canolbarth Cymru*			
Blaenoriaethau Twf Strategol	Prosiect / Rhaglen	Crynodeb	Mynegai Aeddfedrwydd yr Achos Busnes
Ymchwil ac Arloesi Cymhwysol	Parc Arloesi	Dan arweiniad Prifysgol Aberystwyth, bydd y Parc Arloesi yn galluogi diwydiant ac academia i ddatblygu gwaith AberInnovation, gyda'r nod o nodi, datblygu a dangos y prosesau a'r technolegau galluogi sy'n angenrheidiol er mwyn sicrhau, ehangu a manteisio i'r eithaf ar y gwerth a sicrhawyd ar gyfer y rhanbarth. Mae'r prosiect £30 miliwn yn ceisio darparu gwerth tua 10,000m ² o le swyddfa wedi'i wasanaethu'n llawn, cyfleusterau a rennir a lle Ymchwil a Datblygu.	SOC (cychwynnol)
	Canolfan Sbectrwm Genedlaethol	Dan arweiniad Prifysgol Aberystwyth, mae'r Ganolfan Sbectrwm Genedlaethol yn ceisio sefydlu ased allweddol a weithredir trwy gyfrwng model prif ganolfan a lloerennau a fydd yn cael budd gan amgylcheddau amrywiol y rhanbarth (arfordirol, ucheldiroedd, gwledig ac ati), gan ddwyn swyddi o ansawdd uchel a mwy o dwf i'r rhanbarth. Mae'r SOC yn ceisio cymeradwyaeth i fuddsoddi swm amcangyfrifedig o £17 miliwn yng Ngham 2 datblygiad y Ganolfan Sbectrwm Genedlaethol.	SOC (cychwynnol)
	Campws Gweithgynhyrchu Uwch Canolbarth Cymru	Nodwyd trwy gyfrwng Adroddiad Ymchwil ac Arloesi Cymhwysol SQW a gynhaliwyd yn ddiweddar, roedd y prosiect hwn yn ymyrraeth a argymhellwyd er mwyn darparu Campws Arloesi/Gweithgynhyrchu Uwch ar gyfer Canolbarth Cymru, gyda'r nod o wella cyflenwad sgiliau ar gyfer diwydiant a chynnig canolfan ar gyfer cydweithio/gweithgarwch Ymchwil ac Arloesi. Ni nodwyd arweinydd ar gyfer y prosiect eto. Nid yw cyfanswm y costau cyfalaf yn hysbys.	Cysyniad
Amaethyddiaeth, Bwyd a Diod	Canolfan Arloesi Cynhyrchu Bwyd	Dan arweiniad Canolfan Bwyd Cymru (rhan o Gyngor Sir Ceredigion), mae'r Ganolfan Arloesi Cynhyrchu Bwyd yn brosiect £4.4 miliwn i ddarparu	SOC (cychwynnol)

Prosiectau / Rhaglenni yn y Rhestr Fer ar gyfer Tranche 1 Bargen Twf Canolbarth Cymru*			
Blaenoriaethau Twf Strategol	Prosiect / Rhaglen	Crynodeb	Mynegai Aeddfedwydd yr Achos Busnes
		canolfan arloesi cynhyrchu bwyd sy'n manteisio ar y dechnoleg ddiweddaraf yn Horeb, Llandysul, Ceredigion. Byddai'r prosiect yn darparu cyfleuster er mwyn galluogi cwmnïau i gymryd y camau nesaf o weithgarwch profi a dadansoddi cynnyrch ar sail ymchwil ar raddfa fach, i gynyddu'r gweithgarwch cynhyrchu er mwyn galluogi profi hyfywedd masnachol a marchnad lawn.	
	Canolfan Tir Glas / Prifysgol Gastronomeg	Mae Prifysgol y Drindod Dewi Sant yn dymuno sefydlu Canolfan ar gyfer Menter Gwledig (Canolfan Tir Glas), endid a fydd yn hyrwyddo'r diwydiant bwyd lleol, cynaladwyedd, cydnerthedd ac entrepreneuriaeth wledig. Bydd y Ganolfan yn ceisio cyflawni ei rhan wrth gryfhau seilwaith economaidd yr economi bwyd-amaeth ehangach yng Nghanolbarth Cymru o'r ganolfan a'i gwaith allgymorth, gan ganolbwyntio'n arbennig ar ddatblygu gyrfau a sgiliau yn y sector lletygarwch ac mewn sectorau arallgyfeirio gwledig eraill. Amcangyfrifir mai cyfanswm y costau cyfalaf fydd £8 miliwn.	SOC (cychwynnol)
Cynnig Twristiaeth Cryfach	Cynefin – Calon Werdd Cymru	Dan arweiniad y Ganolfan y Dechnoleg Amgen, mae'n ceisio creu profiad dysgu pwerus ac ymdrochol, gan ddwyn buddion ymarferol enfawr wrth ddarparu Sgiliau ar gyfer y dyfodol ym maes ynni adnewyddadwy, ôl-osod ac adeiladu cynaliadwy, bwyd, defnydd tir a thwristiaeth gynaliadwy. Mae elfen twristiaeth y prosiect yn cynnwys: Canolfan Gyrraedd a Chroeso, Stryd Werdd, Llety Safle ac Elfennol. Amcangyfrifir mai cyfanswm y costau cyfalaf fydd £24.2 miliwn.	SOC (cychwynnol)
	Dŵr Cymru Cwm Elan	Dan arweiniad Dŵr Cymru, mae Prosiect Llynnoedd Cwm Elan yn ceisio sicrhau twf economaidd a chynaladwyedd trwy ychwanegu gweithgareddau antur, chwaraeon a natur priodol sy'n cynnig profiad ar lefel uchel a gwella'r ddarpariaeth llety dros nos. Y gobaith yw y bydd hyn yn cynyddu	SOC (cychwynnol)

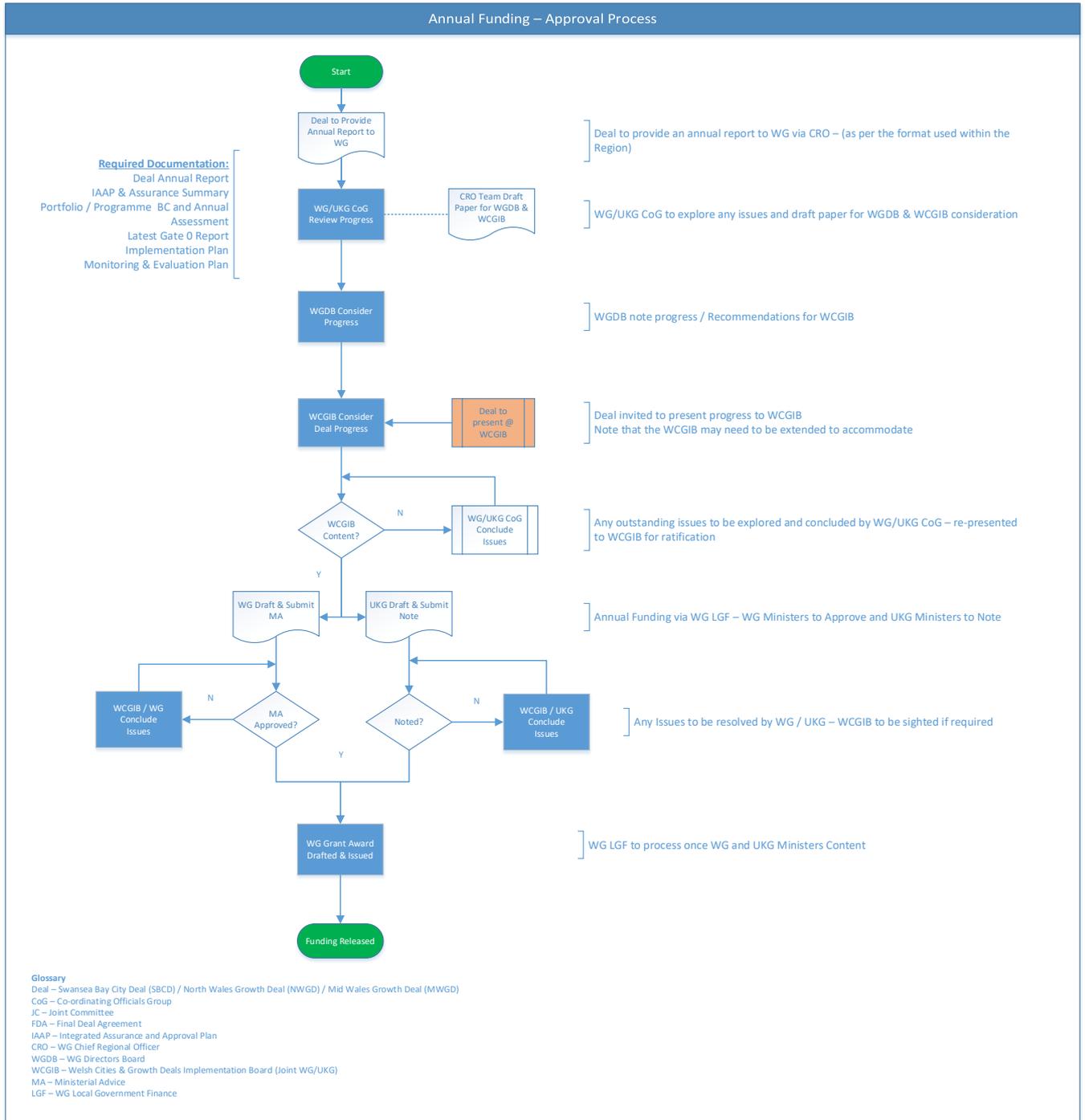
Prosiectau / Rhaglenni yn y Rhestr Fer ar gyfer Tranche 1 Bargen Twf Canolbarth Cymru*			
Blaenoriaethau Twf Strategol	Prosiect / Rhaglen	Crynodeb	Mynegai Aeddfedwydd yr Achos Busnes
		gwariant ymwelwyr ac yn gwella ffrydiau incwm. Amcangyfrifir mai cyfanswm y gost cyfalaf fydd £12.7 miliwn.	
	Camlas Maldwyn Cymru – Adfer i Fordwyo	Dan arweiniad yr Ymddiriedolaeth Afonydd a Chamlesi / Glandwr Cymru, mae adfer Camlas Maldwyn yng Nghymru yn ceisio hwyluso cyswllt gyda rhwydwaith ehangach y Camlesi, sy'n 2000 milltir o hyd, a mynediad i gychod trwy Powys a thu hwnt i'r Trallwng. Trwy hyn, caiff y cyfleoedd ar gyfer amrediad o weithgareddau i ymwelwyr nad ydynt yn teithio ar gwch eu gwella, gyda'r holl gyfleoedd a'r gwariant cysylltiedig ar gyfer busnesau twristiaeth a hamdden. Amcangyfrifir mai cyfanswm y costau cyfalaf fydd £24.4 miliwn.	SOC (cychwynnol)
	Harbyrau Ceredigion	Dan arweiniad Cyngor Sir Ceredigion, mae Harbyrau Ceredigion yn gynnig amlinellol ar gyfer dau ddatblygiad marina/harbwr mawr (Aberystwyth ac Aberaeron). Yn y ddau achos, bydd yr asedau yn parhau i fod yn eiddo i'r cyhoedd a byddant yn cyfuno'r buddsoddiad a gynlluniwyd eisoes mewn amddiffynfeydd môr/lifogydd arfordirol, gan ychwanegu gwerth economaidd pellach trwy ad-drefnu a datblygu'r asedau er mwyn creu cyfleoedd economaidd newydd ym maes manwerthu, hamdden a thwristiaeth. Yn Aberystwyth, mae'r cynigion yn cynnwys cyfleusterau cryfach er mwyn cynorthwyo'r sector pysgodfeydd hefyd. Amcangyfrifir y bydd cyfanswm y costau cyfalaf rhwng £20 a £30 miliwn.	Cysyniad
Digidol	Rhaglen Ddigidol	Dan arweiniad Cyngor Sir Ceredigion a Chyngor Sir Powys ar y cyd, mae'r rhaglen hon yn ceisio cyflymu darpariaeth gwasanaethau cysylltedd i safleoedd cyflogaeth a phreswyl strategol yn rhanbarth Canolbarth Cymru, a thrwy wneud hynny, cynnig gwasanaethau gwell i fusnesau er mwyn hwyluso mwy o dwf economaidd. Mae cysylltedd yn rhan hanfodol o fywyd modern,	Achos Busnes Rhaglen (Cychwynnol)

Prosiectau / Rhaglenni yn y Rhestr Fer ar gyfer Tranche 1 Bargen Twf Canolbarth Cymru*			
Blaenoriaethau Twf Strategol	Prosiect / Rhaglen	Crynodeb	Mynegai Aeddfedwydd yr Achos Busnes
		gan ddylanwadu ar y ffordd y mae unigolion yn gweithio, yn cyfathrebu ac yn manteisio ar wasanaethau. Mae modd datgloi cyfleoedd economaidd sylweddol trwy fuddsoddi mewn seilwaith digidol rhanbarthol. Amcangyfrifir mai cyfanswm y costau cyfalaf fydd £50 miliwn.	
Cefnogi Menter	Safleoedd ac Adeiladau Canolbarth Cymru.	Dan arweiniad Cyngor Sir Ceredigion a Chyngor Sir Powys ar y cyd, bydd yr ymyrraeth hon yn darparu rhaglen strategol o fuddsoddiad uniongyrchol ac wedi'i flaenoriaethu yn y sector cyhoeddus mewn safleoedd ac adeiladau cyflogaeth a seilwaith gysylltiedig ar draws Canolbarth Cymru er mwyn helpu i fodloni'r angen presennol ac ysgogi twf economaidd yn y dyfodol yn y rhanbarth. Byddai hyn yn cael ei gyflawni trwy gyfrwng Cronfa Buddsoddi mewn Seilwaith Eiddo Canolbarth Cymru. Byddai datblygiad cymhellion ariannol ehangach er mwyn helpu i ysgogi buddsoddiad gan y sector preifat mewn safleoedd ac adeiladau cyflogaeth, a buddsoddiadau wedi'u targedu mewn safleoedd cyflogaeth strategol, yn cyd-fynd â'r cynnig.	Achos Busnes Rhaglen (cychwynnol)

*Y rhain yw'r rhaglenni a'r prosiectau a nodwyd ar hyn o bryd (Achos Busnes Portffolio Strategol f1) fel tranche 1 – cynigion yn y rhestr fer. Caiff hyn ei ddiffinio fel *“Rhestr fer ar gyfer datblygiad pellach, gydag amodau. Ymyriadau yw'r rhain sy'n perfformio'n dda yn erbyn yr amcanion gwario a Ffactorau Llwyddiant Hollbwysig, ac maent yn ddigon datblygedig ar yr adeg hon i fynnu datblygiad achos busnes manwl pellach ar eu cyfer. Yr ymyriadau hyn yw tranche cyntaf Portffolio y Fargen Twf.”*

Mae'r Achos Busnes Portffolio Strategol yn ddogfen fyw sy'n destun gweithgarwch adolygu a sicrwydd rheolaidd. Mae gofyn cael proses alinio barhaus er mwyn sicrhau bod y rhaglenni a'r prosiectau o fewn y portffolio strategol yn parhau i fod yn gysylltiedig ag amcanion strategol, oherwydd wrth i strategaethau gyflawni newidiadau a gwelliannau i weithrediadau busnes, efallai y bydd angen iddynt ymateb i newidiadau mewnol ac allanol ac ystyried mentrau a pholisïau newydd.

Atodiad B – Proses Flynyddol er mwyn Cymeradwyo Cyllid



Nodyn: yn deillio o Fwrdd Gweithredu Bargeinion Dinesig a Thwf Cymru – Fframwaith Llywodraethu a Sicrwydd f1 Rhagfyr 2020.

Atodiad C – Dogfennau Llywodraethu Ychwanegol ar gyfer Cytundeb y Fargen Derfynol

- Achos Busnes Portffolio Strategol TCC (f1)
- Cynllun Sicrwydd a Chymeradwyo Integredig TCC (Drafft f0.5)
- Cynllun Gweithredu TCC (Drafft f0.5)
- Cofrestr Risg TCC (f0.5)
- Strategaeth Gyfathrebu TCC (f7.3)
- Cytundeb Rhyng-Awdurdod TCC (f3 llofnodwyd)

Mae'r dudalen hon wedi'i gadael yn wag yn fwriadol



Report to the Joint Overview and Scrutiny Sub-Committee

23 February 2022

TITLE:	Mid Wales Energy Strategy – Overview and Progress Update
AUTHOR:	Thomas Yeo, Business Change Officer. thomas.yeo@powys.gov.uk

1 Purpose of the Report

1.1. To provide Members of the Joint Overview and Scrutiny Sub Committee with an overview and update on progress of the Mid Wales Energy Strategy

2. Decision(s) Sought

2.1. To note progress to date.

3 Background

- 3.1** Welsh Government commissioned energy strategies to be developed for each of the Welsh regions including Mid Wales (Powys & Ceredigion). The Mid Wales Energy Strategy was developed with support by private, public, and third sector organisation across the Mid Wales region and the Welsh Government Energy Service.
- 3.2** The strategy and action plan will play an integral role for the region with the emphasis placed on working collaboratively with shared ownership to support the region in making the essential step change required to meet the net zero targets by 2050. The strategy sets a clear blueprint to both growing and maximising the potential of our economy whilst undertaking our social and environmental responsibilities, responding to the threat of climate change for future generations.
- 3.3** Engagement within the region over the course of the strategy development led to the creation of our vision which is underpinned by 6 priority areas. The vision and priority areas will form the basis of our focus for developing strategic actions to address challenges and maximise opportunities for the region.
- 3.4** The strategy sets the vision for mid Wales ***“To achieve a net zero-carbon energy system that delivers social and economic benefits, eliminates fuel poverty, better connects mid Wales to the rest of the UK, and contributes to wider UK decarbonisation.”***
- 3.5** The strategy sets out 6 Key Priorities to tackle energy issues in the region:

Key Priority 1: Drive forward the decarbonisation of the region's housing and building stock

Key Priority 2: Work proactively to ensure that electricity and gas grids in the region are suitable for a 100% decarbonised future

Key Priority 3: Boost the use of renewable energy through new generation and storage

Key Priority 4: Accelerate the shift to zero carbon transport and improve connectivity

Key Priority 5: Develop and harness the potential of agriculture to contribute to zero carbon goals

Key Priority 6: Harness innovation to support decarbonisation and clean growth



3.6 The strategy will seek to deliver the following benefits to the economic region of mid Wales:

- Raise the level of ambition regionally on energy
- Secure cross-sector stakeholder support for a shared place-based energy system vision for the region
- Provide the evidence needed to demonstrate the economic benefit of investment in local energy systems
- Develop a regional pipeline of deliverable projects and programmes that will achieve the vision

3.7 Appendix 2 provides the high-level overview of the Mid Wales Energy Strategy, extracting the key details from the strategy document into a digestible set of bilingual slides. The full strategy document with supporting technical energy and economic modelling annexes can be found on the Welsh Government website following this link [Regional energy strategy: mid Wales | GOV.WALES](#)

4 Mid Wales Energy Strategy Progress to Date

4.1 The strategy has undergone a breadth of work since Welsh Governments commitment to work with Welsh regions to develop regional energy strategies. A summary of activity to date has been outlined for members information.

- The Mid Wales region held its initial Energy planning workshop as part of early growth deal development. The first workshop focused on developing a vision for the future energy system, which would form the basis for the strategy document moving forward.
- Using the workshop input, a vision statement was developed for the region. The vision statement was commented on by regional officers, and it was decided additional stakeholder feedback was needed.

- An Online survey was released for stakeholder consultation on the draft energy vision and strategy priorities, we also undertook a call for projects for the energy strategy. Using the survey feedback, we updated the vision statement accordingly.
- Energy modelling was undertaken to understand the level of effort required to achieve a zero-emission energy system by 2050 compared with a business-as-usual pathway.
- The second Energy workshop was held with a focus on developing an action plan. During this workshop we presented and received feedback on the vision statement, energy modelling results, intervention evaluation criteria, and undertook activities to get project ideas for the action plan.
- The Welsh Government Energy Service shared the Initial strategy and action plan with the region and Welsh Government
- An economic assessment was undertaken for the Mid Wales region, this looks at the economic impact in terms of jobs, GVA, and investment required to meet the energy system vision pathway defined in the energy modelling.
- Strategy was reviewed and updated to reflect considerations relating to Covid 19 impact with a section added at the head of the report.
- A new draft of the strategy including the economic assessment was produced. We consulted regional stakeholders and officers, comments were considered, and amendments made by Welsh Government Energy Service where appropriate
- The region held a Senior officer workshop, bringing together key officers across services in Powys and Ceredigion Local Authorities and Welsh Government Energy Division, regional team, and Welsh Government Energy Service.
- Mid Wales Energy Strategy signed off by Powys and Ceredigion Cabinets
- Press release [Ceredigion County Council](#)
- Mid Wales Energy Strategy Advisory group formed
- Strategy energy and economic modelling technical annexes produced
- A draft skeleton action plan framework was produced and agreed as an agreeable format by the advisory group

5 Developing the Strategy Action Plan

- 5.1 Recent focus since the strategy was signed off by the region has been on the development of a robust action plan which will identify strategic actions to address the key priority areas outlined within the strategy. The region has been working closely with the Welsh Government Energy Service to develop a three-step approach to define the framework for an action plan and the approach to engagement, to engage and hold focussed stakeholder sessions on strategy priority areas, and finally to validate and refine feedback into strategic actions for the Mid Wales region.



5.2 A Mid Wales Energy Strategy Advisory Group was formed as a key governance arrangement acting as a senior regional body to oversee and steer the development of a strategic action plan. The Advisory Group membership includes senior directors and officers from Powys and Ceredigion Local Authorities, UK and Welsh Governments central and regional teams and Welsh Government Energy Service.

5.3 The Welsh Government Energy Service produced a draft skeleton action plan and outlined a forward work programme which was discussed and agreed at the inaugural advisory group.

5.4 Theme champions were identified for themed sessions, we worked closely with the champions to identify key stakeholder session attendees, and to shape the discussion topics and format of the sessions so they pinpointed discussion on the key areas to ensure the best feedback and suggested actions were identified.

5.5 We held several engagement sessions over November through to January, the findings of which are being collated and refined to create a long list of actions. The engagement sessions held were as follows:

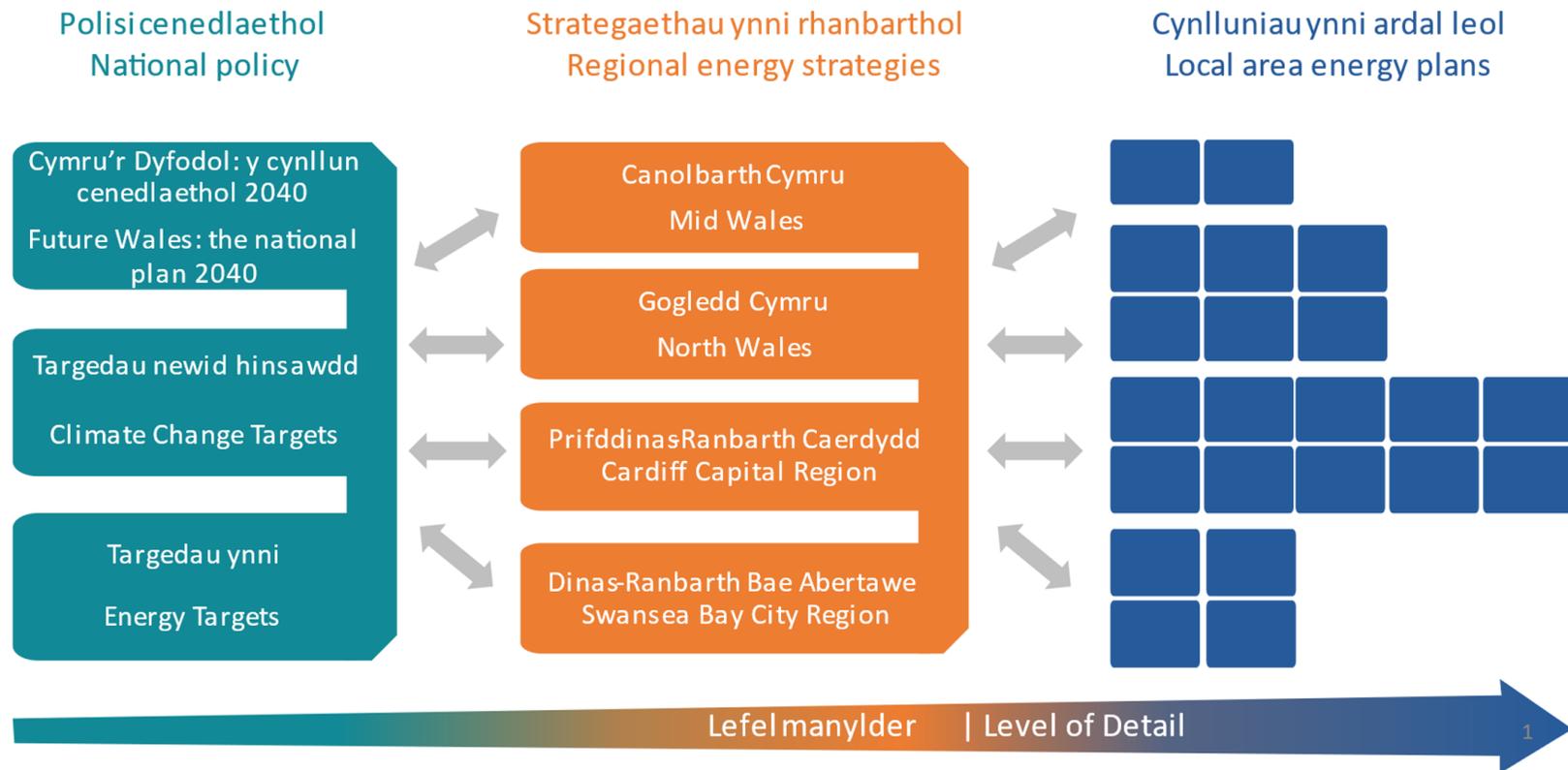
Session	Date
Power and Generation	17/11/2021
Agriculture	02/12/2021
Transport	10/12/2021
Domestic	19/01/2022

- 5.6** The actions will be reviewed by the champions, refined to a short list of actions by the advisory group then session attendees will have an opportunity to engage and endorse the short-listed actions.
- 5.7** A final action plan will be produced in Spring 2022 and will undergo formal sign off within the region by the advisory group and Local Authority Cabinets and Welsh Government
- 5.8** Throughout the development of the Mid Wales Energy Strategy and Action Plan there has been a conscious effort to ensure there is alignment with the key policy and strategy environment at a national, regional, and local level. Appendix 1 provides a high-level overview of how the regional energy strategies will compliment the national policy direction emerging from Welsh Government and more localised elements such as Local authority climate emergency strategies and action plans, Public Service board decarbonisation plans and emerging Local Area Energy Plans progressing this year in partnership with Welsh Government. The level of detail increases as you move from national to local level moving from strategic policy and strategy to a more place-based approach with a granular evidence base. In conjunction the collective pieces of work will form a blueprint to support the region and Welsh Government to progress towards an integrated low carbon energy system which moves us closer to net zero targets.

Appendix 1 – National to Local Energy System Planning

Cynllunio argyfer system ynni carbon iselsy'n fwy integredig Planning for a more integrated low carbon energy system

Tudalen 138



Appendix 2 – Mid Wales Energy Strategy Overview

Tudalen 139

Strategaeth Ynni Canolbarth Cymru

Ein gweledigaeth

"I gyflawni system ynni ddatgarbon sy'n darparu manteision cymdeithasol ac economaidd, dileu tlodi tanwydd, cysylltu Canolbarth Cymru'n well â gweddill y DU a chyfrannu at ddatgarboneiddio ehangach yn y DU."

Ein blaenoriaethau

- Annog y broses o ddatgarboneiddio stoc tai ac adeiladau'r rhanbarth
- Gweithio'n rhagweithiol i sicrhau bod gridiau trydan a nwy yn y rhanbarth yn addas ar gyfer dyfodol wedi'i ddatgarboneiddio 100%
- Hybu y defnydd o ynni adnewyddadwy drwy ddulliau newydd o gynhyrchu a storio
- Cyflymu'r newid i drafnidiaeth ddi-garbon wrth hefyd wella cysylltedd y rhanbarth
- Datblygu a manteisio ar botensial amaethyddiaeth i gyfrannu at ynni di-garbon
- Manteisio ar arloesedd i gefnogi datgarboneiddio a thwf glân

Ein hasesiad ynni sylfaenol

- Rydym yn defnyddio 6% o gyfanswm yr ynni a ddefnyddir yng Nghymru
- Rydym yn cynnal 25% o allu gwynt ar y tir yng Nghymru
- Mae 2% o'n cartrefi yn defnyddio boeler biomas neu bwmp gwres
- Mae gennym 412 MW o ynni adnewyddadwy wedi'i osod yn y rhanbarth, ac mae 12% ohono o dan berchnogaeth leol
- Gostyngodd cyfanswn yr ynni a ddefnyddir gennym 14% rhwng 2005 a 2013
- Ers 1990 mae allyriadau nwyon tŷ gwyrwedd gostyngwng 40%

Mae ein galw am ynni yn ôl sector wedi'i rannu:

- Domestig 33%
- Masnachol a diwydiannol 35%
- Trafnidiaeth 32%

Rhagdybiaethau modelu gweledigaeth ynni

- Domestig**
 - 30,000 o gartrefi wedi'u hinswleiddio
 - 26,000 o bympiau gwres wedi'u gosod
 - Trydaneiddio systemau gwresogi mewn cartrefi oddi ar y grid
 - Dim cysylltiadau nwy newydd o 2025
- Masnachol a diwydiannol**
 - Datgarboneiddio'r rhwydwaith trydan drwy ynni adnewyddadwy a chynhyrchu y tu ôl i'r mesurydd
 - Newid i danwydd amgen a thrydaneiddio gwresogi
 - Gostyngiad o 23% yn y galw am ynni
- Trydan adnewyddadwy**
 - Digon o hyblygrwydd, cyfleusterau storio ac uwchraddio seilwaith y rhwydwaith
 - Rhanbarth yn cynhyrchu dwywaith yr ynni adnewyddadwy y mae'n ei ddefnyddio
 - ~1GW gwynt ar y tir a solar ffotofoltaig
- Trafnidiaeth ffyrdd**
 - 53% o gerbydau'n rhai trydan erbyn 2035
 - 20% o ostyngiad mewn millitiroedd cerbydau preifat
 - Trafnidiaeth gyhoeddus a theithio llesol wedi cynyddu

Gwireddu ein gweledigaeth ynni

Er mwyn bod ar y trywydd cywir ar gyfer sero net erbyn 2050, mae angen i ni leihau allyriadau o'n system ynni gan 55% erbyn 2035. Mae modelu ynni yn cyflawni'r gostyniadau hyn wedi'i rannu yn ôl y sector, felly:

- Gwres ac ynni domestig -66%
- Masnachol a diwydiannol -48%
- Trafnidiaeth y ffyrdd -54%

Mae ein gweledigaeth ynni hefyd yn cefnogi uchelgeisiau Deddf Llesiant Cenedlaethau'r Dyfodol (Cymru) 2015.

Amcangyfrif o effeithau economaidd cyflawni ein gweledigaeth ynni:

Categori	Swyddi Net	Gwerth ychwanegol gros
Cynhyrchu Trydan	15,900	£1.9b
Effeithlon-rwydd Ynni Domestig	7,600	£450m
Gwres Domestig	800	£96m

Mae angen gwariant o £2.5 biliwn i wireddu ein gwledigaeth ynni

Ni fydd trigolion rhanbarth Canolbarth Cymru yn cyflawni'r holl swyddi, bydd rhai swyddi yn cael eu cyflawni gan unigolion y tu allan i'r rhanbarth.

Bydd y swyddi ychwanegol sy'n gysylltiedig â'r weledigaeth hon yn gofyn am gryfhau a datblygu sgiliau newydd yn y rhanbarth.

*maer holl ffigurau a ddangosir yn werthoedd bras

Appendix 2 – Mid Wales Energy Strategy Overview

Tudalen 140

Mid Wales Energy Strategy

Our vision

“To achieve a zero carbon energy system that delivers social and economic benefits, eliminates fuel poverty, better connects Mid Wales to the rest of the UK, and contributes to wider UK decarbonisation.”

Our priorities

- Drive forward the decarbonisation of the region's housing & building stock
- Work proactively to ensure that electricity & gas grids in the region are suitable for a 100% decarbonised future
- Boost the use of renewable energy through new generation and storage
- Accelerate the shift to zero carbon transport whilst also improving the region's connectivity
- Develop & harness the potential of agriculture to contribute to zero carbon energy
- Harness innovation to support decarbonisation and clean growth

Our baseline energy assessment

- We consume **6%** of total energy consumed in Wales
- We host **25%** of Wales' onshore wind capacity
- 2%** of our homes use a biomass boiler or heat pump
- We have **412 MW** of renewable energy installed in the region, of which **12%** is locally owned
- Our total energy consumption fell by **14%** between 2005 and 2013
- Since 1990 greenhouse gas emissions from our energy system have fallen by **40%**
- Our sectoral energy demand split:

Domestic

- 30,000 homes insulated
- 26,000 heat pumps installed
- Electrification of heating systems in off-grid homes
- No new gas connections from 2025

Commercial & industrial

- Decarbonisation of the electricity network via renewables and behind the meter generation
- Switch to alternative fuels and electrification of heating
- 23% energy demand reduction

Road transport

- 53% of vehicles electric by 2035
- 20% reduction in private vehicle mileage
- Increased public transport and active travel

Renewable electricity

- Sufficient flexibility, storage and network infrastructure upgrades
- Region generates twice the renewable electricity it consumes
- ~1GW onshore wind and solar PV

Energy vision modelling assumptions

Achieving our energy vision

To be on track for net zero by 2050, we need to reduce emissions from our energy system by **55% by 2035**. Energy modelling achieves this reduction split by sector as follows:

- 66%** Domestic heat & power
- 48%** Commercial & industrial
- 54%** Road transport

Our energy vision is also supportive of the ambitions of the Wellbeing of Future Generations (Wales) Act 2015.

Tyfu Canolbarth Cymru Growing Mid Wales

Estimated economic impacts of achieving our energy vision:

Electricity generation	Net Jobs: 15,900	GVA: £1.9b
Domestic energy efficiency	Net Jobs: 7,600	GVA: £450m
Domestic heat	Gross Jobs: 800	GVA: £96m

£2.5 billion spend required to achieve our energy vision

Not all of the jobs will be held by Mid Wales Region residents; some jobs will be held by persons outside of the region

The additional jobs associated with this vision will require strengthening and building new skills within the region

* all figures shown are approximate values

Appendix 2 – Mid Wales Energy Strategy Overview



Mid Wales Energy Strategy

Strategaeth Ynni Canolbarth Cymru

Ein gweledigaeth

"I gyflawni system ynni ddjarbon sy'n darparu manteision cymdeithasol ac economaidd, dileu tlodi tanwydd, cysylltu Canolbarth Cymru'n well â gweddill y DU a chyfrannu at ddatgarboneiddio ehangach yn y DU."

Ein blaenoriaethau

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Gweithio'n rhagweithiol i sicrhau bod gridiau trydan a nwy yn y rhanbarth yn addas ar gyfer dyfodol wedi'i ddatgarboneiddio 100%

Hybu y defnydd o ynni adnewyddadwy drwy ddulliau newydd o gynhyrchu a storio

Cyflymu'r newid i drafniadaeth ddi-garbon wrth hefyd wella cysylltedd y rhanbarth

Datblygu a manteisio ar potensial amaethyddiaeth i gyfrannu at ynni di-garbon

Manteisio ar arloesedd i gefnogi datgarboneiddio a thwf glân

Ein hasesiad ynni sylfaenol

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- Gostyngodd cyfanswm yr ynni a ddefnyddir gennym **14%** rhwng 2005 a 2013
- Ers 1990 mae allyriadau nwyon tŷ gwydr wedi gostwng **40%**

Mae ein galw am ynni yn ôl sector wedi'i rannu:

*mae'r holl figurau a ddangosir yn werthoedd bras



Our vision

"To achieve a zero-carbon energy system that delivers social and economic benefits, eliminates fuel poverty, better connects Mid Wales to the rest of the UK, and contributes to wider UK decarbonisation."

Our priorities

Drive forward the decarbonisation of the region's housing and building stock

Work proactively to ensure that electricity and gas grids in the region are suitable for a 100% decarbonised future

Boost the use of renewable energy through new generation and storage

Accelerate the shift to zero carbon transport whilst also improving the region's connectivity

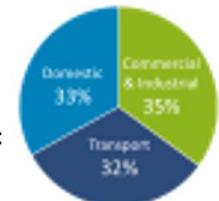
Develop & harness the potential of agriculture to contribute to zero carbon energy

Harness innovation to support decarbonisation and clean growth

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Our sectoral energy demand split:



* all figures shown are approximate values

Appendix 2 – Mid Wales Energy Strategy Overview

Tudalen 142

Strategaeth Ynni Canolbarth Cymru



Domestig

- 30,000 o gartrefi wedi'u hinswleiddio
- 26,000 o bympiau gwres wedi'u gosod
- Trydaneiddio systemau gwresogi mewn cartrefi oddi ar y grid
- Dim cysylltiadau nwy newydd o 2025

Masnachol a diwydiannol

- Datgarboneiddio'r rhwydwaith trydan drwy ynni adnewyddadwy a chynhyrchu y tu ôl i'r mesurydd
- Newid i danwydd amgen a thrydaneiddio gwresogi
- Gostyngiad o 23% yn y galw am ynni

Rhagdybiaethau modelu gweledigaeth ynni

Trydan adnewyddadwy

- Digon o hyblygrwydd, cyfleusterau storio ac uwchraddio seilwaith y rhwydwaith
- Rhanbarth yn cynhyrchu dwywaith yr ynni adnewyddadwy y mae'n ei ddefnyddio
- ~1GW gwynt ar y tir a solar ffotofoltäig

Trafnidiaeth ffyrdd

- 53% o gerbydau'n rhai trydan erbyn 2035
- 20% o ostyngiad mewn millitiroedd cerbydau preifat
- Trafnidiaeth gyhoeddus a theithio llesol wedi cynyddu

Gwredu ein gweledigaeth ynni

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Gwres ac ynni domestig

- 48%

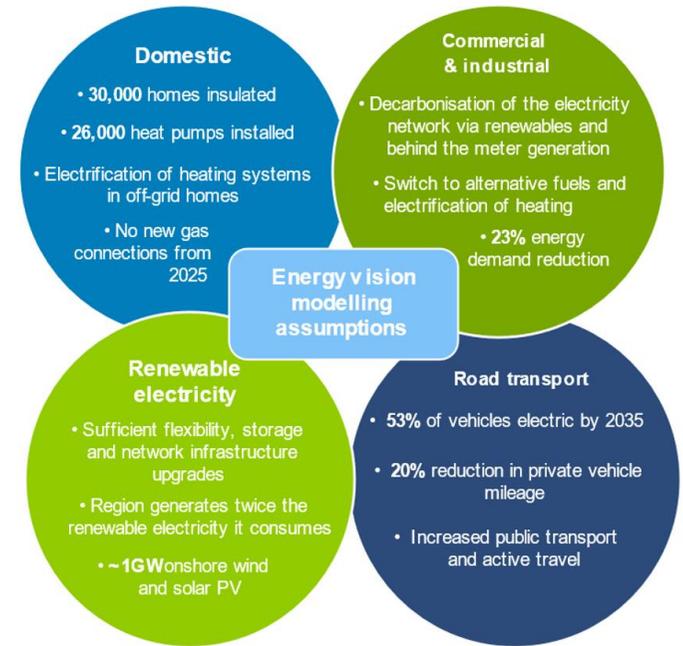
Masnachol a diwydiannol

- 54%

Trafnidiaeth y ffyrdd

Mae ein gweledigaeth ynni hefyd yn cefnogi uchelgeisiau Deddf Llesiant Cenedlaethau'r Dyfodol (Cymru) 2015.

Mid Wales Energy Strategy



Achieving our energy vision

To be on track for net zero by 2050, we need to reduce emissions from our energy system by 55% by 2035. Energy modelling achieves this reduction split by sector as follows:



Our energy vision is also supportive of the ambitions of the Wellbeing of Future Generations (Wales) Act 2015.

Appendix 2 – Mid Wales Energy Strategy Overview



Strategaeth Ynni Canolbarth Cymru

Amcangyfrif o effeithau economaidd cyflawni ein gwledigaeth ynni:



Mae angen gwariant o £2.5 biliwn
i wireddu ein gwledigaeth ynni

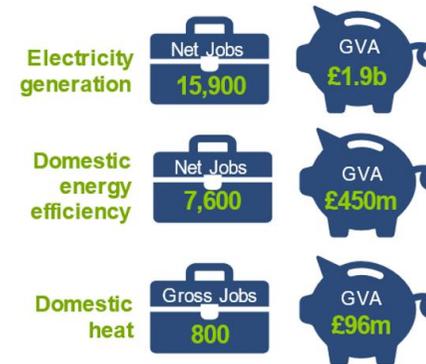
Ni fydd trigolion rhanbarth Canolbarth Cymru yn cyflawni'r holl swyddi, bydd rhai swyddi yn cael eu cyflawni gan unigolion y tu allan i'r rhanbarth.

Bydd y swyddi ychwanegol sy'n gysylltiedig â'r gwledigaeth hon yn gofyn am gryfhau a datblygu sgiliau newydd yn y rhanbarth.

*mae'r holl ffigurau a ddangosir yn werthoedd bras

Mid Wales Energy Strategy

Estimated economic impacts of achieving our energy vision:



£2.5 billion spend required
to achieve our energy vision

Not all of the jobs will be held by Mid Wales Region residents; some jobs will be held by persons outside of the region.

The additional jobs associated with this vision will require strengthening and building new skills within the region.

* all figures shown are approximate values

Mae'r dudalen hon wedi'i gadael yn wag yn fwiadol

Mid Wales Energy Strategy

Summer 2020

Funded and supported by:



Llywodraeth Cymru
Welsh Government

Supported by:



Cyngor Sir
CEREDIGION
County Council



Tudalen 145

Prepared by:



Gwasanaeth Ynni
Energy Service

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Executive summary

Executive summary

This regional energy strategy for Mid Wales has been developed by the Growing Mid Wales Partnership, Powys County Council and Ceredigion County Council, with support from regional stakeholders and the Welsh Government Energy Service. The Energy Service coordinated the development and production of this strategy document, and completed the energy modelling and economic analysis.

Our vision for Mid Wales is:

To achieve a net zero-carbon energy system that delivers social and economic benefits, eliminates fuel poverty, better connects Mid Wales to the rest of the UK, and contributes to wider UK decarbonisation.

Our priorities for achieving this vision are to:

1. Drive forward the decarbonisation of the region's housing and building stock
2. Work proactively to ensure that electricity and gas grids in the region are suitable for a 100% decarbonised future
3. Boost the use of renewable energy through new generation and storage
4. Accelerate the shift to zero carbon transport and improve connectivity
5. Develop and harness the potential of agriculture to contribute to zero carbon goals
6. Harness innovation to support decarbonisation and clean growth



The baseline energy assessment sets out the current energy use and generation in the region:

- Mid Wales hosts 7% of Wales' population and consumes ~6% of Wales' energy consumption;
- Energy demand is split roughly equally between the commercial and industrial sector (35%), the domestic sector (33%) and the transport sector (32%);
- Mid Wales generates the equivalent of 97% of its electricity consumption from renewable energy sources;
- Mid Wales hosts ~25% of Wales' onshore wind capacity and has the highest deployment of renewable heat installations of all the Welsh regions, with nearly 2% of homes using a biomass boiler or heat pump;
- Of the 412MW of renewable energy installed capacity in the region, 51MW (12%) is locally owned;
- Since 2005, total energy consumption has fallen by ~14% and the associated greenhouse gas emissions have fallen by ~20%; since 1990, greenhouse gas emissions from the region's energy system have fallen by 40%.

Note on scope: this baseline assessment and strategy focusses on the energy system only, covering power, heat and transport. It does not include greenhouse gas emissions or sequestration from non-energy related activity such as land use.

Achieving our energy vision for Mid Wales: to meet Welsh Government targets, and to be on track for net zero by 2050, Mid Wales needs to reduce emissions from its energy system by 55% by 2035. Our energy modelling achieves this reduction, split by sector as follows:

- 66% reduction in domestic emissions;
- 48% reduction in commercial and industrial emissions;
- 54% reduction in road transport emissions.

Figure 1. Energy System Vision sectoral decarbonisation



The energy vision scenario modelling demonstrates a pathway to achieve these emissions reductions and assumes a significant shift away from business as usual. The actions to achieve the emissions reduction and the future vision have been modelled and include:

Domestic:

- 30,000 homes insulated;
- 26,000 heat pumps installed;
- Electrification of heating systems in off-grid homes which currently use oil, LPG and solid fuels;
- No new gas connections for homes from 2025.

Commercial and industrial:

- A significant energy efficiency programme to reduce energy demand by 23%;
- A switch to alternative fuels and electrification of heating;
- Behind the meter renewable generation.

Road transport:

- 53% of vehicles driven in Mid Wales in 2035 are electric, equivalent to 2,000 more electric vehicles per year by the mid-2020s, peaking at 10,000 per year in the 2030s;
- 20% reduction in private vehicle mileage in 2035;
- A slowing in the total number of vehicles on the road, facilitated by increased public transport and active travel.

Electricity:

- Underpinning the changes in all of these sectors is the growing decarbonisation of electricity generation with emissions per consumed kWh falling to 30 gCO₂/kWh by 2035 in line with the assumptions used by National Grid's 2019 Future Energy Scenarios.

These assumptions summarise the level of action required between 2020 and 2035 to be on track to achieve net zero by 2050. The energy modelling focuses on proven decarbonisation technologies and actions that could be implemented by 2035 in order to demonstrate a potential decarbonisation route. The scenario is not intended to be prescriptive. There are a number of potential pathways to achieve energy system transformation, including new opportunities from technology innovation that will certainly emerge as the transformation takes place. The rapid evolution of technologies and pathways means that there are some major uncertainties and varying opinions about the precise route forward. What is clear is that different pathways all must achieve significant decarbonisation; should less action be achieved in any of the areas summarized above, other sectors will need to compensate with higher action to achieve the same results.

The level of transformation described by the energy modelling actions is significant. More importantly, the modelling demonstrates the potential to be on a net zero pathway by using proven technologies and underscores the critical role of short- and medium-term action. Innovation will be essential to compliment this action and to develop technologies, skills, and practices that continue to achieve decarbonisation beyond 2035.

The economic impacts of achieving the energy vision have been assessed in terms of job creation, gross value added (GVA) and the investment (or spending) required for the energy transition, in comparison to business as usual. The economic analysis demonstrates that almost £1 billion of additional investment/spending is needed to achieve the energy efficiency, electricity generation, and heat aspirations described in the energy vision between now and 2035. This represents approximately £66 million per year and will need to be financed from a range of sources including the private sector, households, and national and local government. This investment is 60% more than is expected to be spent in the corresponding sectors under a business as usual scenario.

The energy vision scenario is estimated to result in approximately an additional 5,200 net direct jobs, with an associated increase in GVA of ~£429m, associated with the delivery of accelerated deployment of renewable electricity generation technologies and enhanced levels of energy efficiency. In addition, it is estimated that there will be over 530 more gross jobs associated with the provision of low-carbon heating technologies in the ESV scenario than the BAU scenario, associated with £72m of GVA.

When considering the job figures presented its important to reflect on where these jobs will be located. The methodology focuses on direct jobs, a greater proportion of which are considered likely to be located in the region than indirect or induced jobs¹. However, we are unable to comment on the specific location of the jobs estimated; a portion of the jobs are likely to be located in Mid Wales and a portion may be held by persons residing outside of the region. The experience of Wales to date has been that many electricity generation jobs are held by those living outside of the region. This contrasts with energy efficiency jobs which are often held by local residents who provide services to the surrounding area. In order help Mid Wales benefit from jobs associated with future

¹ Direct jobs are typically associated with the manufacture, construction, and installation of equipment. Indirect jobs arise in the supply chain of the energy technology. Induced jobs related to jobs generated as a result of spending incomes earned from direct employment.

local electricity generation it will be important to first understand the reasons for any lack in local jobs and then to develop a policy response. **Note:** please refer to the economic modelling chapter and technical annex for details on data sources, limitations and methodology.

Table 1. Estimated difference in jobs, GVA and investment between the energy vision scenario and business as usual, from 2020 to 2035

Energy vision scenario for:	Jobs**	GVA	Investment required
Electricity generation*	2,240 (net) (+16%)	£ 255m (+15%)	£ 205m (+37%)
Domestic heat	540 (gross) (+243%)	£72m (+302%)	£127m (+213%)
Domestic energy efficiency	3,000 (net) (+63%)	£174m (+62%)	£612m (+64%)
Total additional investment required to achieve the energy vision scenario			£944m

*Electricity generation jobs figures were calculated using direct job intensity indicators. A reasonable proportion of direct jobs is likely to be held by residents local to an energy site. However, to date this has not always been the experience of Mid Wales. If business as usual policies continue, we expect that a potentially significant number of these jobs will be held by persons resident outside of the region.

**Impact on jobs is presented as either net or gross jobs depending on the available data.

***All figures are rounded. If figures do not sum it is due to rounding.

Green recovery from the Covid-19 pandemic: this strategy has been finalised in the midst of the COVID-19 pandemic. At the time of writing, the true economic and societal costs of the pandemic for Mid Wales are not fully clear.

As we move from the immediate emergency response to considering our options for economic recovery, this energy strategy has the potential to play a significant role in helping Mid Wales to recover and rebuild sustainably. It sets out a pathway for accelerating the shift to a decarbonised energy system in the region and demonstrates the potential for achieving far greater local economic benefits than could be achieved by returning to business as usual.

Next steps: There are three key next steps to help this strategy come to life and to create action: developing the governance structure, socialising the strategy throughout the region, and developing a delivery plan.

Acknowledgement: We would like to thank all of the stakeholders who made valuable contributions to this work through their participation in workshops, completing surveys, providing data, and additional communication on the phone and by e-mail.

Acronyms and abbreviations

ASHP	Air Source Heat Pump
BAU	Business as Usual
BEIS	The Department for Business, Energy, and Industrial Strategy
bioSNG	Bio-synthetic natural gas
CCC	Committee on Climate Change
CHP	Combined Heat and Power
CO ₂	Carbon dioxide
CO ₂ e	Carbon dioxide equivalent
CITB	Construction Industry Training Board
DNO	District Network Operator
DEFRA	Department for Environment, Food & Rural Affairs
DNS	Development of National Significance
ECO3	The Energy Company Obligation phase 3
EPC	Energy Performance Certificate
ESV	Energy System Vision
EV	Electric Vehicle
FES	Future Energy Scenarios
GSHP	Ground Source Heat Pump
GVA	Gross Value Added
GW	Gigawatt
GWh	Gigawatt hour
HGV	Heavy Goods Vehicle
HHP	Hybrid Heat Pump
kt	kiloton
kWh	Kilowatt hour
LPG	Liquid petroleum gas
MCS	Micro-generation Certification Scheme
MW	Megawatt
NAEI	National Atmospheric Emissions Inventory
NRW	Natural Resource Wales
PV	Photovoltaic
RHI	Renewable Heat Incentive
SME	Small and medium-sized enterprises
TWh	Terawatt hour
ULEV	Ultra-Low Emissions Vehicle
WGES	Welsh Government Energy Service
WHQS	Welsh Housing Quality Standard
WPD	Western Power Distribution
ZILF	Zero Interest Loan Finance

Introduction

Introduction

The Growing Mid Wales Partnership alongside Powys and Ceredigion County Councils, with support from the Welsh Government Energy Service, have undertaken a year-long project to develop a regional energy strategy for Mid Wales.

The energy transition and decarbonisation are priorities for the region; both Ceredigion and Powys County Councils have declared a climate emergency alongside a number of town councils including Aberystwyth, Machynlleth, Llanidloes, Newtown and Llanllwchaiarn, and Welshpool. The Welsh Government has also declared a climate emergency and set a target to reduce greenhouse gas emissions by 95% by 2050. Achieving this target will require substantial transformation of our energy system and will mean an evolution of the daily technologies that provide our heating, transportation, and power. Transitioning to a modern, place-based decarbonised energy system that is fit for the twenty-first century poses significant challenges, but it also has the potential to bring great benefit, both for the environment and for economic and social wellbeing of our communities.

This work seeks to provide a strategic direction for the future of a decarbonised energy system including heat, power and transport within Mid Wales. It will define steps to begin to overcome the challenges we face. Furthermore, while the energy transition has the potential to bring benefits to our communities, maximising this benefit requires a clear focus and action in order to ensure benefits are secured and retained within the region.

The work has been developed in support of tremendous efforts that are underway to develop a growth deal for the region. To be sustainable, economic growth in Mid Wales must be low carbon. This strategy provides a considered approach and an evidence base for the region to move forward collaboratively towards a future decarbonised energy system. In doing so, it seeks to help Mid Wales address the climate emergency. This strategy is presented in five chapters.

Chapter 1: Vision - The energy system vision that is presented in this strategy was developed with stakeholder contributions through the project's first workshop, survey feedback, and targeted stakeholder conversations. The vision describes the region's aspiration for what a future energy system will achieve and how it will function. Five core values have been defined that should be at the heart of future energy projects and decisions.

Chapter 2: Priorities - A literature review was undertaken combining key policy and evidence documents with expert interviews and workshop consultation to build a more comprehensive picture of the challenges and opportunities in Mid Wales. This includes available levers, barriers to development and key technologies. This research, and in particular the thoughts and ideas shared by stakeholders, informed the development of strategic priority areas. These priorities are central to achieving the region's decarbonisation goals and are important to its stakeholders.

Chapter 3: Energy system, energy use & emissions - A baseline study provides a portrait of the Mid Wales energy economy and landscape today. This chapter also summarises energy modelling that evaluates potential options for a pathway to a net zero energy system in the region.

Chapter 4: The future of energy and the economy - The fourth chapter considers the energy system pathways modelled and the economic impact of those pathways in terms of jobs, gross value added (GVA), and the investment required to make those pathways a reality.

Chapter 5: Next Steps – Outlining the three key next steps that we will take to translate the Mid Wales energy system vision into reality.

We would like to thank all of the stakeholders who made valuable contributions to this work through their participation in workshops, completing surveys, providing data, and additional communication on the phone and by e-mail.

Impact of the Covid-19 pandemic

This strategy has been finalised in the midst of the COVID-19 pandemic, which is having a profound effect on the lives of millions of people around the world, bringing unprecedented challenges for our economy, our society and our communities. At the time of writing, the true economic and societal costs of the pandemic for Wales and the Mid Wales region are not fully clear, but the severity of the impacts on the global economy are forecast by many commentators to exceed that of the 2008 financial crisis.

The pandemic is also taking place against the backdrop of the ongoing climate emergency. And whilst the economic damage caused will undoubtedly result in a short-term reduction in greenhouse gas emissions, it is possible that emissions could rebound if climate positive solutions are not included as central elements in our economic stimulus packages.

As we move from the immediate emergency response to save lives, support the health sector, retain jobs and support our society and economy, we must recognise that our approach to the economic recovery that will follow provides us with a unique opportunity to sustainably rebuild our economy and make greener investments and climate positive decisions that set us on a pathway that aligns with the Welsh, UK and international climate targets.

In this context, it is essential to acknowledge that our economic recovery and growth plans need to be decoupled from greenhouse gas emissions. We need to recognise the significant economic potential that a green recovery can have to rebuilding a sustainable economy in Mid Wales.

The Committee for Climate Change (CCC)² has identified 6 key principles for a resilient recovery from the pandemic, and we must ensure that our strategy is underpinned by these cross-cutting principles to help put Mid Wales in a position to capitalise on opportunities that may arise from the recovery:

1. Use climate investments to support economic recovery and jobs
2. Lead a shift towards positive, long-term behaviors
3. Tackle the wider 'resilience deficit' on climate change
4. Embed fairness as a core principle
5. Ensure the recovery does not lock-in greenhouse gas emissions or increased risk
6. Strengthen incentives to reduce emissions when considering tax changes.

We must also learn from the pandemic, taking the lessons from our response and apply them to the climate emergency. This may include for example:

- the need for openness and transparency;
- the importance of good data;
- the speed with which people can change behaviours and industry re-purpose;
- the need to support individuals and businesses through economic transition; and
- the importance of global collaboration.

² [Climate Change Committee: Take urgent action on six key principles for a resilient recovery](#)

Other lessons will undoubtedly emerge. But perhaps the biggest lesson from the COVID-19 pandemic is about the need for anticipation and preparedness in dealing with major societal issues, and the population's capacity and willingness to accept significant lifestyle changes if it is deemed necessary for the good of society. It teaches us anything it is that we cannot afford to ignore science or expert judgement about the risks faced by our societies or wait for problems to arrive before taking action. Learning lessons from the response to a global health emergency, and applying this to that of the global climate emergency could pave the way for the accelerated and sustained change that is so critical in solving the problem of climate change.

As the COVID-19 crisis is still ongoing at the time of writing, it is still somewhat unclear when and how Wales will emerge fully from the current lockdown, and the process and timeframe through which the lockdown and social distancing will be eased; or, indeed, whether we will encounter a subsequent lockdown in the future, whether at national or local levels. We must therefore acknowledge the significant uncertainties that exist around how the Mid Wales economy will emerge from the crisis as well as the uncertainties associated with the shape of the future economic growth and decarbonisation trajectories modelled in this strategy. As such, the economic and climate modelling that underpins this strategy will need to be kept under review and updated when, and how, our emergence from the COVID-19 crisis becomes clearer. Certain elements of the strategy, such as our understanding of what it means to make 'futureproof decisions', may also need to be revisited.

In addition, Mid Wales may be able to capitalise on the opportunity to sustain behaviours observed throughout the pandemic that have had a positive effect on reducing emissions, such as the increase in active travel, reduction in travel by private car, increased working from home practices and willingness to invest in domestic property improvements. Directing resources towards infrastructure that will support the embedding of such behaviours into business as usual for communities and businesses has the potential to drive lasting emissions reduction as we recover from the COVID-19 crisis.

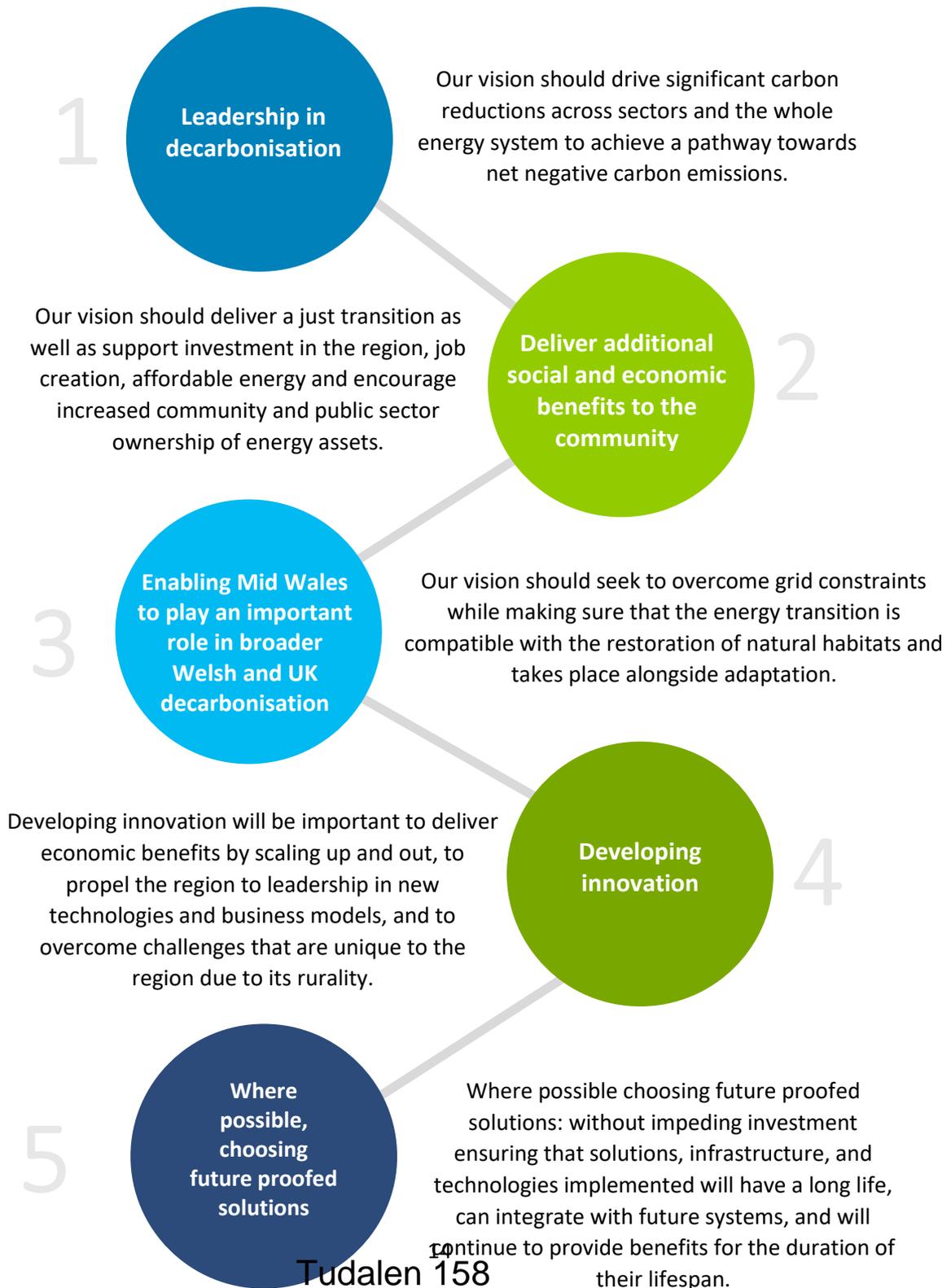
However, the fundamental principles of this strategy remain firmly relevant. With its focus on cleaner, fairer economic growth, this energy strategy has the potential to play a significant role in helping Mid Wales to recover and rebuild sustainably. It sets out a pathway for accelerating the shift to a decarbonised energy system in the region and demonstrates the potential for achieving far greater local economic benefits than could be achieved by returning to business as usual.

Our energy vision

Our energy vision:

To achieve a net zero carbon energy system that delivers social and economic benefits, eliminates fuel poverty, better connects Mid Wales to the rest of the UK, and contributes to wider UK decarbonisation.

Our vision is guided by five core principles:



Our priorities

Our priorities

To achieve our vision we have defined the following six priority areas:



Drive forward the decarbonisation of the region's housing and building stock

Work proactively to ensure that electricity and gas grids in the region are suitable for a 100% decarbonised future



Boost the use of renewable energy through new generation and storage

Accelerate the shift to zero carbon transport and improve connectivity



Develop and harness the potential of agriculture to contribute to zero carbon goals

Harness innovation to support decarbonisation and clean growth



Understanding our priorities



Drive forward the decarbonisation of the region's housing and building stock

- Prioritise increasing **energy efficiency of the current housing stock** to enable a significant reduction in domestic energy demand.
- **Combat fuel poverty** by driving forward energy efficiency, targeting low EPC rated homes, and reducing energy costs through appropriate heat technology choices.
- Decrease the number of properties using fossil fuels to heat their homes through the acceleration of **heat pump deployment**.
- **Support small businesses** to implement energy efficiency and to explore new tariffs that could drive savings.
- **Encourage commercial and industrial** businesses in the region to implement energy efficiency and onsite renewable energy generation to benefit from energy savings.
- Increase **acceptance of energy efficiency upgrades** in the older housing stock through encouraging solutions that are appropriate for the local architecture and by increasing the visibility of energy savings, health benefits, and house value.
- Work with local educational institutions to design training programmes that **upskill local trades people** in the building industry.
- Use building regulations to drive **energy efficiency and low carbon heat in new homes** and remove barriers to energy efficiency in existing homes.



Work proactively to ensure that electricity and gas grids in the region are suitable for a 100% decarbonised future

- Facilitate collaboration between the planning authorities, Natural Resources Wales, developers, community energy groups, and the Distribution Network Operators in order to improve the current processes and to **overcome current and future grid capacity constraints** that will limit the uptake of low carbon heat, EV charging, and renewables.
- **Explore the use of smart solutions** to solve grid capacity issues.
- Additionally, review planning processes to ensure that communication and timing does not hinder development.



Boost the use of renewable energy through new generation and storage

- Explore the use of **energy storage** to maximise the use of existing and new renewable energy generation.
- Explore significant scale **public and community ownership** of renewable projects.
- Facilitate the use of **small-scale generating technologies** in addition to large-scale renewables.
- Facilitate use of **roof mounted solar** on homes and businesses.
- **Optimise existing onshore wind** sites through repowering and on-site storage.
- Accelerate visually sympathetic **onshore wind deployment** and define how this can lead to local economic and social benefits and contribute to a vibrant low carbon economy.
- Drive **increased public understanding** of low carbon technologies and their potential community benefits and combat misconceptions surrounding these technologies.



Accelerate the shift to zero carbon transport whilst also improving the region's connectivity

- Make **public transportation infrastructure** more connected and focus on strategic transport routes, making use of market towns as transport hubs that facilitate mixed modes of transport.
- Prioritise supporting the transition of private cars to low carbon forms of transport given the region's dependence on the private car. As a first step, the region should implement an effective **electric vehicle charging network**. In the longer term, prepare infrastructure for hydrogen fuelling for HGV vehicles.
- Collaborate with the Distribution Network Operators to ensure that appropriate, **future proof solutions** for EV charging are put in place and that network infrastructure is capable of dealing with a high roll-out of EVs.
- Improve **digital connectivity** to reduce the need for travel by facilitating alternatives such as remote working.
- Deploy more infrastructure to encourage **active travel**, including cycle spaces on trains, cycle lanes and urban cycle routes that are linked with transport hubs.
- Generate **behavioural change** to reduce private car use through carpooling and use of shared vehicles.



Develop and harness the potential of agriculture to contribute to zero carbon energy

- Ensure that the **farming community is properly engaged** with respect to the low carbon transition.
- Explore **on-farm generation and battery storage** as a means of utilising more of the region's own renewable energy.
- Facilitate the sustainable use of **anaerobic digestion** and build the relevant supply chains to supply the region with power from generated low carbon gas.



Harness innovation to support decarbonisation and clean growth

- **Collaborate with other regions** in Wales to maximise efforts and create synergies through sharing lessons learned and best practices.
- Engage with key industry stakeholders to understand the skills gap and support **training and skills development** to attract young graduates and fuel innovation. Increase apprenticeships and ensure that job opportunities in the industry exist for young people in the region.
- Encourage public bodies in Mid Wales to support the development of **circular economy businesses** within the region.
- Develop of an **understanding of the role hydrogen has to play** in decarbonising industry and transport in the region.
- Explore methods for **reducing tourism-related emissions**.
- Support organisations in the region to embrace **innovative financial models** for the deployment of low carbon technologies and business models.
- Support the **commercialisation of low carbon innovation** in order to create jobs and support the local economy.
- Support the use of **demand side response** and the **development of local energy markets**.

Our energy system, energy use and emissions

Modelling an 'Energy Vision' scenario

Aims of undertaking scenario modelling

Scenario modelling has been undertaken to create two scenarios for future energy systems in Mid Wales. The first scenario is a business as usual (BAU) scenario. The second scenario is a 2035 Mid Wales energy vision scenario (ESV) that could deliver against the level of ambition set out in the Energy Vision statement. This chapter shares business as usual insights, but mainly focuses on presenting the actions in the energy system vision scenario. The modelling outcomes are unique to the region, taking advantage of local resources and opportunities.

The overall aim of the energy vision scenario is to set out a potential decarbonisation route that will put the region on a path consistent with achieving a net zero energy system by 2050. The scenario is not intended to be prescriptive. There are a number of potential pathways to achieve energy system transformation, including new opportunities from technology innovation and changes to energy demand that will certainly emerge as the transformation takes place.

The modelling presents a potential development scenario that is intended to:

- highlight the scale of the challenge
- identify existing opportunities and barriers
- point to new opportunities and key decisions
- provoke discussion and inspire action planning.

The scenario focuses on known decarbonisation solutions that could be implemented by 2035, which would put Mid Wales on a pathway consistent with achieving net zero emissions by 2050. The focus on known and proven technologies demonstrates that this pathway can be achieved and also removes uncertainty associated with more nascent technologies. Despite the focus on proven technologies innovation will undoubtedly play an important role in the energy transition and should be pursued. The modelling takes a multi-vector approach, considering the interactions between heat, transport and electricity demand. For example, the impact of decarbonising heat through electrification is reflected in increased annual electricity demand.

Why does the scenario look to achieve zero emissions from energy in 2050 and not 95% decarbonisation?

Box 1. Why does the scenario look to achieve zero emissions from energy in 2050 and not 95% decarbonisation?

The Committee on Climate Change (CCC) has recommended that Wales adopts an overall decarbonisation target reduction of 95% against a 1990 baseline by 2050. This target, which is lower than the equivalent UK 2050 net zero decarbonisation target, recognises that Wales faces several additional challenges including higher greenhouse gas emission from its agriculture and parts of its heavy industry.

However, the Welsh Government has expressed an ambition to exceed this target and aim for 100% decarbonisation. Non-energy industrial, agriculture, waste, and land use change emissions are out of scope of this energy system study. Both a Welsh 95% and a 100% emissions reduction target require the energy system to maximise its decarbonisation, reserving any residual emissions for more difficult to decarbonise sectors such as agriculture and heavy industry. It is worth noting that during the course of our engagement, stakeholders in the region have expressed very strong support for ambitious decarbonisation.

Methodology in brief

The modelling sets an indicative decarbonisation trajectory to 2035 that is consistent with achieving net zero emissions by 2050. The trajectory has been created using a methodology that reflects the high-level methodology used by the Committee on Climate Change in its 2019 Progress Report³. This absolute contraction methodology assumes a constant rate of decarbonisation is achieved between now and achieving net zero by 2050. This is used as a preliminary benchmark pending next year’s more detailed assessment by the CCC which will set out more detailed carbon budgets consistent with the new net zero target.

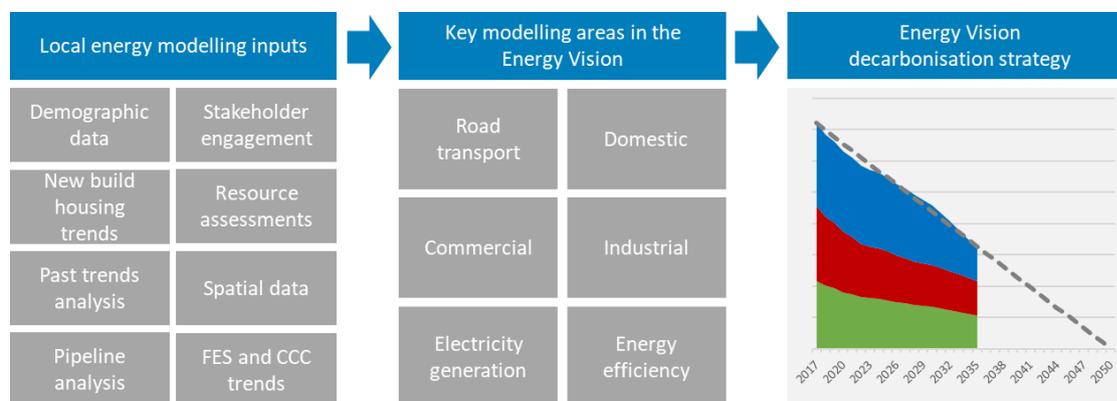
The baseline has been established by gathering and analysing national and local datasets of energy consumption, energy efficiency and generation. The model has been created through a bottom-up analysis of the potential level of uptake of measures/technologies that is possible by 2035.

Assumptions have been drawn from a range of sources including:

- The Committee on Climate Change reports^{4, 5};
- National Grid’s Future Energy Scenarios⁶;
- The project team’s past work on future energy scenarios for Wales & West Utilities and for Western Power Distribution (WPD)⁷; and
- Discussion with local, regional and national stakeholders;

The methodology results in a bottom-up, stakeholder-informed Energy Vision for each unique Welsh region

Figure 2. Modelling methodology



Worked example: The modelling approach for domestic heat

³ [Committee on Climate Change \(2019\) 2019 Progress Report to Parliament](#)

⁴ [Committee on Climate Change \(2019\) 2019 Progress Report to Parliament](#)

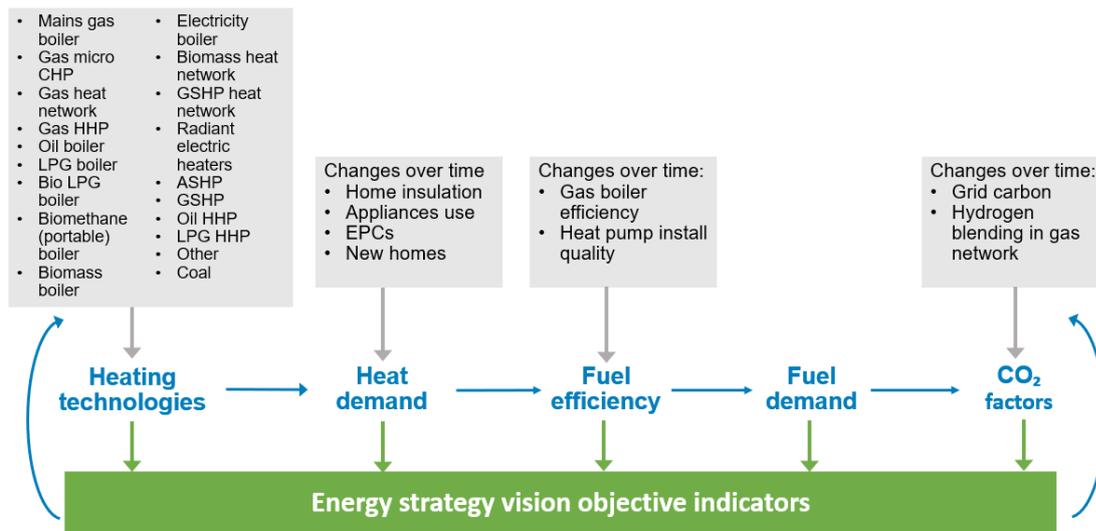
⁵ [Committee on Climate Change \(2018\) Hydrogen in a low-carbon economy](#)

⁶ [National Grid \(2019\) Future Energy Scenarios](#)

⁷ [Regen: Local future energy scenarios](#)

[Regen: Wales and West Utilities - Regional growth scenarios for gas](#)

Figure 3. Modelling approach worked example



A note on scope

Box 2. A note on the scope of emissions assessed

The strategy is focused on emissions associated with the energy system in Mid Wales. As a result, the scope of the modelling is limited to the energy system, which includes transport, power, and heat use. Emissions or sequestration from non-energy activity such as agriculture and land use are not considered in the model. Data limitations and issues around whether emissions are considered locally or nationally mean that some other emissions that are within the energy system are also not considered by the model. These include aviation, shipping, and some very large industrial energy users.

A note on energy modelling and Covid-19

Box 3. A note on energy modelling and Covid-19

The energy modelling was undertaken pre-Covid-19. In terms of energy modelling, this means that the results presented here do not take into account energy consumption changes associated with Covid-19 impacts such as a switch to working from home. We are only beginning to understand the behavioural and economic impacts from Covid-19 and their knock-off effects on energy usage, as well as the extent to which any changes will persist into the future. As such, the energy modelling that underpins this strategy will need to be kept under review and updated when, and how, our emergence from the COVID-19 crisis becomes clearer.

Baseline and modelling results

Our energy consumption

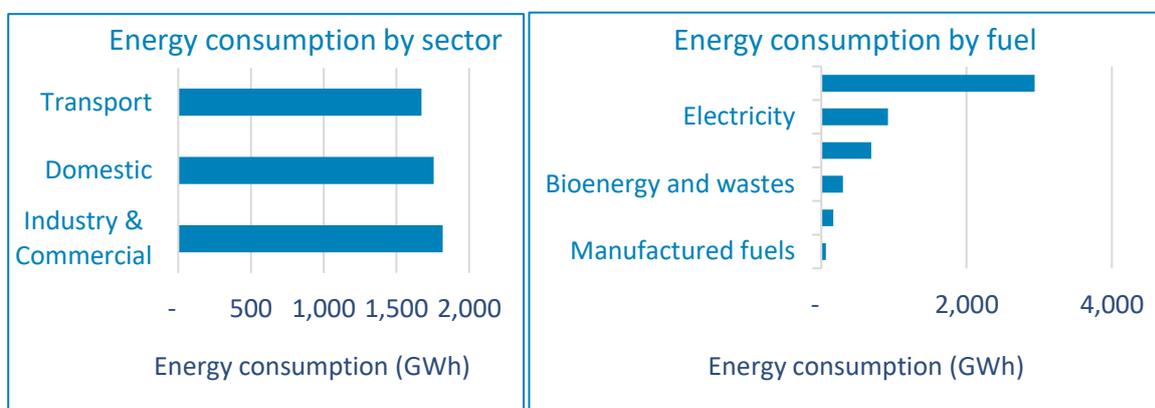
Baseline: energy consumption by sector

Mid Wales currently consumes around 6% of all energy consumed in Wales⁸, which is slightly lower than its 7% share of the Welsh population⁹.

The region's total energy demand is split broadly into three main areas, weighted towards commercial and industrial use, with:

- Transportation consuming 32%
- The domestic sector – household heat and power use - consuming 33%
- The commercial and industrial sector consuming 35%

Figure 4: Energy consumption trends in Mid Wales. Source: BEIS Sub national total final energy consumption, 2017.



Box 4. Definition and scope of transport, domestic, and commercial and industrial sectors

Transport –energy consumption and resulting emissions associated with road transport, including HGVs, vans, cars and buses.

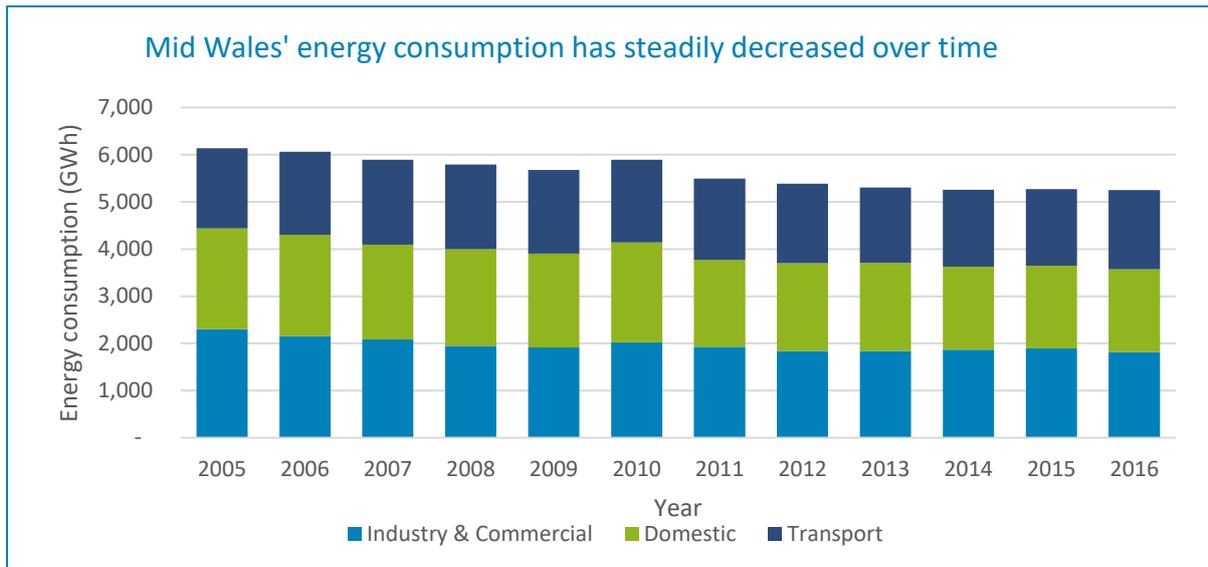
Domestic –energy consumption and resulting emissions associated with all heating, lighting, cooking and appliance use in the home

Commercial and Industrial – energy consumption and resulting emissions associated with all non-domestic activity, including business, the public and third sectors and industrial processes (some very large industrial users are excluded from the data due to issues around commercial sensitivity).

⁸ BEIS: Regional and local authority electricity consumption statistics, 2019

⁹ StatsWales: Population estimates by local authority and year

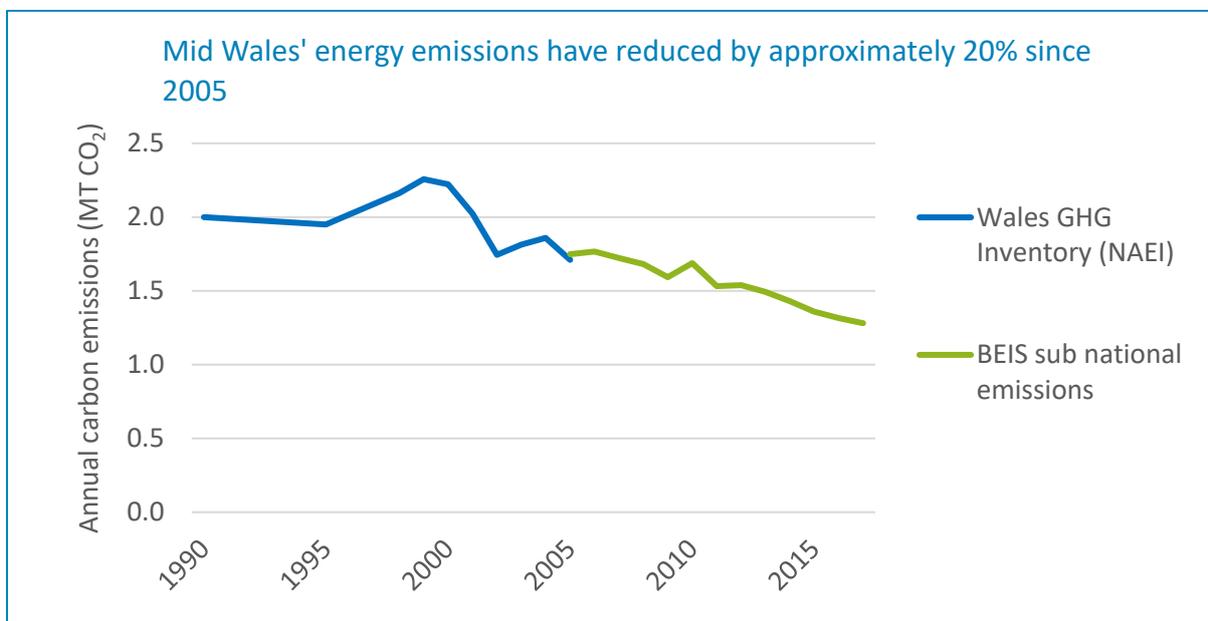
Figure 5. Energy consumption by sector in the Mid Wales Region. Source: BEIS total final energy consumption (2019)



Analysis of BEIS sub-regional data¹⁰ shows that total energy consumption has fallen by 14% since 2005, an average rate of about 1% per year. This is less than the 20% reduction in energy demand experienced across Great Britain over the same period.

The emissions resulting from energy consumption have reduced by around 20% since 2005, and nearly 40% since 1990, with a larger proportional decrease in emissions than consumption, largely attributable to decarbonisation of the electricity grid.

Figure 6: Estimated historic emissions in Mid Wales. Source: BEIS sub-national emissions, Wales NAEI Greenhouse gas inventory



¹⁰ BEIS: Regional and local authority energy consumption statistics, 2019

Energy system vision: energy consumption by sector

To be on track for net zero by 2050, Mid Wales needs to achieve a 55% decarbonisation of its energy system by 2035. By reviewing the measures that could be implemented in Mid Wales by 2035, this 55% target decarbonisation can be split by sector into:

- 66% domestic emissions reduction;
- 48% commercial and industrial emissions reduction;
- 54% transport emissions reduction.

Figure 7. Mid Wales' Energy Vision decarbonisation trajectory by sector to meet net zero 2050 under an absolute contraction methodology Source: WGES analysis

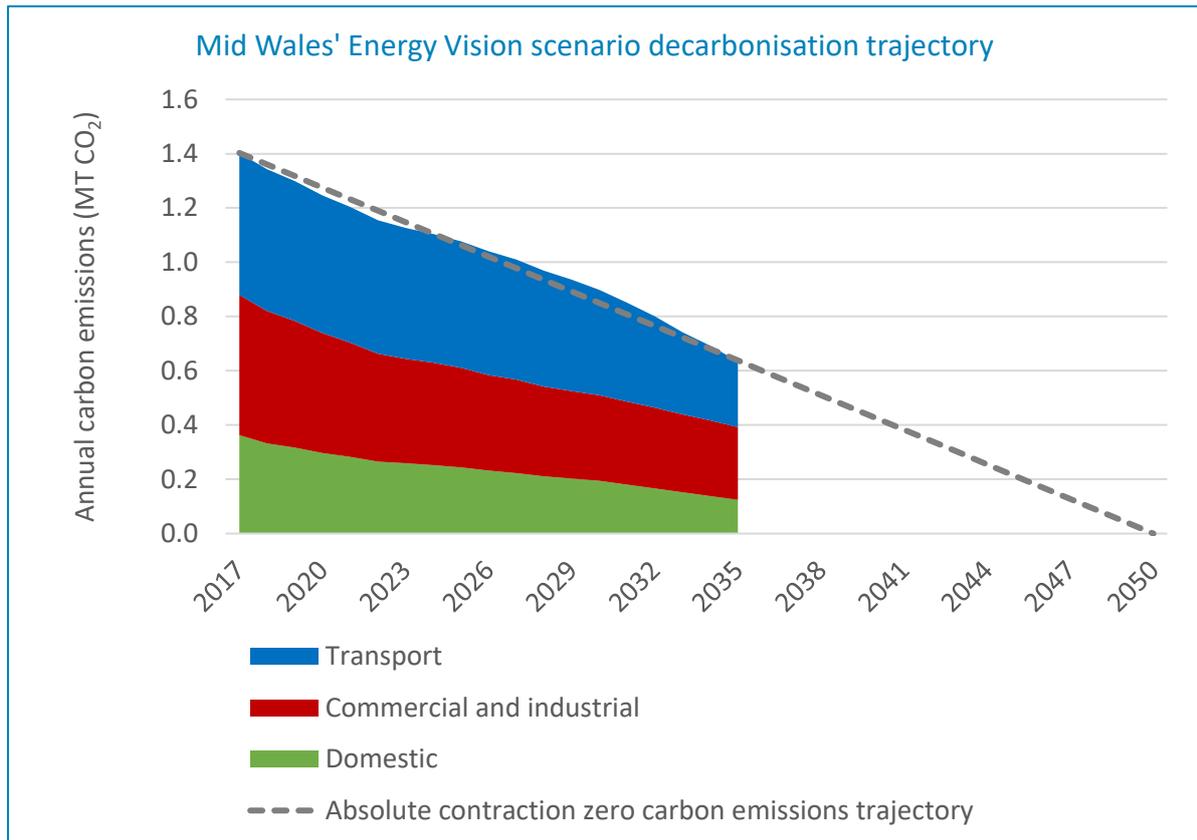


Figure 8. Sectoral summary of the Energy Vision's emission reductions

Source: WGES analysis

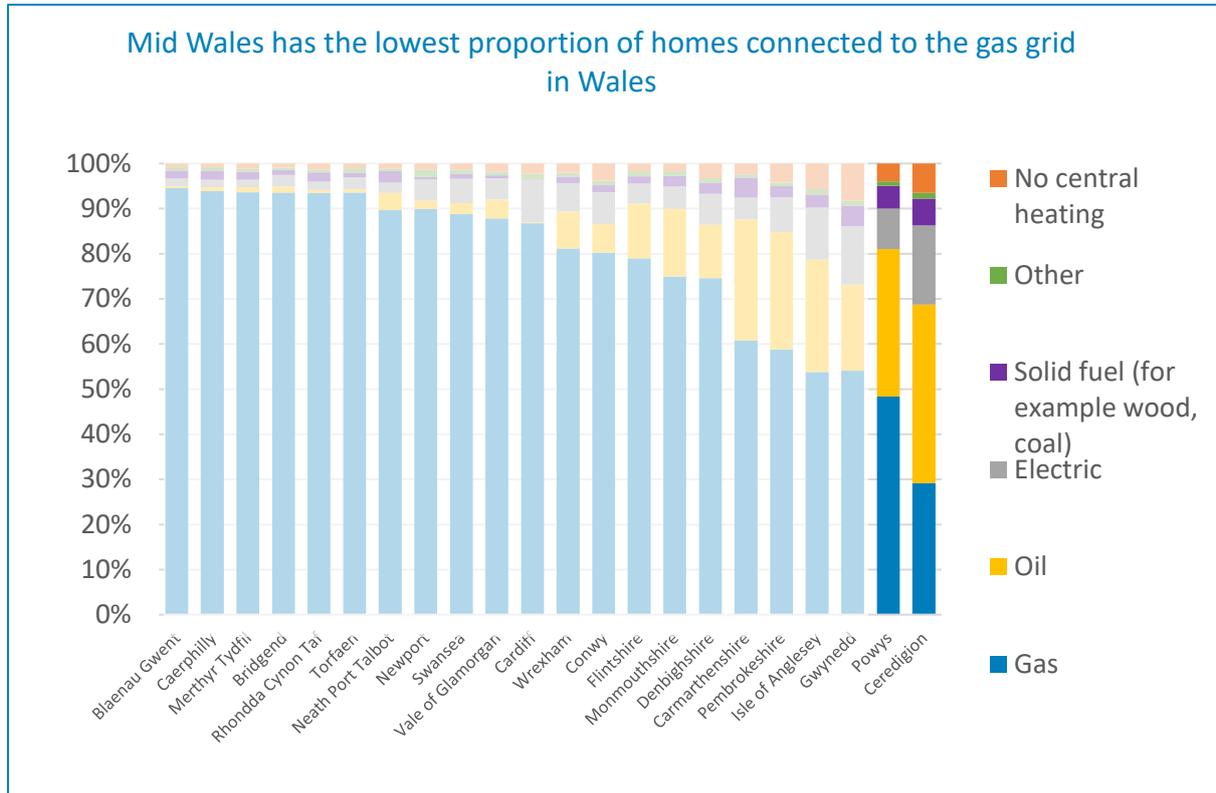


Our domestic energy consumption

Baseline: Domestic

As a largely rural region, energy demand is dispersed and the gas network does not reach many areas of Mid Wales. The region has the highest proportion of off gas grid properties in Wales with 52% of properties in Powys off gas grid and 72% in Ceredigion.

Figure 9: Percentage of homes heated by different heating fuels in each Welsh local authority. Source: Census, 2011. MHCLG, Energy Performance Certificates.



Mid Wales has the highest deployment of renewable heat installations in Wales, with nearly 2% of homes having a heat pump or biomass boiler.

Figure 10: Renewable heat projects by region in Wales. Source: Energy Generation in Wales, 2017

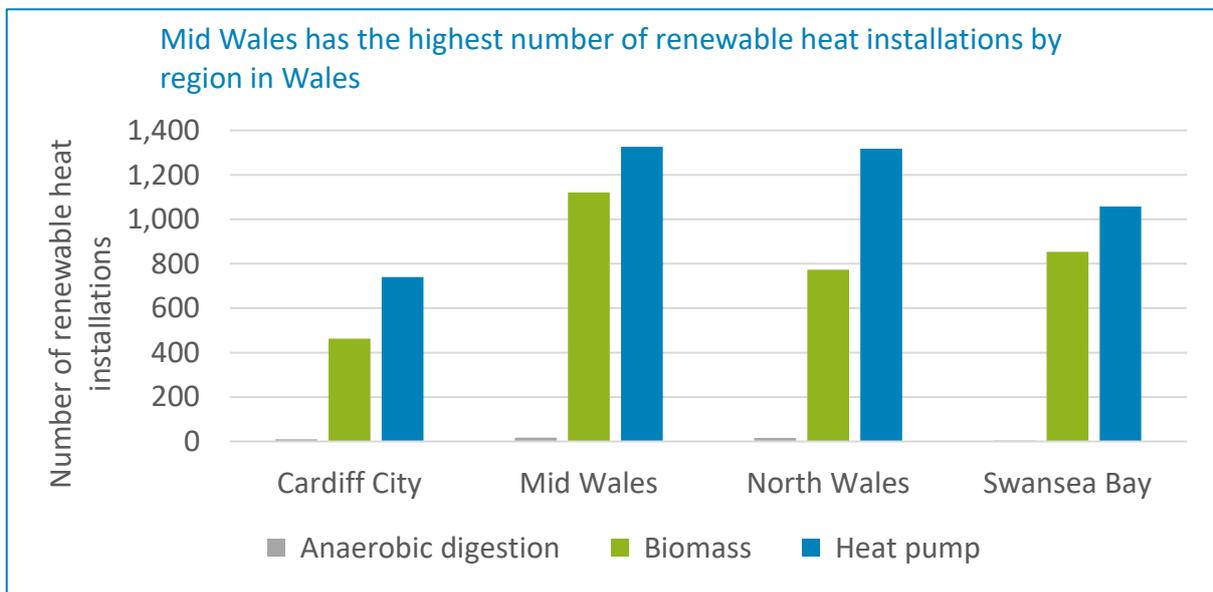
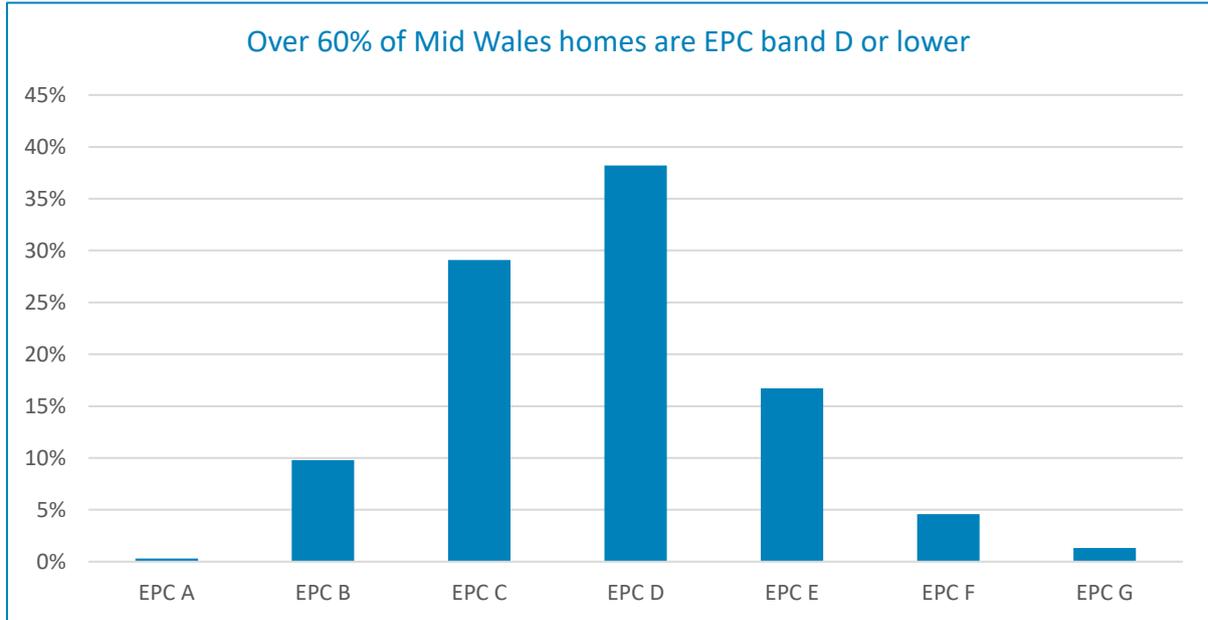


Figure 11: Proportion of homes in Mid Wales in each EPC band. Source: MHCLG, Energy Performance Certificates



Fuel poverty is relatively high in the region: approximately 17% of homes in Ceredigion and 14% of homes in Powys experience fuel poverty.

Domestic energy efficiency is relatively poor in Mid Wales, with an estimated 41 percent of homes rated as EPC band E, F or G, compared to 23% in Great Britain¹¹. Rural homes tend to be older and harder to heat and are often more challenging to retrofit.

Despite this, domestic energy demand has fallen by 30% since 2005. Much of this decrease is due to boiler and appliance efficiency and use of condensing gas boilers.

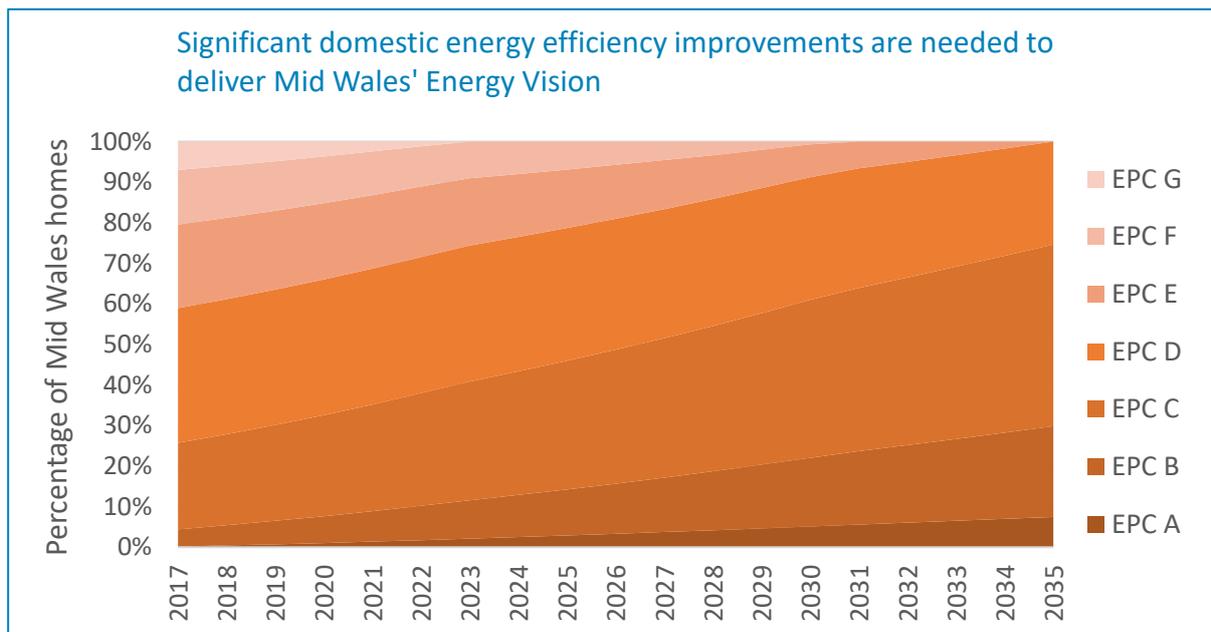
¹¹ Not all homes have a current EPC as these are only required when houses are advertised for sale or rent. As a result, the EPC figures are estimates based on extrapolating the known data.

Energy Vision scenario: Domestic

Achieving a 66% reduction in domestic carbon emissions by 2035 requires a significant shift in the way homes are heated and their level of energy efficiency.

The energy modelling scenario achieves improved energy efficiency by installing a variety of energy efficiency measures. In terms of EPC ratings and focusing on improving the worst performing homes, these energy efficiency measures could eliminate all E, F and G rated homes by 2035, as well as some improvements to homes with higher ratings. Under the Energy Vision scenario, 41% of all homes move from G, F and E to D, C and B ratings.

Figure 12: Estimated domestic EPC band changes to deliver the Energy Vision scenario. Source: WGES analysis



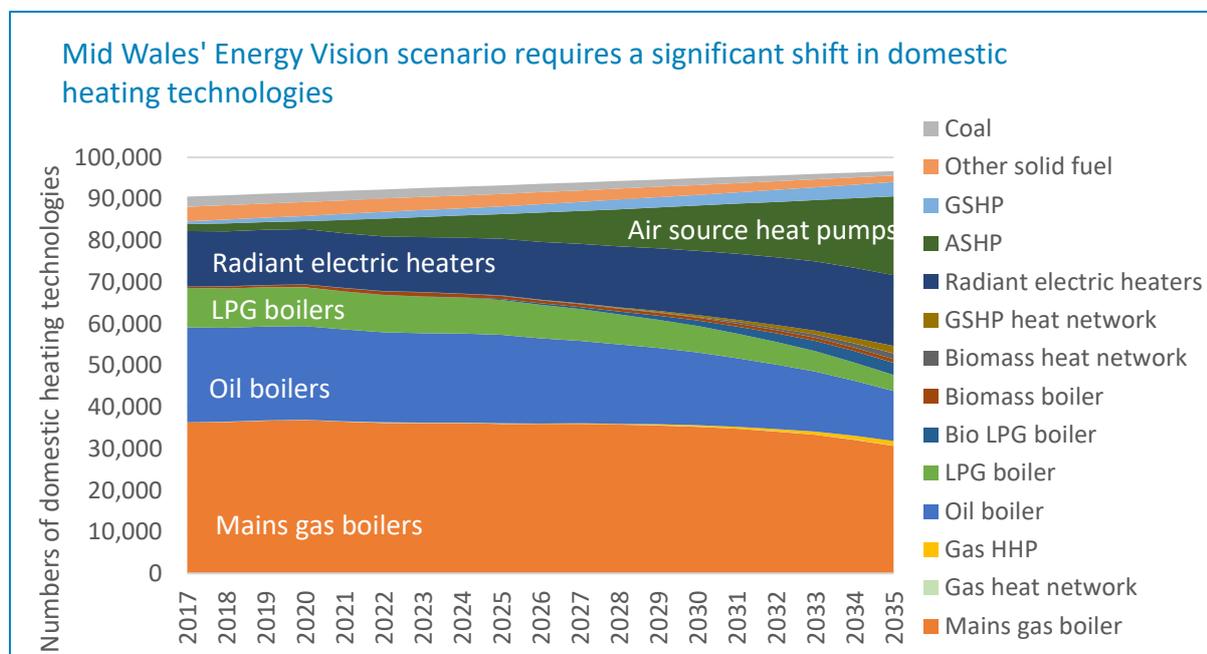
In terms of heating, the energy system vision scenario requires around 28,000 homes to move from oil or other fossil fuels to renewable heating. The scenario assumes this transition will be dominated by a shift to air source heat pumps, with a smaller role for ground source heat pumps, biomass and bio-LPG fuelled heating options as can be seen in Figure 13 below. By 2035, the scenario assumes over 26,000 heat pumps have been installed in Mid Wales. Heat networks have a limited role in Mid Wales due to the rurality of the area, with around 775 homes estimated to connect to a heat network by 2035.

The recent consultation from Welsh Government on Building Regulations Part L is looking to lay down the standards for housing construction for 2020 to 2025 and give industry notice by exploring the expected standards that will be in place from 2025. The current proposals for 2020 are to improve the target emissions rate for new build homes by raising the fabric standards and introducing renewable energy technology into the notional buildings that sets the target emission rate. To meet the new target, developers may, for example, choose to install low carbon heating, but if not, will be required to future proof so that low carbon heating can be easily retrofitted in the future. The target outcome is that homes built in 2025 will emit 75% to 80% less carbon than those built to the 2014 Part L requirements¹². The challenge will be to close the remaining gap to true zero carbon development.

¹² [Welsh Government \(2019\) Welsh Government Consultation Document: Building Regulations Part L and F Review](#)

The energy vision scenario relies on new homes being built with low carbon heating and high standards of energy efficiency from 2025, rather than building properties that will need retrofitting at a later date. If Welsh Government or the local authorities in Mid Wales choose to bring this date forwards, there will be a benefit in that the number of homes needing retrofitted by 2050 would be reduced.

Figure 13: Energy Vision scenario domestic heating technology numbers, including existing and new build houses.
Source: WGES analysis



Scenario summary: domestic

Table 2. Domestic heat and energy efficiency energy vision scenario example outcomes

Sector	Example outcomes Energy Vision scenario	Energy prize	Carbon saving potential
Domestic heat and energy efficiency	5,500 houses fitted with internal or external wall insulation	20% reduction in thermal energy demand	236 kt CO ₂ (68% reduction)
	24,500 homes fitted with other insulation measures		
	Over 26,000 heat pumps	39% net decrease in domestic heating energy consumption	
	Prioritisation of electrifying heat use in oil, LPG and solid fuel heated homes		
	No gas in new homes from 2025 to avoid retrofitting at a later date		

Additional detail regarding the assumptions behind the domestic heating energy modelling can be found in Box 5 and Table 3 below. It's worth noting that the Wales & West Utilities outlook regarding the potential for biomethane and hydrogen has evolved since the modelling was undertaken following the UK government evolution to a net zero target last year. Wales and West Utilities' net zero scenario shows higher potential for biomethane and hydrogen. For example, when incentivised, biomethane levels can exceed previous upper

limits and in some parts of the WWU network will reach over 20% by 2021. These ambitions are still complimented by high levels of insulation to reduce energy demand and will still require substantial changes to come to fruition.

Box 5. Assumptions regarding the decarbonisation of domestic heating in Mid Wales

The Mid Wales energy strategy modelling assumptions for domestic heating are based on input from regional stakeholders and the 2019 Wales & West Utilities Distribution Future Energy Scenario (DFES) project which explored potential future scenarios for the gas network in Mid Wales in 2035. Some of the key scenario highlights from the 2019 DFES included:

- Around 20% of homes could be heated by a heat pump by 2035, subject to being suitable for the property, predominantly air source or ground source heat pumps replacing more expensive oil, LPG or solid fuel heating.
- It is assumed in the Energy Vision and 2019 DFES that there is no injection of biomethane into the gas grid in Mid Wales by 2035. This is predominantly due to a geographical mismatch between biomethane resources and the gas grid, and the nature and scale of farming in Mid Wales.
- Consumption of natural gas energy in Wales could fall by over 20% between now and 2035.
- Projections on the uptake of heat pumps, including the proportion of hybrid heat pumps, were based on FES 2019 scenarios. Since then, the FES 2020 study has been published and includes a higher proportion of hybrid gas heat pumps, particularly under the Leading the Way scenario.

Table 3 Source: Regen (2019) Regional Growth Scenarios for Gas and Heat for Wales & West Utilities

Key assumptions for domestic heating fuels		2019 WWU DFES Study			WGES Energy Strategy Study
		Two Degrees Scenario	Community Renewables Scenario	Hybrid Accelerator scenario	
Heat pump deployment (% of houses with a HP by 2035)		15%	25%	19% (including significantly higher proportion of hybrid heat pumps)	26%
Biomethane and bioSNG energy	Biomethane and bioSNG heat energy for domestic and C&I heating in 2035	0 GWh	0 GWh	0 GWh	0 GWh
	Biomethane and bioSNG percentage of heat delivered by the gas network	0% of gas network energy	0% of gas network energy	0% of gas network energy	0% of gas network energy
Hydrogen use for domestic and commercial heating (Hydrogen for industrial processes and transport is modelled separately)		None modelled before 2035	None modelled before 2035	None modelled before 2035	None modelled before 2035 although there is potential for some domestic heating associated with industrial clusters

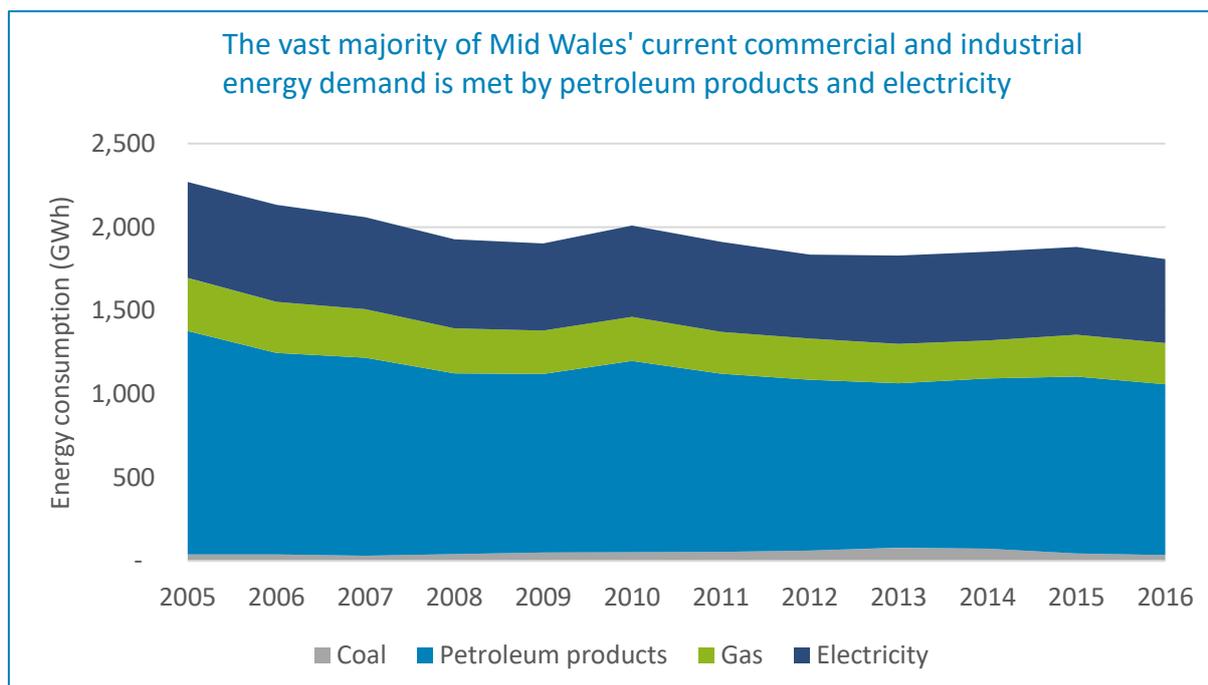
Our commercial and industrial energy consumption

Baseline: commercial and industrial

Only 12% of commercial and industrial demand is met by gas, reflecting the off-gas nature of the region.

Industrial demand has decreased by 10% since 2005 and emissions have decreased by 37%, in large part due to decarbonisation of the UK's electricity grid.

Figure 14: Mid Wales' baseline commercial and industrial energy consumption by fuel. Source: BEIS total final energy consumption (2019)



Energy Vision scenario: commercial and industrial

Achieving 48% reduction in commercial and industrial emissions requires a 23% decrease in energy demand, plus significant further decarbonisation of our electricity network through renewable generation. Achieving a grid carbon factor of 30g/CO₂ per kWh¹³ achieves on its own a 24% reduction in emissions in Mid Wales. This grid carbon factor would require significant investment in renewable generation in the region and across the UK. (See Box 6 for information about grid carbon factors).

¹³[Assumption based on Community Renewables and Two Degrees scenarios in National Grid \(2019\) Future Energy Scenarios](#)

Figure 15: Energy Vision scenario commercial and industrial energy consumption, by fuel. Source: WGES analysis

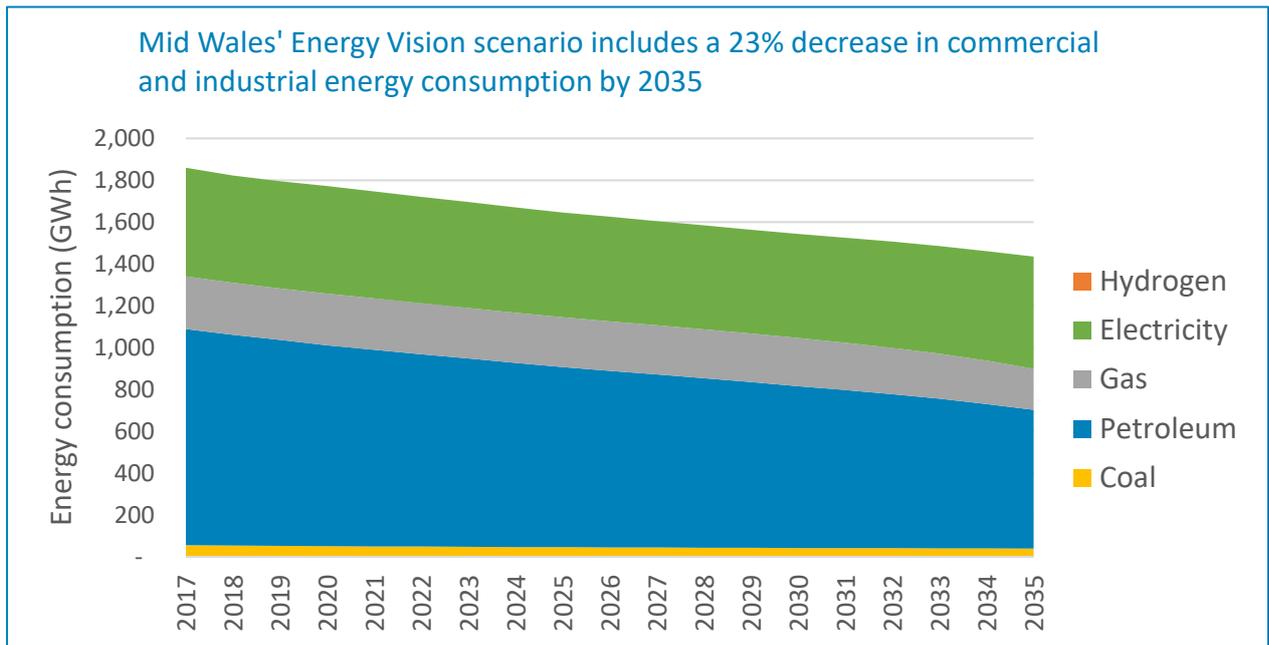
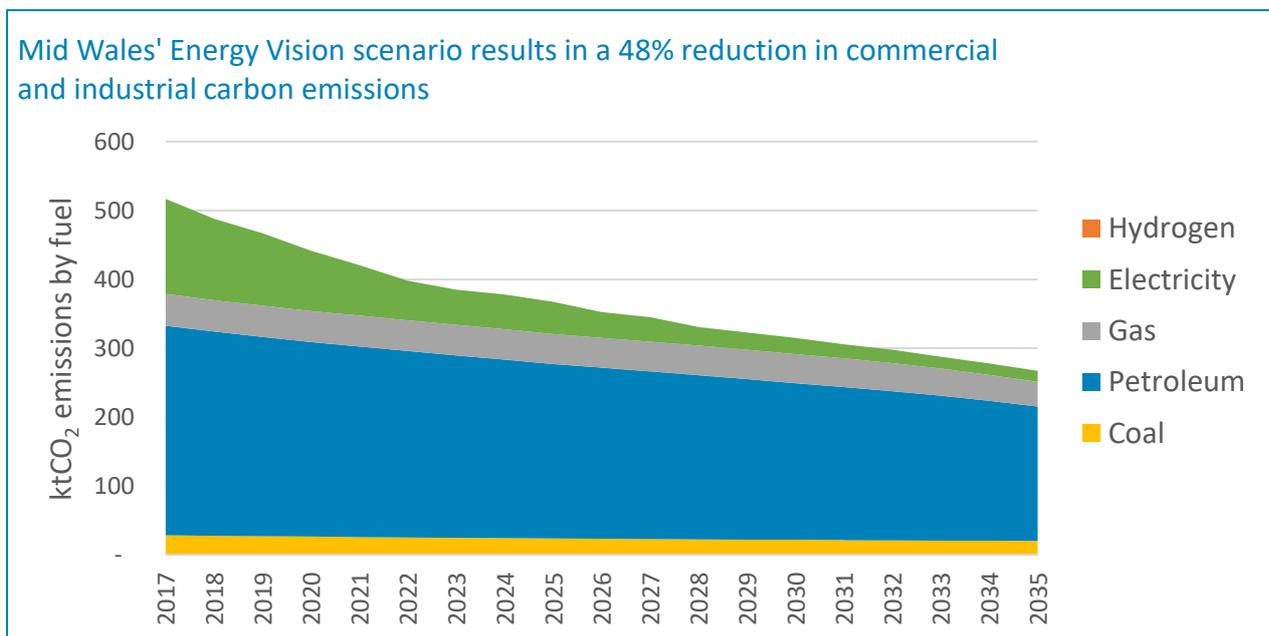


Figure 16: Energy Vision scenario commercial and industrial emissions estimates, by fuel. Source: WGES analysis



Scenario summary: commercial and industrial

Table 4. Commercial and industrial energy demand energy vision scenario example outcomes

Sector	Example outcomes Energy Vision scenario	Energy prize	Carbon saving potential
Commercial and industrial energy demand	<p>Significant energy efficiency programme to exceed UK Clean Growth Strategy 20% target</p> <p>A switch to alternative fuels and electrification of heating</p> <p>Decarbonisation of electricity network through renewables and behind the meter renewable generation</p>	<p>35% reduction in coal and petroleum energy consumption</p> <p>11% reduction in gas consumption</p> <p>3% increase in electricity demand</p>	250 kt CO ₂ (48% reduction)

Our transport

Baseline: transport

Mid Wales has a high dependence on private cars for transport. Less than 1% of road miles are driven by buses in Mid Wales, and there are nearly half the number of buses per capita than the more densely populated regions in South Wales. Mid Wales with its hilly terrain and dispersed settlements is assumed to follow Welsh trends for active travel in having the joint lowest percentage of all journeys taken by walking and cycling when compared to other regions in Great Britain.¹⁴

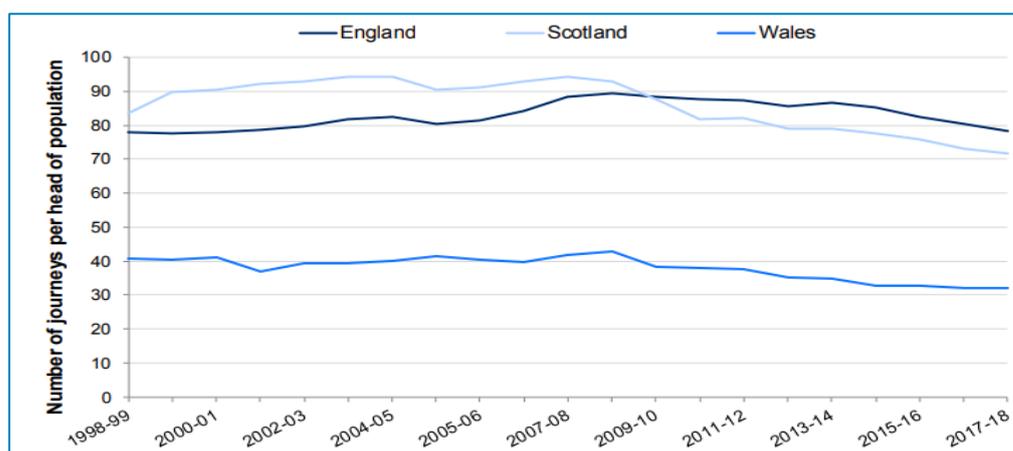
To date, Mid Wales has seen a slow uptake of electric vehicles. Approximately 0.2% of cars registered in the area are electric, meaning Mid Wales has below average uptake of EVs compared to Great Britain, where on average 0.5% of vehicles are now electric. Furthermore, the number of EV chargers in Mid Wales remains low, with just 88 public chargepoints including 3 rapid chargers installed by October 2019¹⁵. This reflects the relatively low deployment of public chargepoints across Wales to date, in which there are approximately half as many public chargepoints per head as in Scotland¹⁶.

Low uptake of EVs in Mid Wales is likely to be due to a range of factors, including the high cost of purchasing an EV, the distances between settlements in the area giving rise to range anxiety, and the lack of existing chargepoint infrastructure.

Average annual vehicle miles in Mid Wales are similar to those in other Welsh regions at 9,407 miles per car, which is only 1% higher than cars registered in North Wales and 2% higher than those registered in the Cardiff Capital Region¹⁷.

Figure 17: Passenger journeys per head on local bus services by country, 1998-2018. Source: Public service vehicles statistical bulletin (2019)

Wales has far lower historic bus utilisation rates than England or Scotland



¹⁴ Personal travel in Wales – 2012 statistical bulletin (2013)

¹⁵ [DfT \(2019\) Electric Vehicle Charging Device Statistics](#)

¹⁶ Ibid

¹⁷ Regen analysis of DfT licencing statistics (2018) [DfT Vehicles statistics](#) and [Car vehicle traffic by local authority \(2018\)](#)

Energy Vision scenario: transport

Achieving a 54% reduction in transport emissions by 2035 is a significant challenge for Mid Wales with its high dependency on private vehicles. The scenario assumes:

- 53% of vehicles driven in Mid Wales in 2035 are electric, with the ban on fossil fuel vehicle sales brought forward to 2030¹⁸.
- 20% reduction in private vehicle mileage in 2035, which rises from a 10% reduction in 2030
- A slowing in the total number of vehicles on the road, facilitated by increased public transport and active travel. In terms of overall vehicle numbers, this means a substantially reduced rate of increase so that between by 2035 the number of

Figure 18. Energy System Vision road vehicle emissions, by fuel. Source: WGES analysis

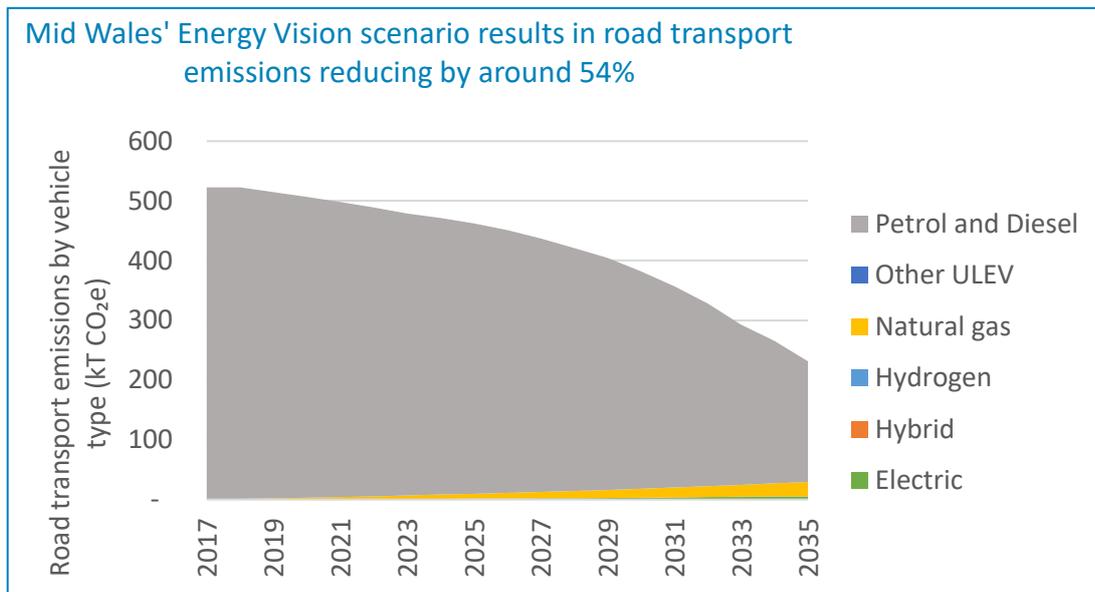
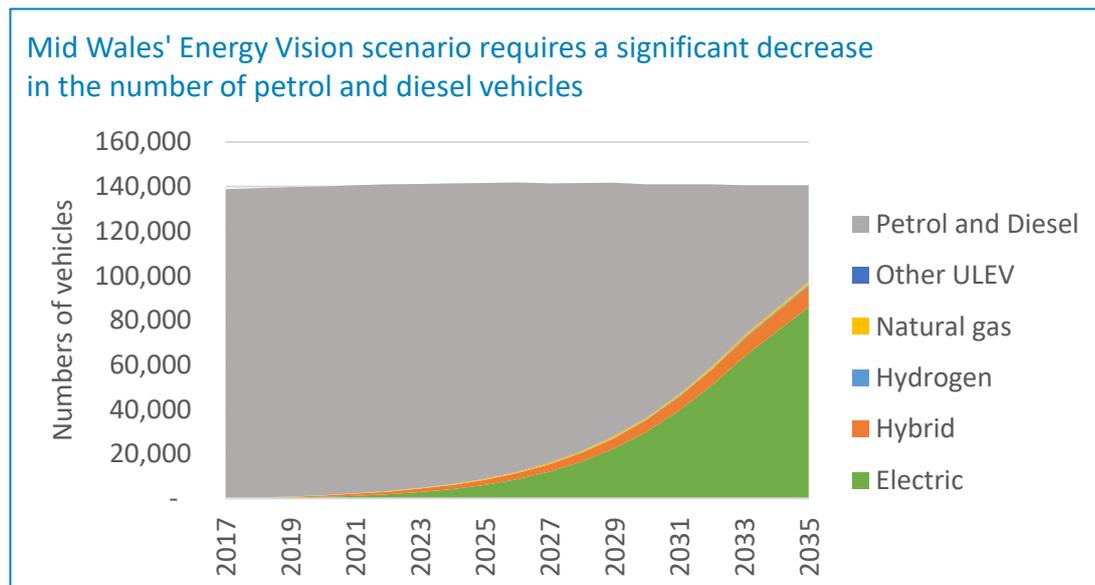


Figure 19. Energy vision scenario Road transportation vehicles by fuel. Source: WGES analysis



¹⁸ The UK Government has committed to bringing the ban forward to 2035 subject to consultation. The consultation will also consider earlier dates. The scenario makes the assumption that 2030 has been agreed on.

vehicles has grown by less than 2,000 vehicles. This is reflected graphically in **Error! Reference source not found..**

Summary: Transport

Table 5. Road transport energy vision scenario example outcomes

Sector	Example outcomes Energy Vision scenario	Energy prize	Carbon saving potential
Road transport	86,000 EVs 1,100 gas vehicles 700 hydrogen vehicles 1,500 public EV chargers 20% reduction in private vehicle mileage	1.1 TWh less petrol and diesel energy consumption 0.2 TWh increase in electricity consumption	263 kt CO ₂

Achieving these outcomes requires 2,000 EV sales per year by the mid-2020s, peaking briefly at 10,000 per year in the 2030s before reducing to 7,000 per year. Peak sales of fossil-fuelled cars in Mid Wales have historically reached 7,000 per annum¹. Additional support, such as a scrappage scheme alongside a 2030 ban on new fossil-fuelled car sales, would be needed to retire some fossil-fuelled vehicles earlier than their average lifespan, in order to achieve a peak of 10,000 EV sales per year in the 2030s.

This level of EV sales will also require a supportive area-wide EV charging network, in turn supported by electricity network infrastructure capable of dealing with high roll-out of EVs. Similarly, the switch to gas powered HGVs is reliant on the fuelling infrastructure being in place. Reducing personal vehicle miles by 20% will require significant investment in public transport infrastructure.

Our annual electricity demand

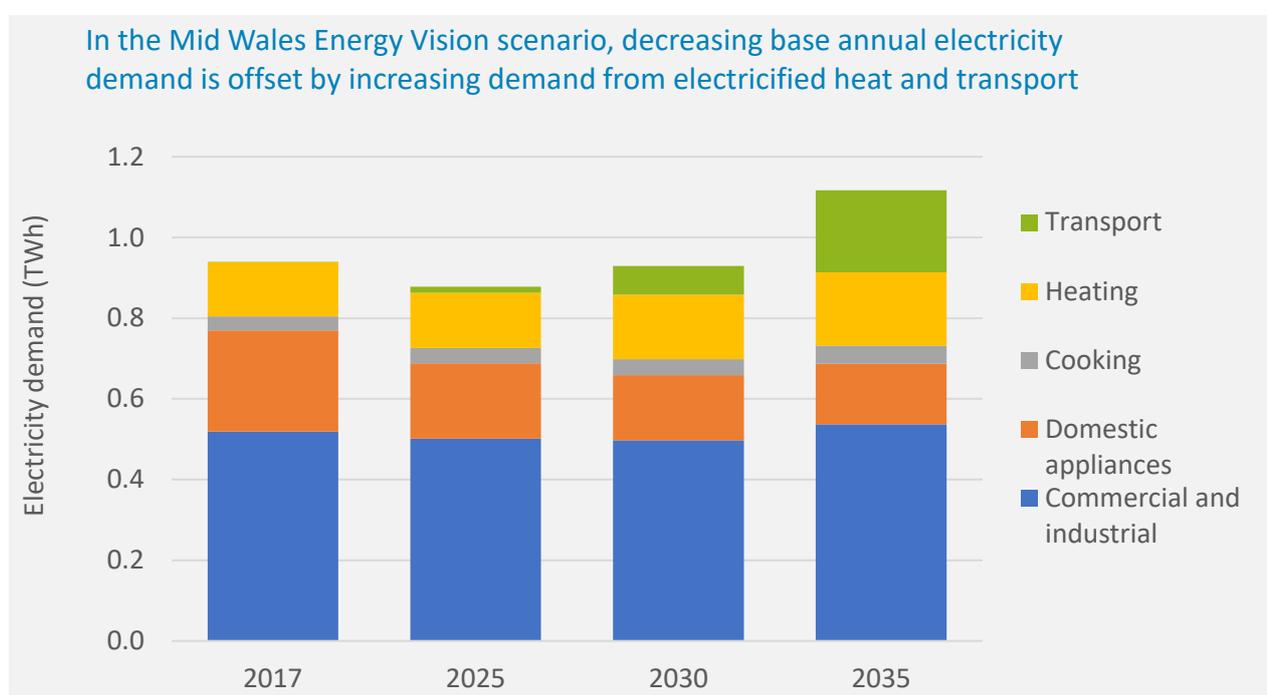
Baseline: annual electricity demand

Annual electricity demand in Mid Wales is currently approximately 0.94 TWh. It has fallen steadily since at least 2005 when electricity demand was over 1 TWh. Over 50% of electricity in the region is consumed by the commercial and industrial sector.

Energy Vision scenario: annual electricity demand

The scenario projects a 19% increase in annual electricity demand for Mid Wales by 2035 against 2017 figures. Increased energy efficiency measures and appliance efficiency lead to a decrease in the base electricity demand, with the increase resulting from the electrification of heating and transport.

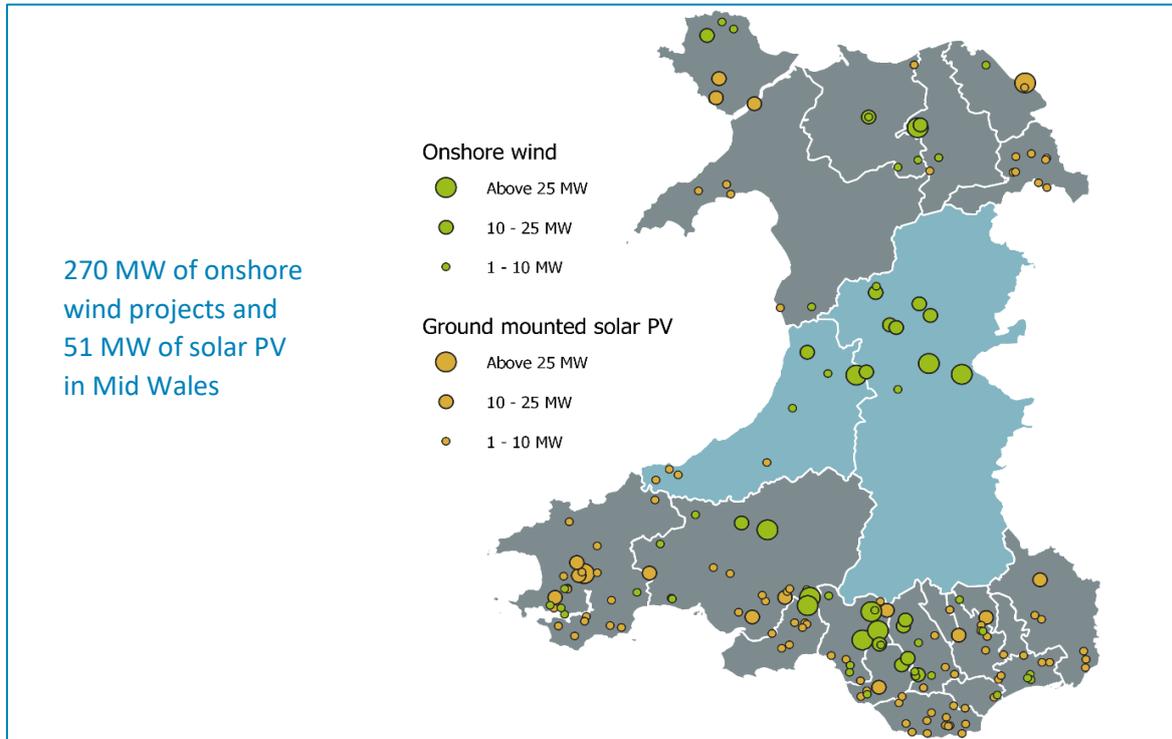
Figure 18: Mid Wales Energy Vision scenario demand by sector. Source: WGES analysis



Our electricity generation

Baseline: electricity generation

Figure 19: Solar PV and onshore wind projects (>1MW) currently generating in Wales Source: BEIS Renewable Energy Planning Database (2019)



Renewable energy generation in Mid Wales is predominantly from onshore wind, which makes up 72% of generation and 66% of capacity. Solar PV has a relatively high installed capacity, but, due to a lower capacity factor, supplies around 6% of renewable energy generation in the region. 51MW of 412MW of renewable capacity in the region is locally owned.

Renewable electricity generation in Mid Wales has increased relatively slowly since 2004

Figure 20: Mid Wales renewable electricity generation trends 2000-2017. Source: WGES analysis, Welsh Government (2019) Energy Generation in Wales 2018

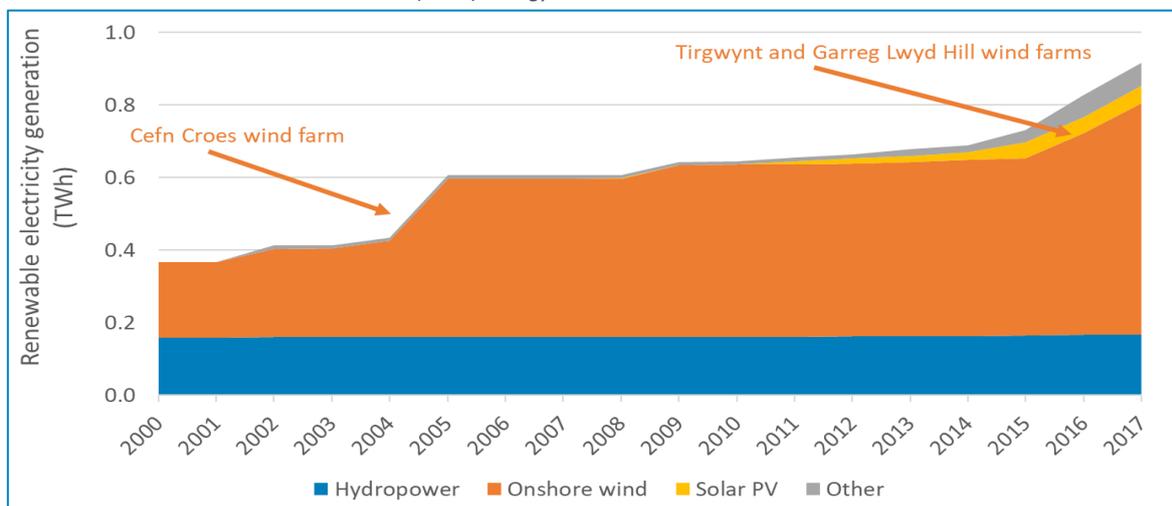
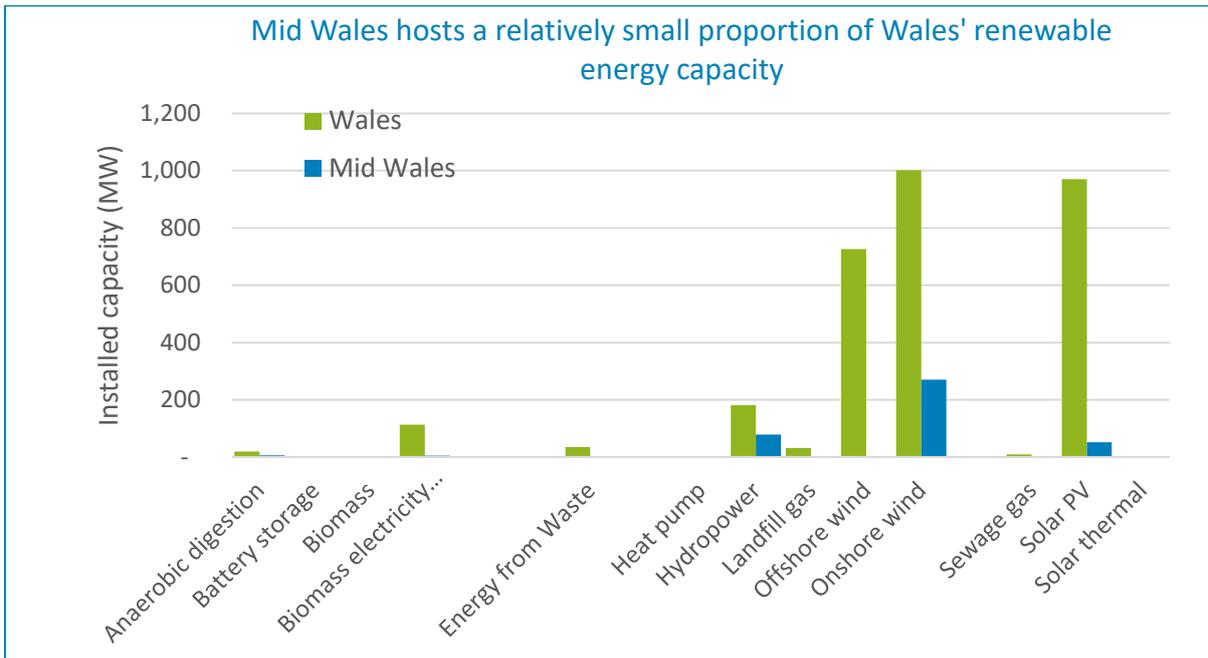


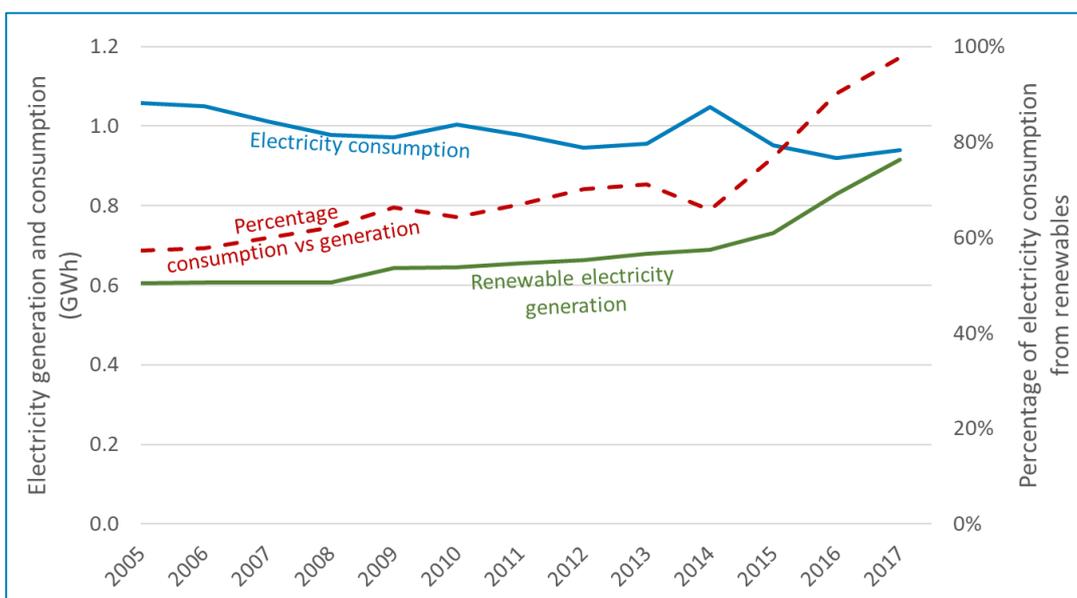
Figure 21: Renewable electricity capacity in Mid Wales region (2017). Source: WGES analysis, Welsh Government (2019) Energy Generation in Wales 2018



Mid Wales currently hosts 25% of Wales’ onshore wind capacity. Across all technologies, Mid Wales is home to a relatively small proportion of Wales’ renewable energy capacity. However, due to relatively low and reducing electricity demand in the region and some significant onshore wind projects, Mid Wales currently generates the equivalent of 97% of the electricity that it consumes, from local renewable sources.

Mid Wales currently generates the equivalent of 97% of its electricity consumption from local renewable sources

Figure 22: Percentage of electricity consumption from renewables in Mid Wales. Source: WGES analysis, Welsh Government (2019) Energy Generation in Wales 2018



Energy Vision scenario: electricity generation

Box 6. Electricity decarbonisation assumptions

Achieving net zero carbon emissions across the UK requires the decarbonisation of the electricity grid. In line with industry best practice, the modelling for the Energy Vision scenario applies the UK grid carbon factor to electricity consumed in the region, rather than creating a regional factor based on electricity generated locally.

To be on track for net zero by 2050, the Energy Vision scenario assumes that an average UK grid carbon factor of 30 gCO₂/kWh has been achieved by 2035, in line with the Two Degrees scenario assumption used in National Grid’s 2019 Future Energy Scenarios¹. In order to achieve this level of grid decarbonisation, National Grid’s Two Degrees scenario requires a net increase of 74 GW of low carbon electricity capacity across the UK by 2035. Mid Wales has the natural resources and the ambition to play a significant role in delivering renewable energy deployment.

The Energy Vision scenario developed is based on the region generating twice the renewable electricity it consumes. This figure has been arrived at by balancing the region’s ambition against the available resources, investment requirement and potential grid capacity.

New electricity generation will also support the Welsh Government target that 70% of the electricity consumption in Wales come from Welsh renewables by 2030. We expect that new generation will also have elements of local ownership in support of Welsh Government targets that all new projects have an element of local ownership and that 1 GW of renewable energy is locally owned by 2030. Potential benefits to the region in addition to supporting decarbonisation would include investment opportunities, job creation, supply chain stimulation and community benefit funds. If projects are developed by or invested in by the public and community sector there are additional potential economic and social benefits that could result, enabling the region to retain a higher proportion of the value created. Figure 24 shows one pathway to achieving this level of electricity generation in the region.

Figure 23: Mid Wales Energy Vision scenario electricity consumption vs generation. Source: WGES analysis

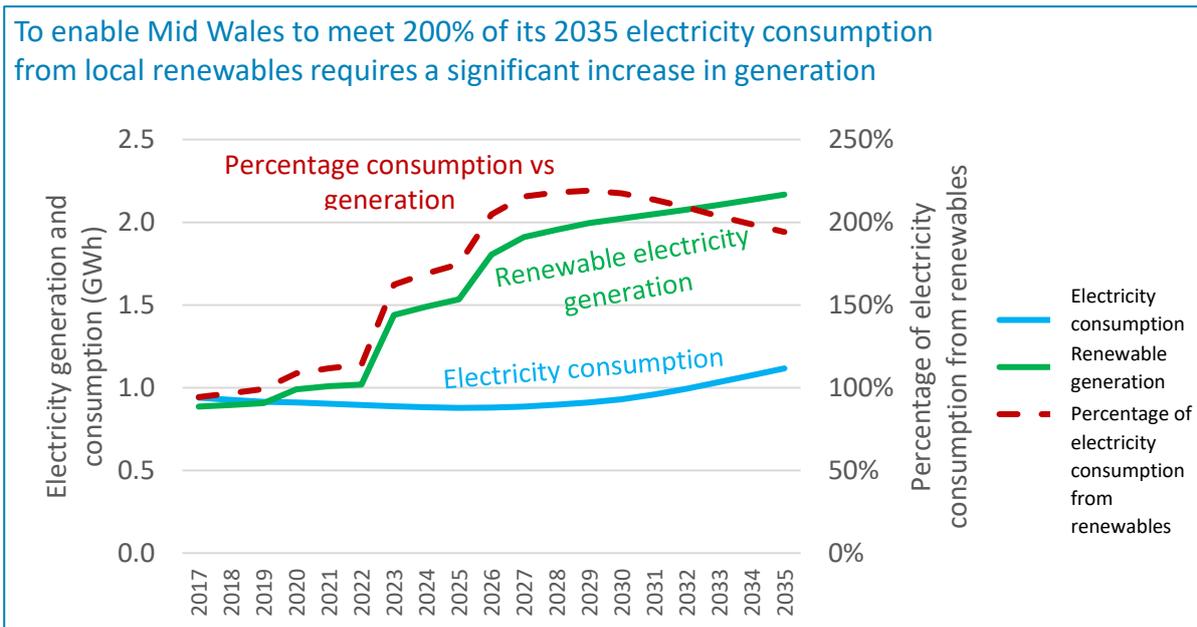
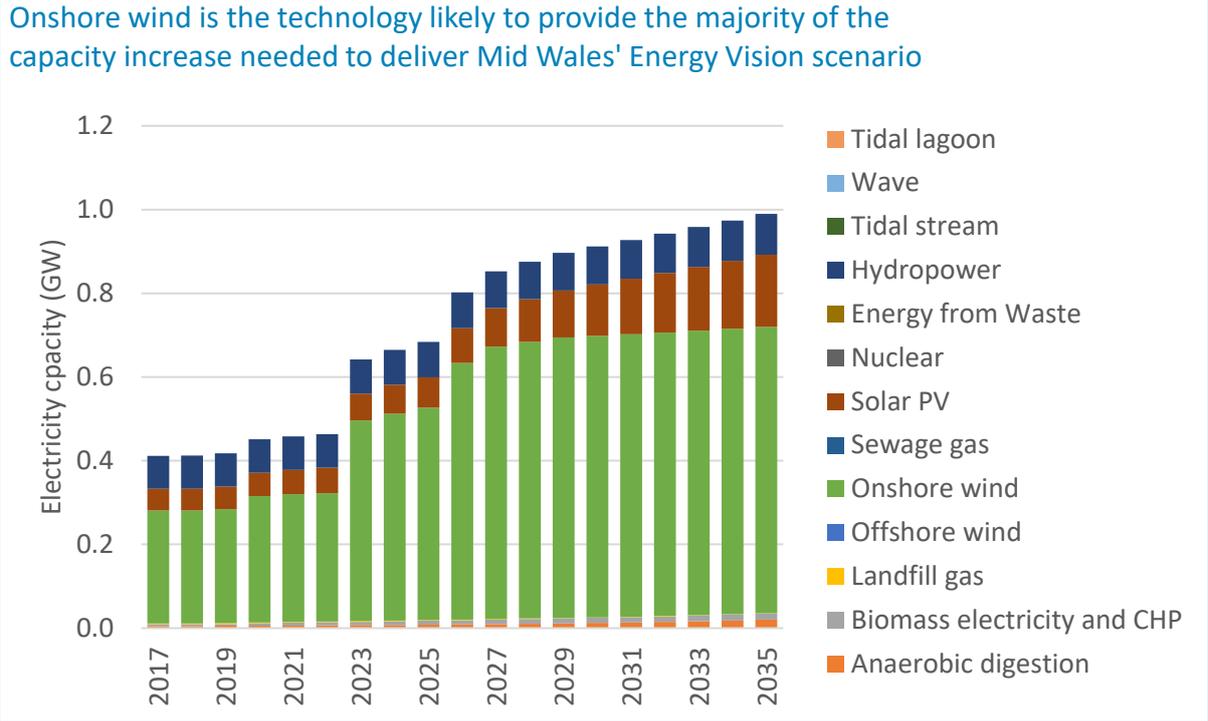


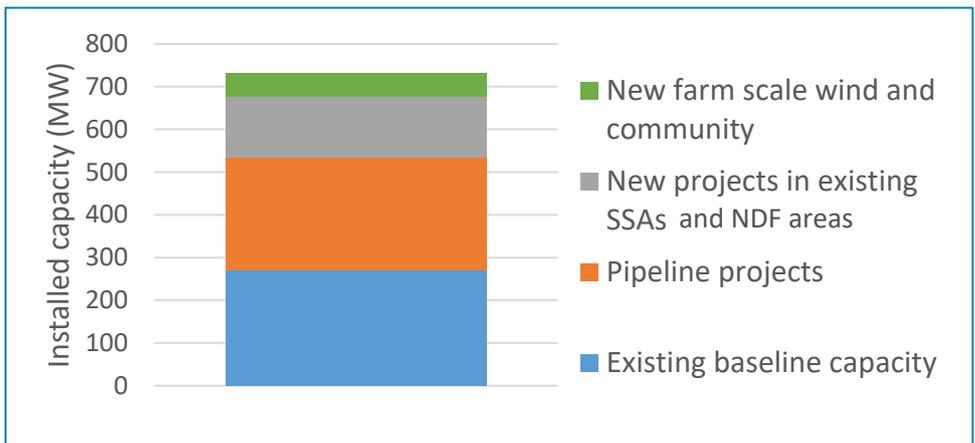
Figure 24: Renewable energy capacity increases under Mid Wales' Energy Vision scenario. Source: WGES analysis



Onshore wind

There is currently 270MW of onshore wind in Mid Wales. The Energy Vision scenario includes a significant increase in onshore wind capacity in the near term as a result of projects currently under development being built out by 2025. This increase also takes into account new projects in the existing Strategic Search Area (SSA), a potential extension to the SSA and an area designated by the proposed National Development Framework. Falling technology costs mean that onshore wind projects in good locations can now be viable without any subsidy, although in Mid Wales connection costs are prohibitive in many areas due to both constraints on the network and longer connection distances.

Figure 25: Mid Wales' Energy Vision scenario for onshore wind. Source: WGES analysis



Solar PV

The Mid Wales topography, access to grid capacity and irradiance levels are less suited to the very large-scale ground mounted solar farms which are becoming more common in other areas of the UK. Current deployment of solar PV is relatively low, with just 52MW installed. Around 30MW of this capacity is roof-mounted and 22MW is ground mounted.

The Energy System Vision includes a threefold increase in the installed capacity of solar PV by 2035. While solar PV projects are generally easier to deploy, solar PV has a lower capacity factor than onshore wind and as a result the required growth in capacity results in a lower impact on local renewable energy generation.

Other renewables, storage and flexibility

The Energy Vision scenario includes some growth in the deployment of anaerobic digestion including biomethane producing sites, biomass electricity/CHP and hydropower. Each of these technologies could have a small but significant impact on local renewable energy generation with associated economic benefits. While onshore wind and solar PV make up the majority of the installed capacity in the Energy System Vision, anaerobic digestion and biomass electricity/CHP each see a fourfold increase in installed capacity between 2020 and 2035. Despite the high growth rate of these technologies, current deployment is low resulting in an increase of 14 MW and 9 MW respectively during this time period. The installed capacity of hydropower increases by 18MW representing a 1.2 fold increase compared with 2020 levels.

Storage and flexibility, such as demand side response provision or the creation of local energy markets, could support the decarbonisation of energy generation in Mid Wales by enabling more renewables to connect to the network in constrained areas and supporting the business case for investing in renewables.

Summary: electricity generation

Table 6. Renewable energy generation energy vision scenario example outcomes

Sector	Example outcomes Energy Vision scenario	Energy prize	Carbon saving potential
Renewable generation	Nearly 1 GW of onshore wind and solar PV (1,939 GWhs of electricity generated from onshore wind and solar PV) by 2035	Generating the equivalent of nearly 200% of electricity consumption in 2035	Contribution towards significant reduction in UK grid carbon factor

A note on nuclear

The energy modelling considers that, if small modular reactor technology becomes viable, this technology is most likely to be developed on the site of historic large-scale nuclear reactors in the near term. There are no existing nuclear sites, or any allocated for development, in Mid Wales. As a result, the development of nuclear power was not considered within the scenario to 2035. On a related note, if large scale nuclear sites across the UK currently under consideration/development fail to proceed, there will be increased need for renewable generation. With the right electricity grid infrastructure and economic

incentives, Mid Wales could contribute to an even greater extent to Welsh and UK renewable generation.

A note on offshore wind

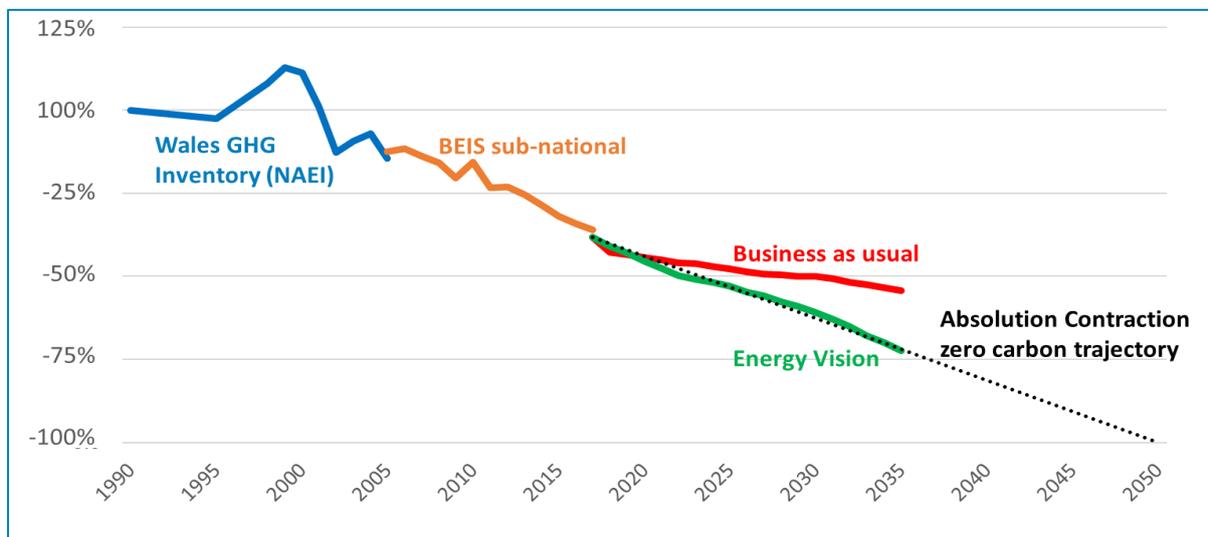
From a wind resource perspective, Cardigan Bay could potentially host offshore wind projects. However, to date no areas in Cardigan Bay have been identified by The Crown Estate for leasing in Round 4 or earlier rounds. Future floating wind and deeper water foundations could open up opportunities for further offshore wind projects in Wales, however, the focus at the moment is the Celtic Sea area off Pembrokeshire.

The Carbon Trust’s 2018 report for the Welsh Government on the Future Potential for Offshore Wind in Wales identified more significant barriers to development of offshore wind in Mid Wales compared with other areas of Wales¹⁹. Constraints identified included environmental impacts, existing leases and military presence, seascape and visual impact, port and transport infrastructure and more significantly lack of access to the transmission network. In the timescales of the strategy, offshore wind is unlikely to be developed in the region. Considerable investment in the region’s grid infrastructure would be needed to enable offshore wind to connect²⁰.

Future progress

Potential Business as Usual and Energy Vision decarbonisation trajectories in Mid Wales

Figure 26: Decarbonisation trajectories in Mid Wales. Source: WGES analysis



Under a Business as Usual scenario, Mid Wales is expected to achieve only 23% decarbonisation by 2035 against a baseline year of 2017, approximately half of the 55% needed to be on track for net zero by 2050. Delivering the Energy System Vision scenario represents a very significant step up from a Business as Usual scenario and will only happen with significant local, regional and national commitment.

¹⁹ [Carbon Trust for Welsh Government \(2018\) The Future Potential for Offshore Wind in Wales](#)

²⁰ [Carbon Trust for Welsh Government \(2018\) The Future Potential for Offshore Wind in Wales](#)

The scale of the challenge identified through the Energy Vision scenario

The Energy Vision scenario is to 2035 and focuses on known deployable technology and behavioural change. Based on National Grid's 2019 Future Energy Scenarios²¹ and the Committee on Climate Change²², the scenario prioritises "clear, urgent, no regrets" actions. The modelling sets out the following key challenges to be achieved by 2035:

- **Domestic:** how can Mid Wales achieve energy efficiency retrofits of more than 41% of its housing stock and install renewable heat technologies in 28,000 homes?
- **Non-domestic:** how can Mid Wales reduce energy demand from its commercial and industrial organisations by 23%?
- **Transport:** how can Mid Wales ramp up the rate of electric vehicle sales, install around 1,500 public EV chargers and invest in electrified public transport and low carbon HGV fuelling networks?
- **Renewable electricity generation:** how can Mid Wales unlock the grid, planning and business model challenges to enable the installation of nearly 1 GW of new renewable electricity capacity in the region? *A number of steps can be taken: Publicity campaign to shift public opinion to realise the need and benefit of renewable energy in Wales and the Region; lobby BEIS / Ofgem to relax constraints on DNOs and make speculative grid investment possible; seek to fund public ownership of capacity to drive efficient investment in grid; development of an energy innovation zone (EIZ) alongside use of smart grid solutions.*
- **Innovation:** post-2035 and to achieve net zero, further decarbonisation of all aspects of the energy system will be required. In some cases, this further decarbonisation is dependent on innovation and/or overcoming significant challenges. For example, issues such as the role of hydrogen and the role of the gas network will need to be explored.

Post 2035 challenges and innovation

Post-2035 and to achieve net zero, further decarbonisation of all aspects of the energy system will be required. In some cases, this further decarbonisation is dependent on innovation, national policy and/or overcoming significant challenges. The following challenges were raised through the stakeholder survey and workshops

Domestic decarbonisation

- What is the future role of the gas network and transition technologies such as hybrid heat pumps post-2035?

Non-domestic decarbonisation

- Is there a role for hydrogen in industrial clusters and how could it be sustainably manufactured?
- What is the role for Carbon Capture and Storage technologies in supporting the decarbonisation of heavy industry?

²¹ [National Grid \(2019\) Future Energy Scenarios](#)

²² [Committee on Climate Change \(2019\) 2019 Progress Report to Parliament](#)

Transport

- What is the right low carbon transport fuel for use on farms?
- To what extent is hydrogen a potential substitute for electric vehicles in the rural context?

Low carbon generation

- How can the region support the longer-term potential for offshore wind development in Cardigan Bay?
- Is there a role for small modular reactors in Mid Wales in the medium term?

The future of energy and our economy

Economic assessment

Introduction

The changes required to develop a decarbonised future energy system have impacts that reach beyond reducing carbon emissions. Changing the technologies that we use to heat our homes, generate our electricity, and produce our energy will also affect the economic landscape. Examples of these effects include changes in:

- the geographic distribution of jobs as energy becomes less centralised,
- the job intensity required to produce electricity because this is unique to each generation technology,
- how expensive new technologies are to install, construct, and operate, and
- how income and spending circulates around local economies as a result of these changes.

We have built on the scenario modelling described in the previous chapter to try to better understand the impact on net job creation and gross value added. Additionally, we have estimated the level of investment required to achieve the scenarios. The impacts that we consider; job creation, gross value added, and investment required, are just some of the economic impacts related to the energy transition. Other impacts, such as the impact on the cost of supplying energy, and associated prices, are not included in analysis.

Approach

We have used an indicator-based approach to estimate job creation, gross value added, and investment. This involves using literature reviews to identify the most appropriate estimates such as jobs/MW, or GVA/employee. Subsequently, these indicators are applied to the results of the energy modelling and allow us to estimate the economic impact of changes in electricity generation, energy efficiency, and domestic heating. A technical annex that accompanies this report provides additional detail on the calculations and sources used in our analysis.

In practice, this approach has an important limitation in relation to low carbon heating. There is significantly less data available to assess the number of jobs associated with the transition to low carbon heating than electricity generation or energy efficiency. This means that the low carbon heating jobs are not comparable with the electricity generation or energy efficiency jobs. We discuss this in more detail in the low carbon heating section below.

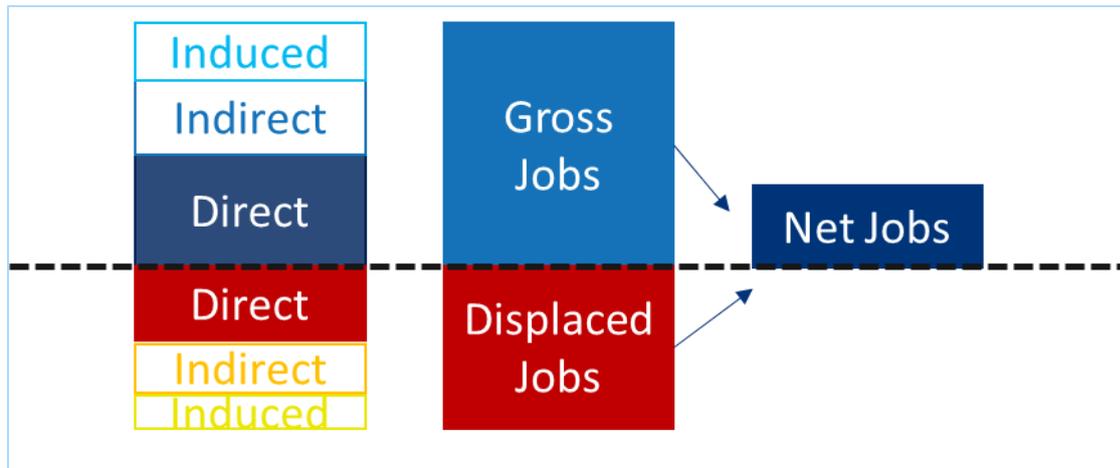
In terms of scope, the economic impact in terms of jobs, GVA and investment has not been calculated in relation to two sectors in the energy modelling: 1) transport and 2) commercial and industrial energy efficiency. The transport sector was excluded because the production and employment benefits associated with EV manufacture will not be strongly influenced by the speed of customer switching to EVs in the same region. It is also frequently assumed that there will be no net change in jobs from the transition to EV manufacturing and assembly. Commercial and industrial energy efficiency has not been assessed because the energy modelling inputs do not allow us to identify energy efficiency impacts from other factors influencing energy demand change, such as the macroeconomic assumptions underpinning the future energy scenarios.

Finally, it is important to provide clarity on the definition of the term “jobs” within the context of this analysis and how this applies to each technology area. Political and media commentary on “jobs” often refers to gross jobs, which are the direct jobs related to a specific project or intervention. In examining the economic impact of the energy transition the accepted standard is to calculate net

jobs – this considers the net impact of the job gains alongside the job losses associated with transitioning from one technology to another. Where data sources have made this possible, we have sought to present jobs estimates in net terms, in line with this best practice. We also define jobs in terms of Full Time Equivalents (FTE) wherever data allows.

Additionally, there is a difference between direct, indirect and induced jobs. In an energy context, direct jobs are typically associated with the manufacture, construction and installation of equipment. Indirect jobs arise in the supply chain of the energy technology. Induced jobs related to jobs generated as a result of spending incomes earned from direct employment. Figure 27 below visualises these concepts.

Figure 27. Shows the relationship between gross, displaced, and net jobs. Indirect direct and induced jobs are also shown. Indirect and induced jobs have not been filled with colour because these jobs are not taken into account in this analysis.²³



Throughout this analysis we only calculate direct jobs as, depending on the area of decarbonisation, these are more likely to be local jobs than indirect or induced jobs. However, the analysis does not allow us to comment on the exact location of the job estimates. Some jobs are likely to be held by residents of Mid Wales; other jobs may be held by those who travel into the region to perform their roles.

Electricity generation

The results from assessing the economic impact related to the change in electricity generation technologies show that achieving the energy system vision scenario will require approximately £200 million of additional spending/investment over the period 2020 to 2035, equivalent to approximately £13 million per year, compared against the business as usual scenario. This spending/investment will be made by a wide range of parties included businesses (and their investors), households as well as local and national government. The energy system vision scenario will also create an estimated 2,200 additional jobs and contribute £250 million more in GVA than the business as usual scenario. These jobs may be held by persons inside or outside of Mid Wales, with the experience of Wales to date being that many electricity generation jobs are held by persons resident outside of the region. In order help Mid Wales benefit from jobs associated with future local electricity generation it will be important to first understand the reasons for the lack of local jobs and then to develop a policy response.

²³ Adapted from UKERC. 2014. Low carbon jobs: The evidence from net job creation from policy support for energy efficiency and renewable energy.

Table 7 summarises the estimated economic impact of the business as usual and the energy system vision scenarios. The figures shown in the table represent the total value from all years from 2020 through to 2035. Similarly, Table 8 summarises the additional investment, jobs, and GVA associated with the Energy System Vision (ESV) scenario.

Table 7. BAU and ESV economic impact 2020- 2035²⁴

Scenario	Gross Direct Jobs	Discounted GVA	Discounted Investment
Business as usual (BAU)	13,600	£1.7b	£555m
Energy system vision (ESV)	15,900	£1.9b	£760m
<p><i>*Gross direct job figures have been calculated based on UK or international direct job intensity indicators per technology. These full-time equivalent indicators include both short term (construction) and long term (operations and maintenance) jobs. However, short term jobs are weighted against the lifetime of the plant. A significant proportion of direct electricity generation could be taken by local residents. However, to date this has not been the experience of Wales. If business as usual policies continue, it may be that a potentially significant number of these jobs will be held by persons resident outside of the region.</i></p> <p>**All figures are rounded.</p>			

Table 8. Difference between the ESV and BAU scenarios 2020-2035²⁵

Scenario	Net Jobs	Discounted GVA	Discounted Investment
Difference between ESV and BAU	2,240	£ 255m	£205m
Difference between ESV and BAU (percentage)	+16%	+15%	+37%

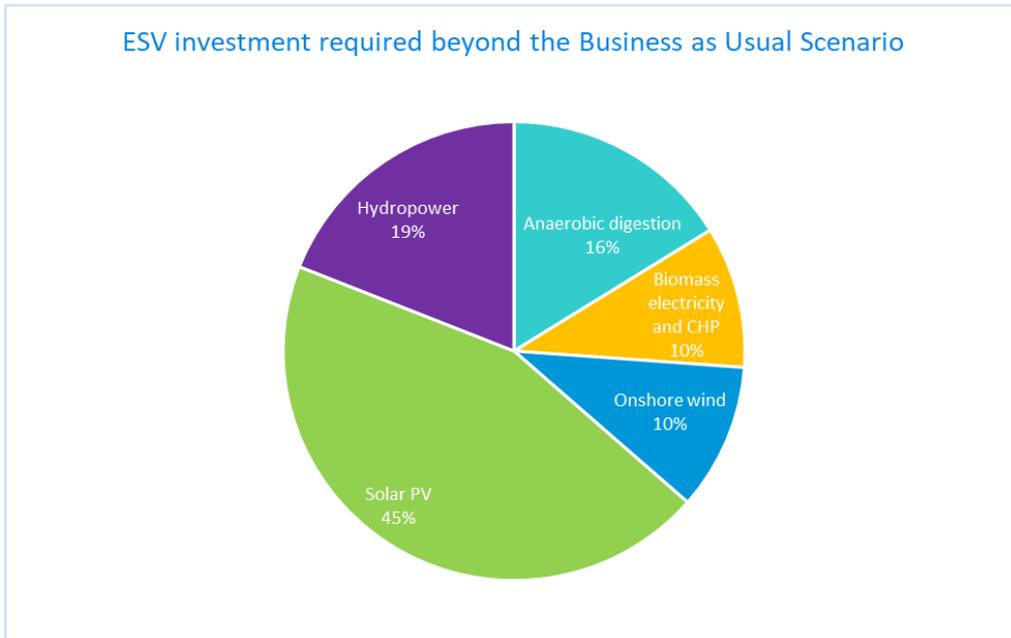
Investment

The energy system vision scenario requires £205m of additional investment in new electricity generation. Figure 28 below shows the breakdown of this investment by technology. Solar PV requires the most additional investment at 45% of the £205m. This is followed by hydropower and anaerobic digestion. Onshore wind and biomass electricity and CHP are estimated to require 10% of the total investment each.

²⁴ A discount rate of 3.5% is applied to calculate investment and GVA over the 2020 – 2035 time period.

²⁵ A discount rate of 3.5% is applied to calculate investment and GVA over the 2020 – 2035 time period.

Figure 28. ESV investment required beyond the business as usual scenario.



Jobs

The jobs figures presented include both the jobs associated with increases in capacity and output from some generation technologies (for example offshore wind) as well as jobs lost as the capacity and output from fossil-fuel based generation technologies falls. The jobs calculated are direct jobs which means that they relate to the manufacturing, construction, operation, and maintenance of the plant and equipment. A significant proportion of these jobs could be taken by residents that are local to energy generation sites, whereas indirect or induced jobs are expected to be more geographically diffuse. However, the experience of Mid Wales to date is that many renewable jobs are held by those living outside the region who commute to the region to undertake these jobs. The breakdown of jobs required in the energy system vision scenario is visualised on an annual basis in Figure 29 below.

It is estimated that in the energy system vision scenario electricity generation is responsible for just under 16,000 direct gross FTE jobs from 2020 to 2035.

Figure 29. ESV net jobs

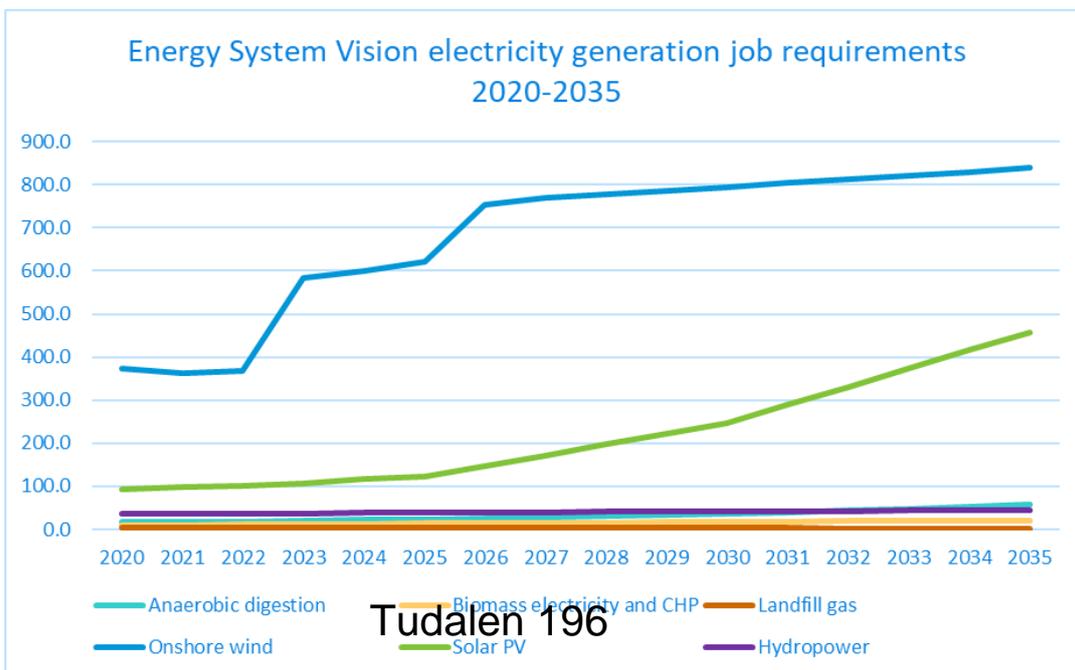


Figure 30. Additional Job distribution in the ESV scenario compared with the BAU scenario

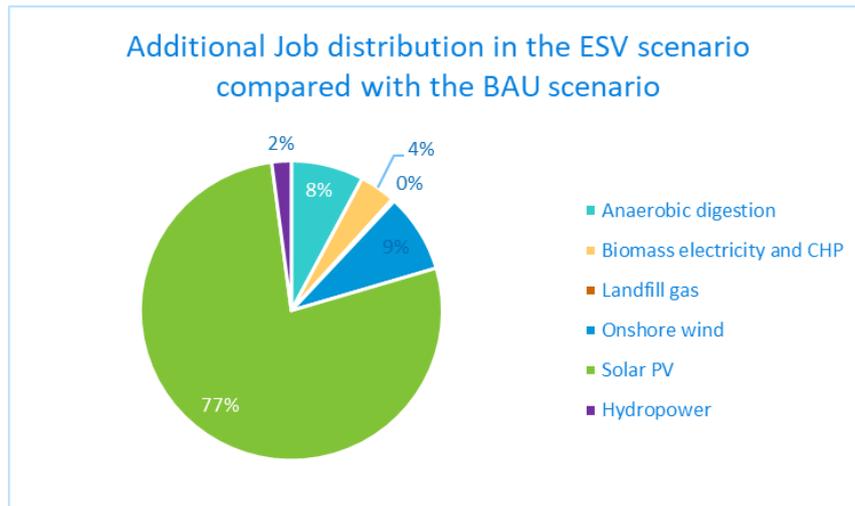


Figure 30 looks at which technologies in the energy vision scenario support additional jobs in comparison with the business as usual scenario. The difference between the two scenarios represents the net additional jobs supported by the energy system vision in comparison with the business as usual. Solar PV accounts for the largest difference in jobs between the two scenarios, followed by onshore wind and anaerobic digestion.

Domestic energy efficiency

As with electricity generation, the increases in domestic energy efficiency associated with the Energy System Vision scenario relative to the BAU scenario require more investment, support more jobs, and lead to an enhanced contribution to GVA. This reflects that the energy system vision sees a more dramatic shift in the number of homes achieving higher EPC ratings and the larger number of energy efficiency improvements needed to achieve this outcome. These figures are presented in Table 9.

Table 9 shows that the energy system vision requires approximately 1.6 times the investment and jobs compared with the business as usual scenario. Additionally, it supports approximately 1.6 times the GVA associated with the business as usual scenario.

Table 9.. Domestic Energy Efficiency additional economic impact of the ESV scenario compared with the BAU scenario from 2020 -2035²⁶

Scenario	Net jobs	Discounted GVA	Discounted Investment
Business as usual (BAU)	4,600	£277m	£976m
Energy system vision (ESV)	7,600	£450m	£1.6b
Difference between ESV and BAU	3,000	£174m	£612m
Difference between ESV and BAU (percentage)	+65%	+62%	+64%

* Figures are rounded.

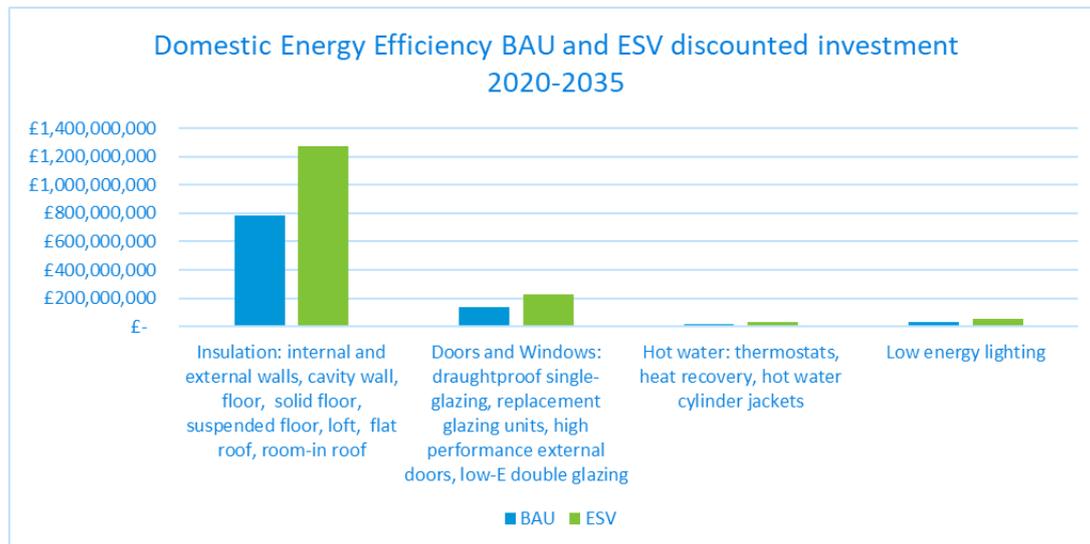
²⁶ A 3.5% discount rate was applied to calculate the GVA and Investment over the 2020 – 2035 time period.

** Net jobs figures do not include estimations of operation and maintenance jobs associated with the energy efficiency improvements.

Investment

The majority of investment required to install the energy efficiency measures described by the BAU and ESV scenarios is related to insulation measures. The investment requirements can be seen in Figure 31.

Figure 31. BAU and energy efficiency Investment requirements 2020- 2035

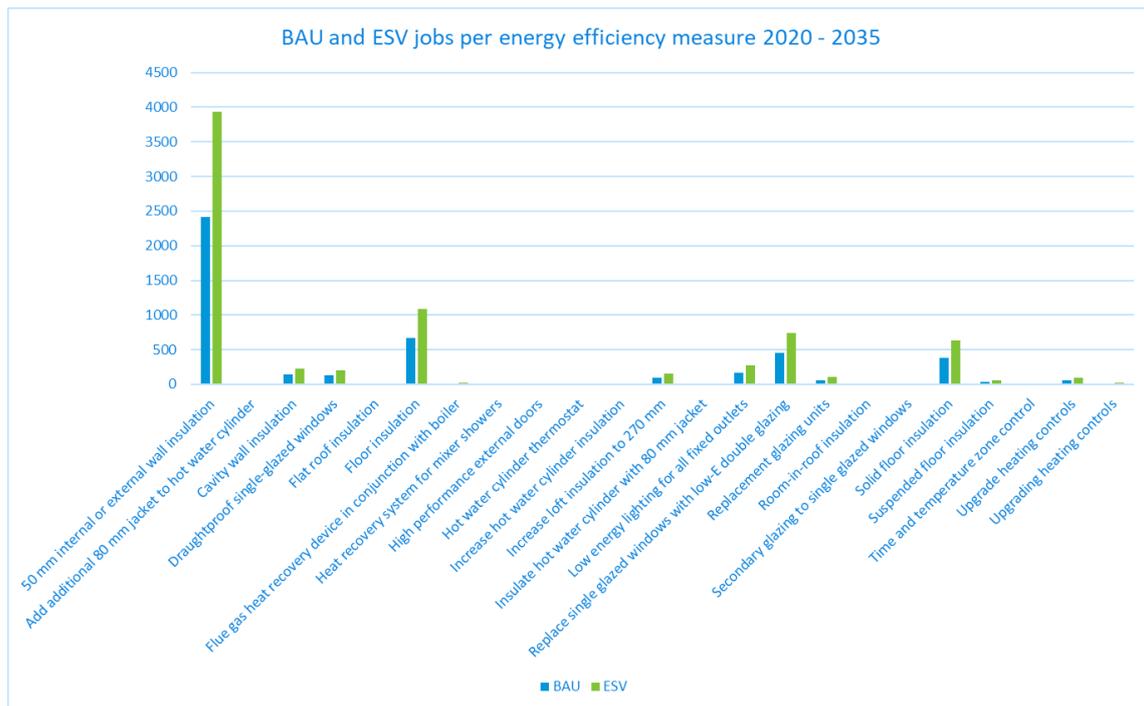


Jobs

3,000 additional net jobs are related to the energy system vision scenario in comparison with the business as usual scenario between 2020 and 2035. These are net direct jobs and take account of the fact that energy efficiency requires additional jobs to deliver and install the relevant technologies, but could also reduce jobs associated with the reduced need for energy production and supply. Like electricity generation, some energy efficiency jobs may be held by those residing in the region and other jobs may be held by people who travel into the region to perform these jobs.

The majority (52%) of the additional jobs in the ESV scenario relate to installation of 50 mm internal or external wall insulation, 14% of jobs relating to floor insulation and 10% of jobs relate to the replacement of single glazed windows with low-E double glazing. Figure 32 below show the estimated jobs required to implement the energy efficiency measures that relate to the EPC shift in the BAU and ESV scenarios.

Figure 32. Net BAU and ESV jobs per energy efficiency measure 2020 – 2035.



Domestic heat

The more intensive switch to low carbon heating in the energy system vision scenario requires additional investment, which increases the GVA associated with these activities. The GVA associated with heating technologies is 302% greater than in the business as usual scenario while the energy system vision scenario requires over triple the level of investment compared with the business as usual scenario. The ESV scenario also requires more jobs related to low carbon heating. However, a lack of data on jobs associated with traditional heating technologies means a comprehensive comparison in the jobs impacts from the switch to low-carbon heating technologies is not possible. Table 10 below summarises the economic impact of both scenarios and also shows the difference between the scenarios. A comparison of the investment required in the BAU scenario and the ESV scenario is presented in Figure 33.

Table 10. BAU and ESV economic impact as well the difference between ESV and BAU economic impact 2020- 2035²⁷

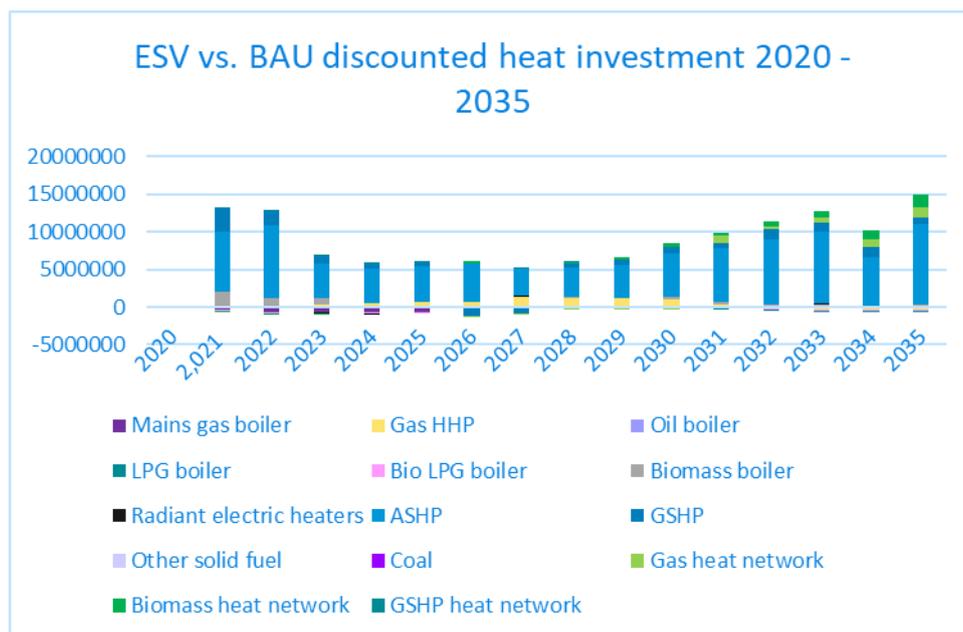
Scenario	Gross jobs associated with low carbon heating	Discounted GVA associated with all heating technologies	Discounted Investment associated with all heating technologies
Business as usual (BAU)	220	£ 24m	£ 60m
Energy system vision (ESV)	760	£ 96m	£ 187m
Difference between ESV and BAU	537	£72m	£ 127m
Difference between ESV and BAU (percentage)	+243%	+302%	+213%
*All figures are rounded.			

²⁷ A 3.5% rate is applied to GVA and investment to calculate these figures over the 2020-2035 time period.

Investment

Figure 33 shows that the shift to low carbon heating in the ESV scenario happens faster and to a greater scale than in the BAU scenario. For example, between 2020 and 2035, the ESV sees approximately £8 million of additional investment per year in heat pumps and hybrid heat pumps, biomass boilers and radiant electric heaters compared with the business as usual scenario. At the same time, the ESV requires approximately £212,000 less investment per year in gas boilers during this period compared with the business as usual.

Figure 33. ESV vs. BAU discounted heat investment 2020 – 2035. Discounted at a rate of 3.5%.



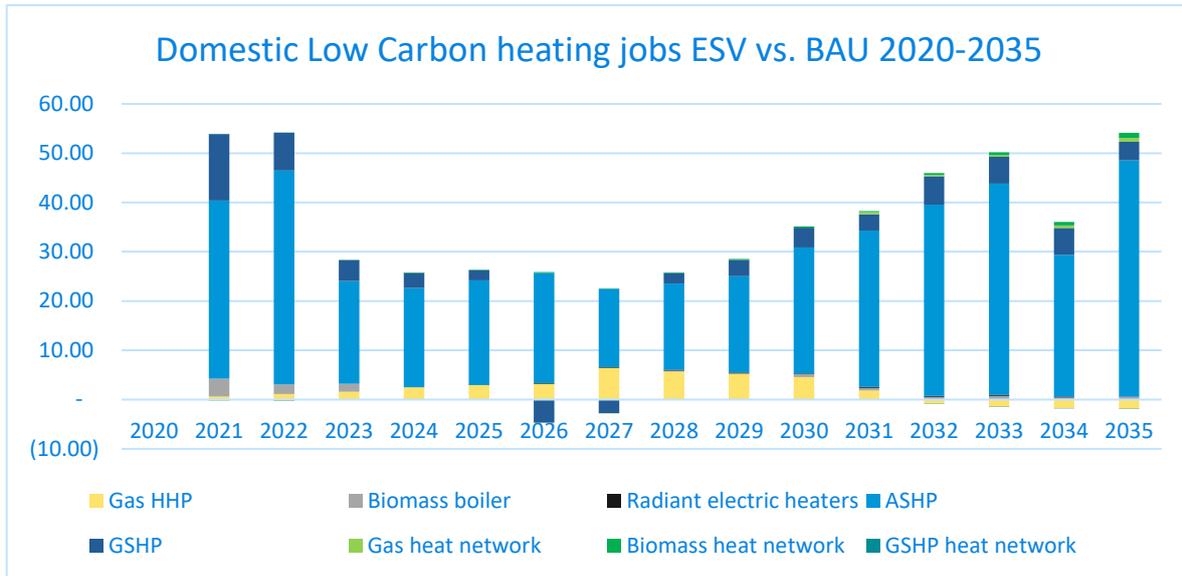
Jobs

The job figures calculated for domestic heat differ from those calculated for electricity generation. Fewer studies quantify the jobs related to the installation of heating technologies than for electricity generation technologies. Given the paucity of studies, we use a jobs/£m turnover for non-heat network technologies, like heat pumps and biomass boilers but have to rely on permanent jobs/annual GWh of heat generated for heat networks.

Moreover, due to a lack of available high-quality data, our estimate of jobs related to heating technologies only relates to low carbon heating and does not include changes in jobs associated with the installation of more traditional heating technologies such as gas boilers.

Figure 34 below shows the difference in low carbon heating jobs between the ESV scenario and the BAU scenario. Like with electricity generation and energy efficiency, some of the jobs presented may be held by residents of Mid Wales while other jobs may be held by those residing outside of the region.

Figure 34. Domestic Low Carbon heating jobs ESV vs. BAU 2020-2035



Summary

Across all technologies, the higher level of effort related to decarbonisation and the energy transition in the energy system vision scenario requires more investment/spending when compared against the business as usual scenario. The economic analysis demonstrates that almost £1 billion of additional investment/spending is needed to achieve the energy efficiency, electricity generation, and heat aspirations described in the energy vision between now and 2035. This represents approximately £66 million per year and will need to be financed from a range of sources including the private sector, households, and national and local government.

In terms of jobs, the ESV scenario is estimated to require an additional 5,200 net jobs to deliver the accelerated deployment of renewable electricity generation technologies and the enhanced levels of energy efficiency. These additional jobs are associated with around £430m more GVA (discounted at 3.5% over the period 2020-2035). In addition, it is estimated that there will be over 530 more gross jobs associated with the provision of low-carbon heating technologies in the ESV scenario than the BAU scenario, associated with £72m of GVA.

Next steps

Next steps

The Mid Wales Energy Strategy has undertaken several important first steps towards addressing the climate emergency in Mid Wales. This work sits along other important work that is being done throughout the region and highlights the importance of local energy planning. While creating this strategy, we have developed a collaborative vision for the future energy system in Mid Wales and defined key priority areas that are essential to achieving that vision. The assessment of current energy sector emissions, has enabled a deeper understanding of the progress that has been made in decarbonisation to date as well as the gap between our current activities and a net zero energy system.

Building on this, the energy modelling demonstrates a potential pathway to 2035, that is consistent with the long term aim of achieving net zero by 2050. This is coupled with an assessment of the economic benefits associated with transforming our energy system in alignment with this trajectory. This will be critical in communicating the benefits of action and demonstrating the potential for far greater local economic benefits than could be by return to business as usual, particularly in the context of a green, economic recovery from the COVID-19 pandemic.

There are three crucial next steps that we will now take to transition from a strategy to real world action in the delivery of our Mid Wales energy system vision:

- 1) Defining the strategy governance.** We will establish a robust and formal governance structure for the Mid Wales Energy Strategy. This will include defining a structure of cross-sectoral governance, powers, roles and responsibilities for overseeing the implementation of the strategy, and the monitoring and evaluation of its progress. This is essential to coordinate and unlock action, and to ensure momentum going forwards.
- 2) Communicating and socialising the strategy.** We will undertake a series of engagement activities to communicate, socialise and build support for the final strategy amongst key political, corporate and community stakeholders throughout Mid Wales. This activity will help to align a diverse stakeholder group to the Mid Wales energy vision and raise awareness of insights arising from the analysis and engagement undertaken as part of the strategy development.
- 3) Establishing a delivery plan.** We will create a delivery plan for addressing the challenges identified in the energy modelling work, and for defining the processes and actions that could be taken forward to realise the energy system vision. We anticipate that the delivery plan will be a living document that is regularly reviewed and updated, and may be influenced by future local area energy planning or other relevant developments and research.

The energy modelling presented has shown that significant action is required for Mid Wales to be on track for a net zero future and that we have the tools and technologies to make progress now. The economic assessment confirms that the challenge is large and will require investment from households, businesses, investors, and the public sector. This challenge is matched with a highly ambitious vision that reflects the spirit and values demonstrated by stakeholders throughout the development of this strategy.

The economic assessment also illustrates that the energy system transition may bring benefits to Mid Wales in the form of jobs, however additional investigation is required to maximise these benefits. Likewise, the energy vision clearly sets out the intention that the future energy system should support the wellbeing of communities wherever possible. These next steps will help to scale

up the existing decarbonisation and energy transition efforts in the region and turn the vision into action.



Work Programme 2022

Date	Topic	Lead Officer
22.02.22	Inter Authority Agreement (V3) Portfolio Business Case (defer) Final Deal Agreement Energy Strategy Digital (defer)	NB/CP CJ-E CJ-E Tom Yeo David Owen
June 2022	Election of Chair Election of Vice Chair Regional Skills Partnership update Digital Portfolio Business Case 2 x themes	AC-H
September 2022	Review of Terms of Reference 2x themes	CP
December 2022	2x themes	

Mae'r dudalen hon wedi'i gadael yn wag yn fwriadol