



REPORT TO THE GROWING MID WALES BOARD

11th March 2021

TITLE:	Mid Wales Growth Deal – Progress Update and Context for Portfolio Discussion
AUTHOR:	Carwyn Jones-Evans, Strategic Manager – Mid Wales Growth Deal

1. Purpose of the Report

- 1.1. To provide a written briefing on progress to Members of the Growing Mid Wales Board in relation to the formal development of the Mid Wales Growth Deal.

2. Decision(s) Sought

- 2.1. To note the progress to date in developing the Deal, and the next steps outlined.
- 2.2. To mandate the further development of the Portfolio Business Case as outlined, subject to additional views from the Board/ESG – so that initial programme and project proposals can be brought forward for consideration at pace.

3. Progress Update

- 3.1. This section provides an update on progress achieved since the last update to the GMW Board on 3rd February.
- 3.2. **Governance:** a paper is tabled later on the agenda today, for Members to consider extending and evolving interim arrangements to cover the development period. This will address Members' previously expressed desire to resolve scrutiny arrangements, and to ensure there are robust arrangements to carry us to the next milestone.
- 3.3. **Management:** Officer workstream leads now meet weekly to ensure momentum on development activity. Tools and processes to manage the regional work programme have been developed, in the form of milestone trackers and risk/issue registers. This is evolving, but starts to develop a common approach across the region – in advance of the Portfolio Management Office being established.
- 3.4. **Capacity:** verbal approval on the external funding has been received, which will help to establish the Portfolio Management Office. Job descriptions have gone through job evaluation. Legal agreements nearly in place across the partners. Arrangements are in place for an expedited recruitment process, once official confirmation of funding is approved. It is anticipated the recruitment process will be underway, with a view of conclusion in the next 2-3 months.

The capacity issue will be continually reviewed and adjusted as the Growth Deal develops. The current delivery structure is being progressed in the form of a Portfolio Management Office (PMO) that is partly consistent with other regional arrangements. It may require adjusting and fine-tuning as things develop, and will be

subject to views from Governments once more before through relevant Governance and Assurance reviews.

- 3.5. **Communications and Engagement:** the Growing Mid Wales website is being continually updated with information on the regional partnership's activities – with holding pages being developed for the emerging Regional Learning and Skills Partnership.
- 3.6. **Portfolio Development:** this is the main focus of the progress update today. Main headline activity in the last month, as follows:
- **Strategic Portfolio Business Case:** Early informal engagement held with the two Cabinets and a meeting of the Economic Strategy Group on 03/03/21. Views will be fed into the process continually – with today being the start of the process formally to engage and shape the Portfolio as it develops.
 - **Portfolio approach:** Officer meeting held 22/02/21 with UK and Welsh Government officers and external expert on the approach to date. Affirmation that the work to date and approach was correct according to the emerging guidance on Portfolio Business Cases. Next milestone is Final Deal Agreement, and Governments will expect a sufficiently detailed Portfolio Business Case – but also with clear, accountable and robust Governance, Assurance and Management arrangements – in addition to strengthened Communications and Engagement.

Detail of the Portfolio will evolve and change over time. The region needs to submit a sufficiently detailed Portfolio Business Case with Programme/Project information at a high-level – to provide confidence that activity can and will be delivered.

The region is continually told it is following the right development approach. Of scoping potential opportunities, and informally encouraging projects to develop/come forward. It is not a grant fund – region needs to be confident of capacity and capability to deliver, and will achieve the expected outcomes.

Programmes/Projects are only approved when they undertake their own business case development and get approved within an approvals process that will be defined. The Portfolio approves Programme/Project areas at a high-level – but these can and will change.

Nothing is set in stone at the Portfolio stage. It is the operating framework by which Programmes and Project come forward to be considered.

- 3.7. **Feasibility studies:** the majority of the feasibility studies commissioned at a programme-level across the Portfolio will be coming to fruition in the coming month.
- **Sites and Premises:** Third phase of work underway – to set out a broad strategic case for investment priorities to develop further. Conversations held with Welsh Government property team, and the final report of the work due end of March.
 - **Digital:** Phase 1 of work due to complete end of March 2021. This will articulate the strategic case for digital connectivity investment in the region, and will

outline broad options. This will be engaged and consulted on, before commissioning phase 2 over the summer – to further refine and develop a potential programme of interventions.

- **Applied Research and Innovation:** The current feasibility study will be drawing to a close end of March, with the report being available early April. This will provide a clear context and evidence base on the strategic opportunities for investment in the region. Consultants currently interviewing a range of business across the region to help shape the work.
- **Hydrogen:** Procurement for the study underway, with the tenders being assessed this week. Conclusion due shortly, with the work planned to complete by July 2021.

3.8. **Projects:** are still being scoped, as part of the long-list development. These are informal conversations only at this stage – to determine the who, the what, the where and the how. The same level of information is provided in all contexts, around the expectations and requirements of the five case business model – and how the Portfolio development process works. The current set of projects being considered will be communicated shortly once the long-list has been developed, and further work has been undertaken to refine it into an initial short list.

The short list will then outline what the initial set of projects being considered are. The Portfolio can accommodate new projects at any time – but they have to be mature proposals, that align with the vision and the objectives of the Portfolio.

The capacity to bring forward project proposals rest predominantly with the project proposers. The main bottleneck to date has been development capacity within the region and the key partners looking to propose projects.

The decision around projects will be made by the Board, with advice from the ESG – supported by the PMO within the context of the Portfolio, and on the development of suitably detailed business cases. This will come forward in the next iteration of development of the Deal.

The Portfolio is being scoped on the basis of the attached long-list – and will be brought forward on an initial basis with the strongest proposals. Circumstances can, and will change – and the Portfolio will be reviewed annually to deal with that.

The team will be looking to put information on the website shortly in the form of “Frequently Asked Questions”, and post elections, will be looking to increase communications and engagement activity on how people can get involved and support the Deal’s development.

3.9. **Engagement:** early conversations have been held with the two Cabinets informally, and with the Economic Strategy Group. There will be opportunity to hear feedback from these views during the meeting.

Engagement and consultation on the Portfolio and the Programmes/Projects emerging within is **not a one-off process**. The Portfolio will be a live document, which the Board and the ESG and key groups will have sight of and contribute towards its development continually.

Once the initial Portfolio is shaped, that forms the basis of the proposal to Governments underpinning Final Deal Agreement – but as noted previously, the Portfolio is agreed. Programmes and Projects can change. Further engagement and shaping of the Portfolio can then happen as the initial proposals start to take hold and develop.

4. Portfolio Business Case – Early engagement and Steer

4.1. Two key documents have been provided in the agenda pack. They are very early drafts of the documentation which both Governments require us to develop.

4.2. They are being engaged and consulted upon with the Board to take a formal steer and view, before moving forward to the next phase. The ESG has had an early opportunity to discuss the documents, and the Chair will have the opportunity to feedback during the meeting today.

4.3. The two documents provided are:

- **Draft Strategic Portfolio Business Case:** is the first formal business case document in the Growth Deal, and is set out according to the requirements of the five case business model. It sets out the strategic context, what we are trying to achieve with the Portfolio, and why. It then begins to set out how (in the form of the long and short lists). These sections are developed over time in further iterations. This document effectively frames why we are bringing the Growth Deal forward, and to what purpose.
- **Initial Long-List:** is exactly that. It is an initial list of all the potential projects, programmes and ideas currently within scope. Its role is to set out the maximum scope for consideration and is as wide a list possible of realistic and possible options for delivering the strategic aims and objectives of the Portfolio.

There is a lot of proposals on the list, but it has been put together to include as much realistic and possible options as possible to cover the scope of the 8 strategic priorities set out in the Strategy/Vision set out.

The information underneath each option is variable. Some are self-explanatory, some require more work. This is the point of the long-list, to begin structuring options in a methodical manner – to identify which areas where further detail does exist, and where requires more information.

4.4. **To note:** the long-list will ultimately form part of the Portfolio Business Case – but they are being provided separately in early draft form today for ease of navigation.

What is being asked of the GMW Board?

4.5. These two documents are being shared with the Board (and have been shared and engaged with the ESG) at this early stage, to seek a steer on the general content and feel of the documentation developed to date.

4.6. The Board is not being asked for any formal decisions on any individual proposal. These decisions come at a later stage of the process.

4.7. These documents are being shared now – so that Members can see the proposals evolving iteratively, and have the full opportunity to contribute at each stage.

4.8. For the two documents, the following questions help to frame the steer requested:

Draft Strategic Portfolio Business Case

- General feedback on content. The strategic case, the rationale and context for the Growth Deal. This is mostly consistent with the Vision document last year.
- Investment Objectives and Critical Success Factors

Initial Long-List

- Are these broadly right?
- Has anything been missed? If so, what, where, who?

5. Portfolio Business Case – What happens next

- 5.1. Following feedback from the ESG and GMW Board – any relevant amendments to the documentation will be undertaken.
- 5.2. During the coming weeks, further information will be made available from the feasibility studies (Digital, Sites and Premises and Applied Research and Innovation).
- 5.3. Regional officers will be continually reviewing and will develop an initial assessment of proposals against the established criteria. This will be undertaken in a structured manner – querying all proposals on the long-list against the investment objectives, critical success factors – and a realistic view of proposals in the short, medium and long term.
- 5.4. Officers will not be making decisions. Officers will be organised in a regional structure and will be reaching joint conclusions on recommendations to be made for further consideration by the Board and ESG and other key groups.
- 5.5. This will form the initial proposal for the Portfolio, likely to include more information on the broad Programme areas, and initial set of projects.
- 5.6. The Board will then be able to consider and make recommendations and decision on the emerging Portfolio, and to mandate the next phase of development of Programme and Project Business Cases.
- 5.7. Work will continue as planned by the officer team for the time being. Once the PMO is established in the coming months, they can start to take forward the Governance and Assurance arrangements in earnest, continue further Portfolio and Programme development. Officers across the regional team will then focus more on the emerging project activity.
- 5.8. Scrutiny arrangements are also being developed, considered separately under another item today. To ensure that there is clarity on the process and development of the Deal, and then onwards into delivery.
- 5.9. The Chief Executives/SROs will be considering the co-ordination and structure of the officer capacity required to oversee this in the interim period, and considering the PVR recommendations for the medium-long term.

6. Legal Implications

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

7. Human Resources Implications

7.1. There are no HR implications arising from this report.

8. Financial Implications

8.1. There are no financial implications arising from this report.

9. Appendices

- Annex A: Draft Strategic Portfolio Business Case
- Annex B: Initial Long-List