



**Tyfu**  
**Canolbarth Cymru**  
**Growing**  
**Mid Wales**

## MID WALES GROWTH DEAL

### Portfolio Business Case

**Version: 0.4 (Strategic Portfolio Business Case –  
Draft for consultation with GMW Board)**

DRAFT – For engagement & consultation with GMW Board. This is a document in development, and is not definitive at this stage. It will be shaped and developed in further iterations.

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## VERSION CONTROL

Version	Date	Details of changes or comments (Author)
v0.1	30/10/20 - 09/12/20	First draft – Completed Strategic Case following workshops 1a-1d (CJE)
v0.2	16/12-?	Second draft – First pass of Economic Case following Workshop 2 16/12
v0.3	18/02/21	Third draft – following officer consultation. Draft for early consultation with Senior Officers and Joint Cabinets.
V0.4	05/03/21	No changes since last draft – prepared for GMW Board 11/03/21 – comments from ESG/Board will be fed into next draft.

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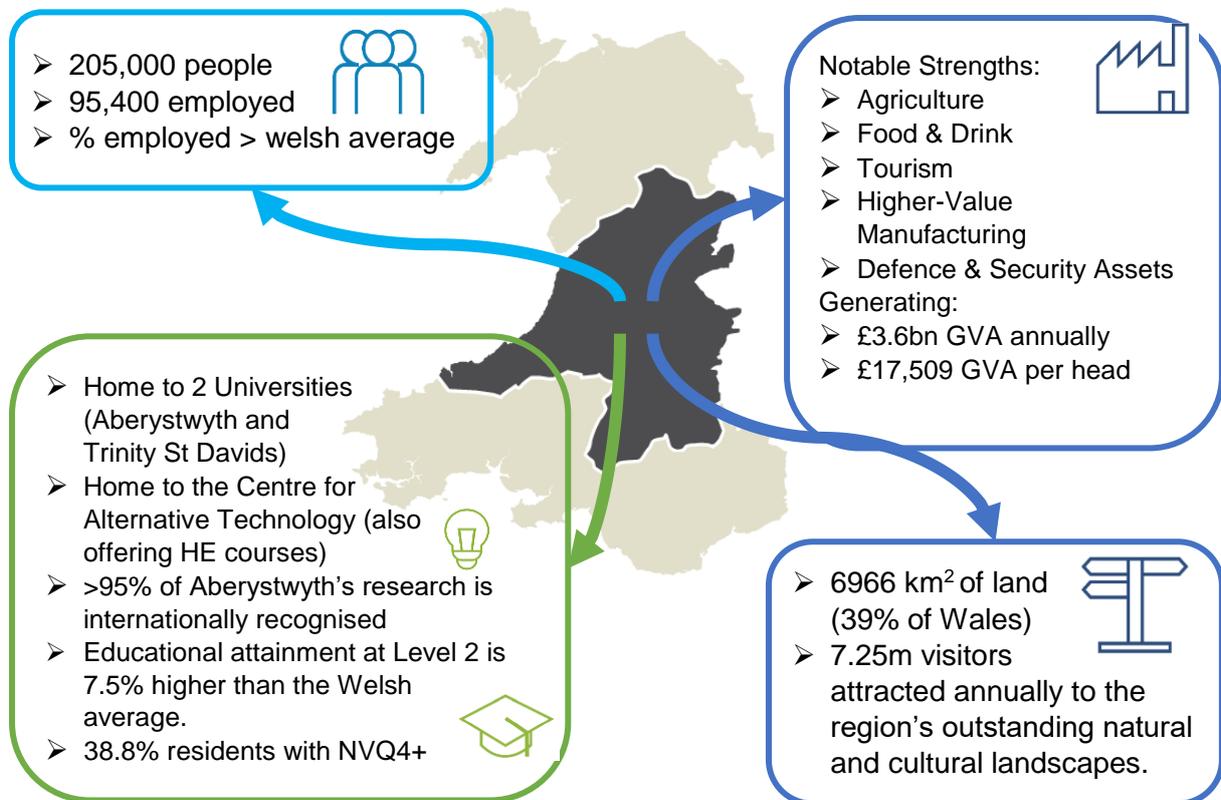
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## Executive Summary

The purpose of the Portfolio Business Case (PBC) is to set out the optimal choice of programmes/projects for the delivery of the Mid Wales Growth Deal. The Mid Wales Growth Deal is seeking to deliver a total investment of (£tbc) in the Mid Wales economy (£110m from both Governments from the Growth Deal), to create between x-x net additional jobs and generate £tbc in net additional GVA.

The document is a live document, and as a result, the content and shape of the Portfolio Business Case will evolve over time. Changes and updates to the content will be recorded as part of a version control – noted at the start of the document.

The Mid Wales region comprises the local authority areas of Ceredigion and Powys. Mid Wales has a strong track record of driving regional economic growth in Partnership. Ever since the creation of the Growing Mid Wales Partnership in 2015; public, private and voluntary partners across the region have developed the leadership and voice to influence and strengthen the focus on growing the Mid Wales economy.



In 2017, the region was invited to bring forward a Growth Deal, and partners have since been working to develop the necessary evidence baseline through detailed commissions and engagement to build a credible proposal, alongside a broader vision of regional investment.

Throughout 2018 and 2019, significant engagement and evidence gathering was undertaken to help shape the strategic context and case for investment in the region – identifying the key needs and opportunities.

In December 2019, both Local Authorities entered into an Inter-Authority Agreement (IAA)<sup>1</sup> to formalise the collaboration and governance required to bring forward the development of the Mid Wales Growth Deal; and agreeing a Heads of Terms with both governments.

The IAA set the foundations for establishing regional governance in the form of a Joint Committee (Growing Mid Wales Board) and a private sector group (Economic Strategy

Group). It also sets out the lead functions and authorities to support the process required to provide the advice, co-ordination and decision making to develop the Deal.

In May 2020, this work was brought together and the GMW Board approved the Vision for Growing Mid Wales<sup>2</sup> document for publication and submission to both Governments. This document outlined the “Strategic Economic Plan” for the Mid Wales economy, as well as the pathway proposed to develop the Growth Deal on a Portfolio basis – setting the potential Growth Deal in context as a key catalyst to transform the regional economy as part of a broader funding mix.

Work is ongoing between the region to agree a Heads of Terms before the end of the 2020 calendar year.

This Portfolio Business Case is being developed iteratively, and should be considered a live document. Mid Wales is following guidance and advice from both Governments to undertake a structuring of the Portfolio Business Case from the Strategy published in May 2020. As the Portfolio develops, so will the information on resulting programmes/projects.

The document follows the structure of the Five Case Model and HM Treasury Green Book principles. Throughout the development of the business case we have consulted with UK and Welsh Government officials.

The remainder of the document is structured as follows:

- The Strategic Case: the strategic context and case for change, investment objectives and potential scope for the Deal.
- The Economic Case: the value for money provided by the Growth Deal.
- The Commercial Case: the contractual and procurement approach to be taken
- The Financial Case: the costs and funding profile for the Growth Deal
- The Management Case: the approach to managing the Growth Deal.

# 1 THE STRATEGIC CASE

The purpose of the Strategic Case is to set out the alignment with national, regional and local strategies and policies, other current or planned programmes, and to make a compelling case for change for the investments identified within the Portfolio.

It is in two parts as follows:

- **Strategic Context:** Explains the background to Growth Deals, setting out the Growing Mid Wales Board and its members, and a review of the relevant strategies and policies to demonstrate strategic fit.
- **Case for change:** Outlines the rationale for the Mid Wales Growth Deal and its identified investment priorities for the Portfolio. This includes details on the relevant socio-economic issues and market failures, the consequent spending objectives for the Growth Deal and the main benefits, risks, constraints and dependencies.

This section has been drafted following the completion of a number of key steps and actions, as outlined in guidance and supported by officials from both Governments:

- **May 2020:** Publication of the Vision for Growing Mid Wales document<sup>2</sup>, which outlined the strategic context, evidence base, policy fit and scoped the mandate and brief for the Portfolio.
- **3<sup>rd</sup> July 2020:** Workshop with SROs, both Governments and senior officers from the Local Authorities to review the strategic context, led by the Welsh Government's Office for Project Delivery. RPA commissioned.
- **July 2020:** Cabinet Office Risk Profile Assessment (RPA) commissioned by the Welsh Government's Office for Project Delivery.
- **October-November 2020:** Project Validation Review commissioned and undertaken following the Infrastructure and Projects Authority guidance (review team appointed by the Welsh Government's Office for Project Delivery). Report completed and action plan developed by SROs.
- **October-December 2020:** Technical workshops held under the guidance of Joe Flanagan on key steps and actions on the Strategic and Economic Cases (Affirming scope, developing a long-list, CSFs, Investment Objectives and mechanism for shortlisting).

The Vision for Growing Mid Wales document contained a lot of the information that this d builds on – and for the purposes of the above steps, contained the required information to establish the mandate, brief and scope for the subsequent structured Portfolio development.

## 1.1 Strategic Context

### *Organisational Overview*

The Mid Wales region comprises the local authority areas of Ceredigion and Powys. The region has long been working towards driving forward regional economic growth in Partnership. 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 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.

In Mid Wales, the governance of the Mid Wales Growth Deal is covered in two key documents:

- **Governance Agreement 1 (Inter-Authority Agreement 1):** sets out the formal arrangements to bring forward the development of the Deal – signed December 2019<sup>1</sup>.
- **Governance Agreement 2 (Inter-Authority Agreement 2):** sets out the formal arrangement that will underpin the delivery of the Deal – development underway, to coincide with Final Deal Agreement.

The governance arrangements currently are as follows:

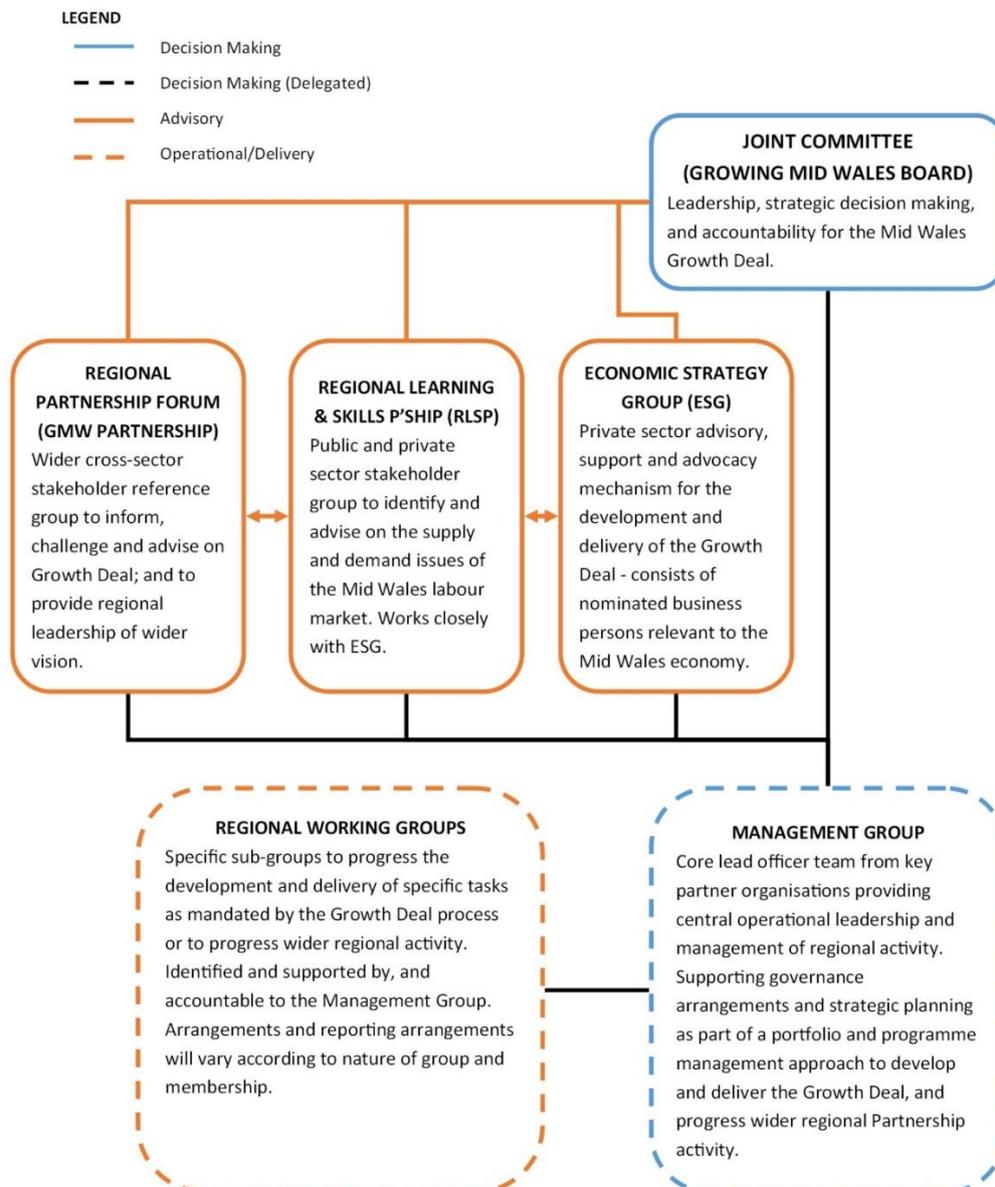


Image source: taken from Vision for Growing Mid Wales (2019)

## Business Strategy and Aims

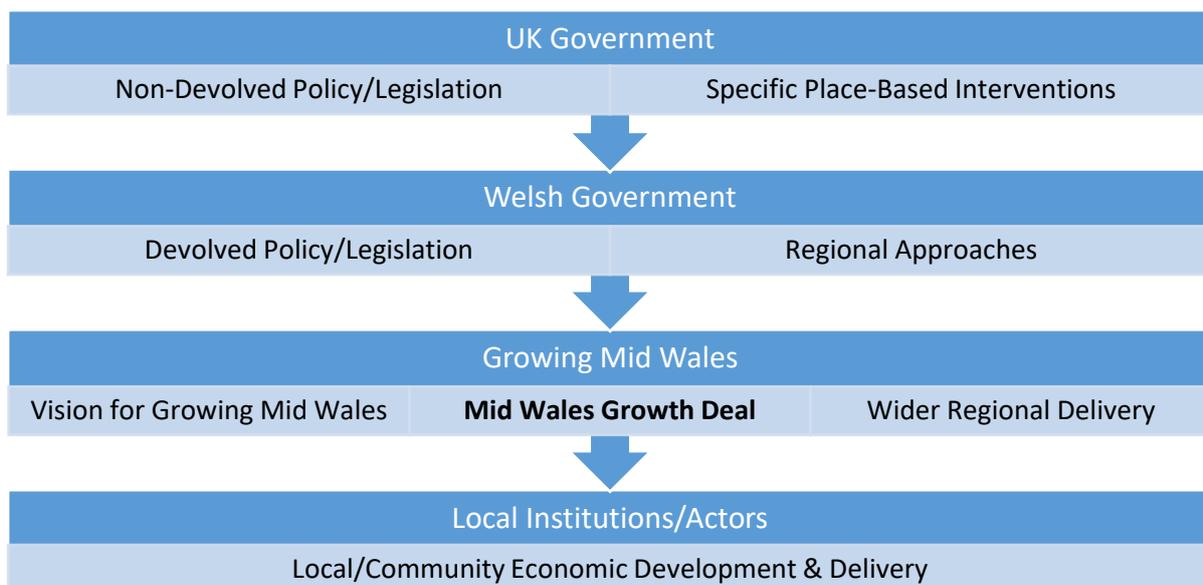
### Growth Deal – Policy context and fit

The purpose of City and Growth Deals is to support cities and regions to deliver responsive and flexible local strategies. They are now commonplace in both the UK and devolved governments, with over 36 deals in place to promote decentralisation across the country. These deals give more power and flexibility to regions and cities in terms of employment and skills, infrastructure, business engagement and support, housing, transport and investments. Regions and cities have used these powers to achieve a number of investment objectives, such as providing support to the unemployed, providing training relevant to local needs and supporting a low carbon economy.

Growth Deal funding across the UK has specific key characteristics:

- is Capital only (no revenue).
- is long-term (average 10-15 year profile).
- is deal-driven – it has to align and be agreed by the UK and Welsh Governments.
- has to demonstrate a strong case for investment and additionality above ‘business as usual’ (has to be transformational).
- leverages additional match funding from a range of sources (including private sector).
- has strong public-private partnership and clear, robust and accountable governance, management and assurance processes.

A Growth Deal also has to fit within a broader strategic policy and delivery context:



All sectors within the Mid Wales economy have a role to play to deliver economic growth.

We will, however, have to determine the appropriate strategic investments for achieving our growth objectives that build on the track record of success of our existing industrial, research and labour market strengths – it has to relate and address the needs of Mid Wales.

Mid Wales has distinctive opportunities, but also has significant challenges it needs to overcome. How the region can structure its Growth Deal will be dependent on the level of support available from both Welsh and UK Government to address both opportunity and challenges. A twin-pronged approach will be required to both support opportunity but also tackle inequalities and disparities across Mid Wales if we are to truly develop and deliver sustainable, inclusive growth.

Because the Growth Deal is capital-only, some of this will mean re-positioning and re-aligning existing delivery in terms of business support and skills to better address and respond to our challenges – aligned with our Growth Deal. Doing so in tandem will be crucial to the success of our delivery. Doing so in isolation will continue to fail our economy.

### Strategic Context for the Portfolio

The main reference strategy for the Mid Wales Growth Deal is the Strategic Economic Plan – outlined in the Vision for Growing Mid Wales document (May 2020).

The strategy set out the ambition for the region by 2035, and 8 Strategic Growth Priorities (identified in the illustration below):



The document outlines in detail, the evidence, analysis, potential interventions and areas to explore further underneath the 8 Strategic Growth Priorities noted above.

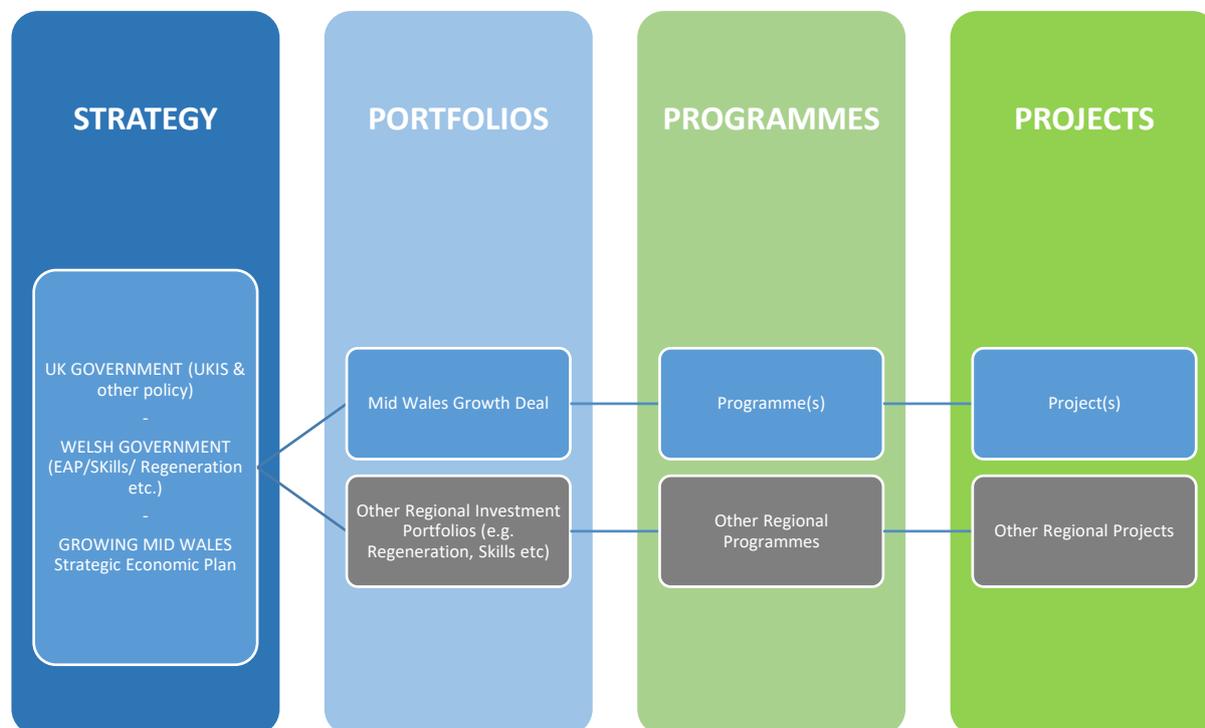
The 8 Strategic Growth Priorities identified as part of the Strategy:

- **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.

## Mid Wales Growth Deal Portfolio – strategic context, relationships and dependencies

The Mid Wales Growth Deal has been brought forward and to be structured with the principles of Portfolio, Programme and Project Management (P3M3) at its heart from the outset. Not all programmes/projects will deliver all outcomes at the same time or through the same activity.

Managing the Growth Deal as a Portfolio will ensure there is an appropriate balance of investments that meet the investment objectives set out, and there is clear relationship between its investments and the strategic context within which it operates.



### Other relevant strategies

Strong consideration has been given throughout the development of this document to ensure full alignment with both the UK and Welsh Government's ambitions. It demonstrates a clear offer around how we will work together regionally to capitalise on our strength of assets and opportunities to make a significant and impactful contribution to the Welsh and UK economy.

#### UK Government

There is recognition that whilst the UK economy has significant strengths; opportunities and growth remain unevenly distributed across the country. The UK Industrial Strategy outlines the five foundations of productivity: ideas, people, infrastructure, business environment and places and 4 Grand Challenges, responding to global changes: Artificial Intelligence and data; ageing society; clean growth; & future of mobility.

There is a clear recognised role for Local Authorities, working individually and in partnership across sectors and Government to drive regional economic growth and productivity enhancements. Collaboration to address shared challenges is a central theme, with a commitment to build on the work ongoing in developing and delivering City and Growth Deals across the UK.

Recent emerging priorities around a future UK Shared Prosperity Fund also reinforce the aspiration to address uneven regional economic growth across the UK.

## Welsh Government

The Welsh Government's long-term aim is to build a Wales that is prosperous and secure, healthy and active, ambitious and learning, and united and connected. It recognises four key themes as part of its national strategy "Prosperity for All" - Prosperous and Secure; Healthy and Active; Ambitious and Learning; United and Connected.

It outlines key priority areas that articulate a national policy ambition aligned to the Wellbeing of Future Generations Act that is focused on the integration and collaboration between services to enable early intervention and prevention – delivering better outcomes for the long-term.

Prosperity for All: Low Carbon Wales – our economic vision cannot sit in isolation to environmental and climate change concerns, but embraces Decarbonisation and a Low Carbon economy at its heart.

The Economic Action Plan specifically outlines the Welsh Government's ambition to grow the economy and reduce inequality. It represents a significant policy shift to acknowledge the importance of partnership working to build resilience and future proof the Welsh economy. It outlines a new Economic Contract between Government and business; Calls to Action; Support for Thematic Sectors and the Foundational Economy, alongside a new approach to supporting regional economic development.

Regional partners are working closely with the Welsh Government to develop the Regional Economic Framework that will sit alongside this document, both documents will closely mirror each other in terms of content to articulate our collective priorities for the Mid Wales economy.

## Local Priorities

The development of Growing Mid Wales builds on the work that Local Authorities, Universities and partner organisations already do, continuing to support the Mid Wales economy.

Collaborating regionally to support the Mid Wales economy does not detract from, or replace what local organisations will continue to do to support local economic growth and support our local communities. It is clear that addressing the challenges and unlocking the opportunities of the Mid Wales economy requires significant, sustained efforts at local, regional and national levels – all working in tandem and for the long-term.

## The Case for Change

This section summarises:

- What we are seeking to achieve (SMART Spending Objectives)
- What is currently happening (existing arrangements or Business As Usual (BAU))
- What is required to close the gap (business needs)

### 1.2 Investment Objectives

Investment objectives have been set for both the Portfolio and the 8 Strategic Growth Priorities.

These have been determined from the context set out in the strategy document (Vision for Growing Mid Wales), and subsequent workshops in October-November 2020.

These investment objectives have been established to help provide clarity and refinement of what the Growth Deal Portfolio will be seeking to achieve in terms of measurable social, economic and environmental outcomes.

**NOTE: These are draft at this stage. Values have not been set, until the detail of remaining cases of the Portfolio will be developed further.**

#### INVESTMENT OBJECTIVES - PORTFOLIO:

1. To create between [range] and [range] net new jobs in Mid Wales through the Growth Deal by [date]
2. To support a net additional GVA uplift of between [£lower value] and [£upper value] for the Mid Wales Economy through the Growth Deal by [date].
3. To deliver a total investment of up to [£value] in the Mid Wales Economy through the Growth Deal by [date].

#### INVESTMENT OBJECTIVES – STRATEGIC GROWTH PRIORITIES:

	STRATEGIC AIMS <sup>i</sup>	INVESTMENT OBJECTIVES
Applied Research & Innovation	<ul style="list-style-type: none"> <li>• Investment in Regional Infrastructure and Assets</li> <li>• Strengthened Networks and Ways of Working</li> <li>• Labour Market Development</li> </ul>	<ul style="list-style-type: none"> <li>• To support the creation of x high-value jobs in the sector regionally by y.</li> <li>• To leverage additional public/private investment to research and industrial assets in the region by x% by y.</li> </ul>
Agriculture, Food & Drink	<ul style="list-style-type: none"> <li>• Enabling and Supporting Market Growth</li> <li>• Fostering Innovation</li> <li>• Developing the Right Business Environment</li> <li>• Labour Market Development</li> </ul>	<ul style="list-style-type: none"> <li>• To create x sustainable jobs in the sector regionally by y.</li> <li>• To raise sector productivity from x to x by y.</li> </ul>

<sup>i</sup> As set out in the Vision for Growing Mid Wales document

	STRATEGIC AIMS <sup>i</sup>	INVESTMENT OBJECTIVES
Strengthened Tourism Offer	<ul style="list-style-type: none"> <li>Investment in Strategic Regional Infrastructure and Assets</li> <li>Investment in Supporting Infrastructure</li> <li>Labour Market Development</li> <li>Strengthened Awareness of the Mid Wales Offer</li> </ul>	<ul style="list-style-type: none"> <li>Investment in targeted regional sites to support the creation of <b>x</b> new jobs in the industry by <b>y</b>.</li> <li>Increase visitor spend from <b>x</b> to <b>x</b> by <b>y</b>.</li> </ul>
Energy	<ul style="list-style-type: none"> <li>Addressing Network Capacity &amp; Grid Constraints</li> <li>Decarbonisation of our Energy Supply and Use</li> <li>Developing the potential of Agriculture</li> <li>Harnessing Regional Innovation</li> <li>Reducing Fuel Poverty</li> <li>Decarbonising Transport</li> </ul>	<ul style="list-style-type: none"> <li>To increase the availability of green charging/fuelling sites in Mid Wales by <b>x%</b> by <b>2030</b>.</li> <li>To increase the percentage share of green energy production in the region by <b>x%</b> by <b>x</b>.</li> <li>To help reduce fuel poverty levels in Mid Wales by <b>X%</b> so that it's in line with national levels by 2035</li> </ul>
Digital	<ul style="list-style-type: none"> <li>Broadband</li> <li>Mobile Technology</li> <li>Innovation</li> <li>Infrastructure</li> <li>Business Support</li> <li>Policy</li> </ul>	<ul style="list-style-type: none"> <li>Add value to existing public/private investment in digital infrastructure to increase coverage by <b>x%</b> by <b>[date]</b>.</li> <li>Indirectly supporting the creation of <b>x</b> new jobs and boosting regional productivity growth by <b>x</b>, by <b>y</b>.</li> </ul>
Supporting Enterprise	<ul style="list-style-type: none"> <li>Enabling Business Growth</li> <li>Strengthening the Support Offer</li> <li>Procurement</li> <li>Policy</li> </ul>	<ul style="list-style-type: none"> <li>Increase the number of jobs created/supported in the region by <b>x</b>, through creation of <b>x</b> new employment floor-space by <b>y</b></li> </ul>
Transport	<ul style="list-style-type: none"> <li>Road</li> <li>Public transport</li> <li>Behaviour Change</li> <li>Decarbonisation</li> <li>Integration</li> </ul>	<ul style="list-style-type: none"> <li>Improve journey time confidence across the region from <b>x</b> to <b>x</b> by <b>y</b>.</li> </ul>
Skills & Employment	<ul style="list-style-type: none"> <li>Better strategic alignment of provision with industry</li> <li>Strengthened industry intelligence</li> <li>Tailoring regional skills &amp; employment support</li> <li>Targeted support</li> <li>Capital investment in skills infrastructure</li> </ul>	<ul style="list-style-type: none"> <li>Increased retention of learners within the regional labour market from <b>x</b> to <b>x</b> by <b>y</b>.</li> <li>Improving accessibility to learning opportunities within the region from the base (<b>x</b>) to target (<b>x</b>) by <b>y</b>.</li> </ul>

The setting of clear, concise and meaningful SMART spending objectives is an iterative exercise and will be driven by the nature and focus of the Portfolio, as it develops. These will be refined over time.

## 1.3 Existing Arrangements

The content in this section has been developed from the Vision for Growing Mid Wales document<sup>2</sup> – which contained significant analysis, baseline work and engagement supporting these statements and figures.

### *The Economy & Society*

The Mid Wales economy is often characterised as a large and predominantly rural region, comprising of 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.

#### **Productivity**

Mid Wales contributes £3.6bn in annual Gross Value Added (GVA) to the UK economy (equating to £17,509 per head).<sup>ii</sup> This is amongst the lowest in the UK and compares to £65.1 billion (£20,738 per head) for Wales; with Mid Wales contributing approximately 5.5% of the Gross Value Added (GVA) generated by the Welsh economy, a proportion that has remained constant over almost the last twenty years. Powys records the lowest performance for GVA per hour worked of all areas across the UK, lagging significantly behind the rest of Wales (82% of Welsh average) and the UK (65% of the UK average).

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 manufacturing, real estate 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.

#### **Business**

Mid Wales contains 12,660 VAT registered businesses. 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 2% and has lagged significantly behind Wales (15%) and the UK (27%). Survival rates for new businesses after 5 years are however significantly better in Mid Wales than for England & Wales<sup>iii</sup>.

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.

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<sup>ii</sup> StatsWales, December 2019

<sup>iii</sup> Growing Mid Wales Baseline Report, AECOM, 2019

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.

## People

The demographic profile of the region presents both challenges and opportunities. At an overall population of 205,000, 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%.

The working age population is less than the Welsh and UK average and is predominantly characterised by higher proportions of 50-64 and 65+ year olds. There is a relatively small share of working age people due to the higher proportions of 50-64 and 65+ year olds. Comparatively, Mid Wales has proportionally fewer people below the working age – though the figures are partly skewed due to the student population in key locations in Ceredigion.

Population projections for Mid Wales currently estimate a 16% decline in the working age population and 37% increase in the 65+ age group to 2039. Unless addressed this predicted trend is likely to reduce the region's workforce over the next 15 years.

## Labour Market

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<sup>iv</sup>, 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<sup>v</sup>.

Over the past five years, employment in Mid Wales has decreased by around 4%<sup>vi</sup>. Jobs are particularly concentrated in Public Administration and Accommodation & Food Services. The largest increases in employment growth were predominantly in knowledge-based services. Several sectors, including information & communication, business administration and support services, and professional, scientific and technical services and manufacturing, are currently less concentrated in Mid Wales compared to the UK, but are growing rapidly. This combination of under-representation and dynamic growth illustrates the potential for further expansion of these sectors.

## Learning & Skills

Mid Wales performs well in educational attainment with levels of achievement at GCSE level exceeding the Welsh average. The proportion of young people Not in Employment, Education and Training is low while the qualifications profile of Mid Wales performs better than the Welsh average – but with lower rates of older people upskilling.

Despite these strengths, skills gaps and recruitment difficulties are commonplace amongst Mid Wales employers. Apprenticeships and further education delivery are challenged by the rural nature of the region. Employer investment in training is currently relatively low, possibly reflecting the high proportion of small and medium sized enterprises (SMEs).

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<sup>iv</sup> StatsWales, January 2020

<sup>v</sup> ONS, Average Weekly Wage Data, October 2019

<sup>vi</sup> StatsWales, Workplace Employment Data, 2014-2018

## Existing Arrangements - Strategic Growth Priorities

## Applied Research and Innovation

- Region is home to internationally-significant industries and internationally-recognised research & development assets and expertise that offer opportunities to catapult regional productivity growth.
- Agri-tech, Food and Bioscience: leading r&d expertise in these sectors and home to world leading research centres such as the Institute of Biological, Environmental and Rural Sciences (IBERS), and new dedicated facilities to support commercial development (AberInnovation).
- Environmental leadership: home to the Centre for Alternative Technology, a globally renowned educational charity dedicated to researching and communicating positive solutions for environmental change driving academic and tourism potential.
- Animal Health: existing strengths in veterinary science via the Wales Veterinary Science Centre and the £4.2m Vet Hub development aligned to a research Centre of Excellence in Bovine TB.
- Advanced Manufacturing: home to a significant number of advanced manufacturing industries supporting the employment of 6,625 people (8% of regional employment) across a number of sub-sectors (fabricated metal products-31.7%; machinery and equipment-22.3%; basic metals-12.4%)<sup>vii</sup> with niche areas of expertise such as automation, motion engineering and biotechnology/life sciences. Overall manufacturing employment here has increased by 8.2% from 2010 levels, representing a positive trend to build on as we seek to improve productivity and generate economic growth<sup>viii</sup>.
- Emerging potential developments in Radio Spectrum, Rail Testing and Hydrogen.

## Agriculture, Food and Drink

- 935 food-related enterprises
- Distributed, but notable concentrations in Welshpool, Newtown, Llanymynech, Knighton, Aberystwyth and Felinfach.
- Future Food @ AberInnovation: dedicated resources and expertise to research and develop future food (TRLs 2-5).
- Food Centre Wales, Horeb: supply chain development, process and product innovation to add value (TRLs 5-8).
- Royal Welsh Agricultural Society & Show: showcase of regional agriculture, and food and drink.
- Region home to key strategic support organisations head quartered within its boundaries, including Menter a Busnes, Hybu Cig Cymru, Lantra, Cambrian Training as well as the two main farming unions (FUW and NFU).
- 10,275 people employed in the food industry in Mid Wales – exceeds national averages, despite total business stock being lower than national averages.
- Sector currently generates significant employment share (6.6%) in food and drink wholesaling, above national averages.
- Mid Wales employment in sector has grown in the past 7 years at 11.5%, again higher than national averages.
- High rate of inclusivity – broad demographic range of employees and owners – offering sustainable career pathways.
- Sector and region are recognised in national policy to offer further growth potential.
- Sector vulnerable to changes in external policy & trading environments (e.g. Brexit) – but also opportunities to develop new markets/processes.

<sup>vii</sup> ONS Business Register and Employment Survey 2017; ONS UK Business Counts

<sup>viii</sup> AECOM (2019) Evidence Based Programme of Interventions Baseline Report

### Strengthened Tourism Offer

- Employs over 23,200 people in the region
- Outstanding natural assets in the Brecon Beacons National Park, the Wales Coastal Path and other renowned destinations such as the Cambrian Mountains. Mid Wales is also home to five blue flag beaches.
- During the period 2014 to 2016 Mid Wales accounted for 18% of overnight domestic (GB) trips, 10% of international visits, and 12% of day visits to Wales.
- Tourism sector estimated to be worth an estimated £1.08 billion to the Mid Wales economy in 2016
- The tourism trade is further bolstered by a diverse range of annual events including internationally recognised brands such as Green Man Festival, Royal Welsh Agricultural Show, Wales Rally GB, and Hay Festival.

### Energy

- The region generates 97% of the electricity that it consumes from local renewable sources, predominantly supplied by onshore wind (270MW) making up 72% of generation and 66% of capacity, while solar PV (51MW) supplies around 6% of renewable generation.
- The region has the highest deployment of renewable heat installations in Wales with nearly 2% of homes having a heat pump or biomass boiler – reflecting the ‘off-grid’ nature of many rural properties.
- Presence of renowned academic/research institutions: CAT, Aber Uni/IBERS, and companies specialising in Hydrogen and Alternative Fuel.
- Natural resources in Mid Wales are well placed to produce green and renewable forms of energy.
- Due to its abundant natural resources the region is well to help both Welsh and UK governments reach their 2050 target for reducing carbon emissions.

### Digital

- Although there have been significant improvements in recent years digital connectivity in the region significantly behind the rest of Wales and the UK
- Approx 81% of premises in region have Superfast Broadband connection capability.
- There are over 20,000 ‘white premises’ in the region who cannot access speeds of 30Mbps Mobile coverage lags behind rest of Wales and UK
- Topography and low density populations are the biggest challenge to accessing better coverage
- 20% less 4G coverage than rest of Wales, 28% less than UK
- Digital connectivity vital to region to support a thriving economy.
- 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 allowing people to live and work more freely.

### Supporting Enterprise

- The business base has a very high proportion (>95%) of micro businesses (<10 employees), providing a large number of businesses with the potential for growth.
- The number of businesses in Mid Wales is steadily growing – In 2019 Mid Wales was home to xxx businesses, a growth of 2.2% 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.

- Farms and agricultural enterprises 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.
- 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.

## Transport

- Transport connectivity both inside and outside of Mid Wales is crucial to economic flows and future growth.
- The region has 945 km (587 miles) of Trunk and A roads connecting the region with North and South Wales and east to the West Midlands, which is crucial for cross-border connectivity
- There are also two railway corridors (Cambrian Main line/Coast and the Heart of Wales line) which run north-south and east-west.
- Rail services in Mid Wales are too infrequent with slow journey times and limited direct connectivity to major UK cities.
- Low Carbon Economy can be supported by improving safety and resilience of the network which will lead to reduced journey times and increase capacity.
- Investment required in improving strategic networks to keep goods and labour services moving freely.
- Less than 1% of bus use in region.
- Low take up of electric vehicles due to lack of infrastructure.

## Skills & Employment

- School-age attainment in Mid Wales exceeds the Welsh average.
- A higher proportion of the working age population are qualified to degree level compared to the national average while unemployment is at historically low levels
- The region's 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.
- Notable presence of HE, limited FE presence.
- Emerging Regional Learning and Skills Partnership – offers opportunity to identify and co-ordinate a plan to align skills supply and demand in Mid Wales.

## 1.4 Business Needs

As with the previous section, the content has been developed from the Vision for Growing Mid Wales document – which contained significant analysis and baseline work behind these statements and figures.

Mid Wales comprises the two local authority areas of Ceredigion to the West and Powys to the East and combined, the largely rural region accounts for 34% of the total land mass of Wales. It is home to a population of just over 200,000 people and is well-known for its natural beauty, research and industrial expertise, strong cultural identities and heritage. The Mid Wales economy is a critical component in driving and supporting intra-regional growth across Wales and the UK, contributing ~£3.6bn GVA annually.

Mid Wales is less well-known as a land of untapped economic opportunity. Where business survival rates outclass the Welsh average; where its natural and academic assets offer an obvious choice for cutting-edge research combined with notable business strengths in key sectors providing strong opportunities to strengthen industry clusters. A region with a strong supply of talented and skilled labour; with strategic commuter links within and outside the region to other parts of Wales and cross-border into England.

The region's economy has its challenges in addressing the structural weaknesses that are currently hinder its residents and businesses. Poor connectivity, lagging productivity, limited skills infrastructure, grid constraints and lack of supporting business infrastructure. Proposals developed in the region designed to address these challenges and harness the assets and opportunities will be brought forward as a Portfolio to secure capital investment. Playing a pivotal role in a broader investment strategy to realise the full extent of the ambition articulated in the Vision for Growing Mid Wales.

The Vision for Mid Wales by 2035 is:

***“an enterprising and distinctive region delivering economic growth driven by innovation, skills, connectivity and more productive jobs supporting prosperous and bilingual communities”***

With the role of the Growth Deal clearly identified to:

***“take full advantage of the opportunities available to create and support economic and social growth by overcoming its challenges to become a fairer, smarter region that contributes to its full potential to address its productivity challenge.”***

Despite a succession of efforts to improve the regional economy over the years, Mid Wales continues to lag behind other Welsh and UK regions in a number of areas:

- **Lagging productivity:** Mid Wales continues to lag behind other Welsh and UK regions in real and per head terms due to the seasonality and structure of its employment base. Mid Wales contributes £3.6bn in annual Gross Value Added (GVA) to the UK economy. This is amongst the lowest in the UK and compares to £65.1 billion for Wales; with Mid Wales contributing approximately 5.5% of the Gross Value Added (GVA) generated by the Welsh economy, a proportion that has remained constant over almost the last twenty years. Notably, Powys records the lowest performance for GVA per hour worked of all areas across the UK.
- **Changing demographics:** reducing population figures and changing demographics, leading to a 'pinched middle' due to a relatively larger older population and a proportionately smaller working age population. Population

projections for Mid Wales currently estimate a 16% decline in the working age population and 37% increase in the 65+ age group to 2039. Unless addressed this predicted trend is likely to reduce the region's workforce over the next 15 years.

- **Narrow and vulnerable economic base:** leading to employment and productivity imbalances. The largest GVA contributors are manufacturing, real estate and wholesale and retail – whilst agriculture employs the most – representing 37% of all businesses - it contributes comparatively less GVA. Seasonality also exacerbates vulnerability – the tourism sector employs over 23,200 people in Mid Wales.
- **Projected employment decline:** Over the past five years, employment in Mid Wales has decreased by around 4%. Pre-covid, the employment forecasts for Mid Wales were projecting significant reduction – which will now be in even sharper focus due to the lasting impacts of the pandemic on livelihoods.
- **Static and weakening labour market:** gaps in skills provision and infrastructure to meet industry demands – leading to reduced accessibility and equality of opportunity for young people, reinforcing out-migration. Powys' commuting outflows of ~3,495 especially highlight the need to improve employment opportunities in the region.
- **Market failure:** Underlying structural economic weaknesses mutually reinforce market failure; evidenced by weak and relatively static commercial and residential build rates, declining and narrowing business base and the lagging development of digital, transport and energy grid infrastructure. For example, approximately 81% of premises in Mid Wales have the capability to connect to Superfast Broadband (30Mbps+), lower than that for Wales (95%) and the UK (96%). Only 19% of the region currently has access to Ultrafast Broadband (100mbps+) compared to Wales (39.5%) and the UK (60%).
- **The hidden nature of a rural economy:** relatively strong employment and low unemployment data masking issues of low pay and underemployment. Average full-time weekly earnings for example were 93% of the UK average in 2016 and 94 % of the Wales average in 2019.

There are clear opportunities to exploit from existing drivers and assets in research, industrial and human capital to:

- **Attract and develop industries that drive regional productivity, earnings and employment growth** – capitalising on the strengths of our research, industrial and skilled assets.
- **Attract and unlock private sector investment** within the Region by ensuring the right environment for growth.
- **Position Mid Wales as a rural powerhouse** that develops existing industrial strengths to generate new industrial and employment opportunity.
- **Reduce outward migration and retaining a skilled workforce** through industry-led employment and skills support combined with clear employment pathways.
- **Utilise Growth Deal investments to influence and catalyse further investments** and policy changes to ensure equitable, inclusive growth across the whole region, positioning the Growth Deal as a core component within wider regional economic recovery efforts.

## 1.5 Potential Scope: Mid Wales Growth Deal

The Vision for Growing Mid Wales sets out the broader strategy for investment in the Mid Wales region.

It identified 8 Strategic Growth Priorities (sectors), that had strong rationale and a robust evidence base for investment.

The Growth Deal, managed on a Portfolio basis over the next 15 years, will have to determine the appropriate strategic investments for achieving the growth objectives identified. Building on the track record of success of our existing industrial, research and labour market strengths – it has to relate and address the needs of Mid Wales.

Over the 15 year lifecycle of the Growth Deal Portfolio, a number of elements can (and will) change:

- Macro/Micro Economic Changes – affecting private investment opportunities, confidence, sector composition, industry capability etc.
- Revisions to Governments contribution to the Deal (Future Increases, Further Funding Opportunities)
- Uncertain Fiscal Climate – will impact public finances (implications for borrowing capacity, revenue, capacity).
- New economic drivers/capabilities: New investments/developments by the public/private sector may create new opportunities/reduce impact of current.
- Demographics/Labour Market: Supply of labour and market composition will change over time – requiring flexible and adaptive responses.
- Policy: Government policy priorities (& funding) will change over 15 years. The Portfolio will have to keep abreast and aligned to emerging opportunities to maximise leverage potential of existing funds.

As a starting point, all 8 Strategic Growth Priorities (sectors) are considered within scope, and identified as the “maximum scope” of the Growth Deal.

Not all interventions identified within the maximum scope can be delivered through a Growth Deal (within the existing dependencies and constraints). However, for the Portfolio to be continually aligned and maximising public investment – the entire 8 sectors of the Strategy are identified in scope, from which the initial long-list is drawn.

The strategic aims and types of interventions in each of the 8 Strategic Growth Priorities (sectors), are identified below. Should the reader wish to query these in greater detail, please refer to the Vision for Growing Mid Wales document<sup>2</sup>.

### 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.

**Types of Intervention:** Investment in Regional Infrastructure and Assets; Strengthening Networks and Ways of Working; Labour Market Development

### 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.

**Types of Intervention:** Enabling and Supporting Market Growth; Fostering Innovation; Developing the Right Business Environment; Labour Market Development

### 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.

**Types of Intervention:** Investment in Strategic Regional Infrastructure and Assets; Investment in Supporting Infrastructure; Labour Market Development; Strengthened Awareness of the Mid Wales Offer

### Energy

**Strategic Aim:** Establishing Mid Wales' role in supporting, and potentially leading Welsh and UK efforts in developing and generating solutions to address the challenges of a future energy system.

**Types of Intervention:** Addressing Network Capacity & Grid Constraints; Decarbonisation of our Energy Supply & Use; Developing the potential of Agriculture; Harnessing Regional Innovation; Reducing Fuel poverty; Decarbonising transport

### Digital

**Strategic Aim:** Capitalising on the economic opportunities that can be unlocked by investing in our digital infrastructure

**Types of Intervention:** Broadband investment; Mobile Coverage; Innovation Platforms; Physical Infrastructure; Business Support; Policy

### Supporting Enterprise

**Strategic Aims:** 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.

**Types of Intervention:** Enabling Business Growth; Strengthening the Support Offer; Procurement; Policy

### Transport

**Strategic Aims:** Build on existing linkages to help deliver the transport network required to help grow the economy and raise productivity.

**Types of Intervention:** Road; Rail; Public Transport; Behaviour change; Decarbonisation; Integration

### Skills & Employment

**Strategic Aims:** Ensuring the appropriate supply of skills and a capable workforce to meet business and industry demands and needs as part of a functioning labour market to underpin future economic growth.

**Types of Intervention:** Better strategic alignment of provision with industry; Strengthened industry intelligence; Tailoring regional skills & employment support; Targeted support; Capital Investment in Skills Infrastructure

## 1.6 Main benefits

The key benefits the Portfolio will be delivering will evolve as the detail of the Programmes/Projects evolve.

However, the key headline direct and indirect benefits that the Growth Deal is expected to contribute towards are:

- Growth in regional prosperity – through improved productivity, inward investment and the creation of new jobs.
- Creation of better-quality jobs for the local labour market – through targeted interventions in high value sectors to create new jobs.
- A more skilled workforce within the region – through supporting skills and training initiatives and targeted interventions in high value sectors to create opportunities.
- Improvements in standards of living across the region- inclusive growth that provides opportunities, reduces poverty, inequality and deprivation.

Mid Wales Growth Deal – Strategic Change Indicators <sup>ix</sup>						
Indicator	2014	2015	2016	2017	2018	Change
<b>Regional Productivity Growth</b>						
GVA (£ million)	3,182	3,410	3,596	3,621	3,597	
GVA per head (£)	15,291	16,451	17,430	17,613	17,509	
GVA in high value sectors (£ million)*	478	551	620	636	581	
Increase in proportion of working age population (%)	-0.7	-0.5	-0.5	-0.5	-0.4	
<b>Increased Employment and Skills</b>						
Employment Growth (%)	+2.3	-0.8	+1.6	+1.6	-0.6	

<sup>ix</sup> Multiple economic wellbeing indicators used according to ONS definitions – please see latest well-being economic indicator set from ONS at: <https://www.ons.gov.uk/peoplepopulationandcommunity/personalandhouseholdfinances/incomeandwealth/datasets/economicwellbeingreferencetablessummaryoffigures>

Employment in High Value sectors	19,500	19,300	17,300	22,000	20,800	
Increase in proportion of the population with qualifications at Level NQF 4 and above (%)	+2	+1.8	+2.5	-3.2	+1.5	
<b>Increased Employment and Skills</b>						
Gross Disposable Household Income (£ per head)	16,050	16,389	16,351	16,539	n/a	

\*High value sectors identified as Manufacturing, Information and Communications, and Professional, Scientific and Technical activities

## 1.7 Main risks

Risks for the Portfolio and associated Programme and Project will be captured within the relevant risk register. Further details on the approach to managing risk across the portfolio will be set out in the Management Case.

However, at the Portfolio-level, a number of key risks can be identified at this stage:

<b>Resources</b>	Resources are required at portfolio, programme and project level to ensure the successful delivery of the Growth Deal portfolio. Insufficient resourcing could have a significant impact on the successful delivery of the deal.
<b>Delivery</b>	Delays in the delivery of any of the projects could have an impact on the overall Growth Deal portfolio.
<b>Cost</b>	There is a risk that the projects contained within the North Wales Growth Deal proposal will increase in cost prior to the completion of the deal. As the Welsh/UK Government funding is fixed at £240million any increase in costs would need to be met by the public/private sector
<b>COVID-19</b>	The COVID-19 pandemic still poses a risk to the delivery of the programme. The economic impact of lockdown restrictions has still yet to be fully realised which could impact local businesses, local authorities and education providers alike. Future lockdown restrictions could also delay the Growth Deal.
<b>Brexit</b>	At present, there remains uncertainty on the outcome of the Brexit negotiations. The Welsh economy could be hit in the short term in the event of a no-deal, which would impact on some of our sectors through tariffs and supply chain disruption.
<b>Private Sector Investment</b>	Significant private sector investment is required to deliver the programme. There is a risk, particularly following the impact of COVID-19 on the regional economy that the level of private sector investment required will not be attained.
<b>Public Sector Investment</b>	There is a risk, particularly following the impact of COVID-19 and changing priorities on the regional economy that the level investment required will not be attained.

<b>Limited end user company involvement</b>	Lack of demand from end users would hinder the programme and one of its key aims to drive diversification and innovation through collaboration between industry and education providers.
<b>Political Change</b>	Changes in Government policy will happen over the course of the 15-year Growth Deal period. These policy changes could impact significantly on the scope of the Growth Deal, the programmes and the projects.
<b>Statutory Consents and Planning</b>	As a capital investment programme there is a risk that if Growth Deal projects do not receive the necessary statutory consents and planning approval the projects will not be delivered and the benefits not realised.

## 1.8 Constraints

This section sets out the parameters agreed for the delivery of the strategic portfolio over the next 15 years.

There are a number of constraints placed on the delivery of the Growth Deal, notably:

- Total Funding Package – The total amount of funding is set at £55million from the Welsh Government and £55million from the UK Government. The combined £110million must be supplemented by private and public sector funding to ensure the delivery of the Growth Deal and the programme.
- Term of the Growth Deal – The programme cannot exceed the term of the Growth Deal set at 15 years.
- Capital Funding – The Growth Deal funding package is capital funding with no revenue funding provided for projects. Revenue funding must be provided by the partners.
- State Aid – Growth Deal projects must comply with relevant State Aid rules.

## 1.9 Dependencies

This section outlines the dependencies for the successful delivery of the Growth Deal.

Growth Deal funding across the UK has specific key characteristics (these are funding dependencies):

- is Capital only (no revenue).
- is long-term (average 10-15 year profile).
- is deal-driven – it has to align and be agreed by the UK and Welsh Governments.
- has to demonstrate a strong case for investment and additionality above ‘business as usual’ (has to be transformational).
- leverages additional match funding from a range of sources (including private sector).
- has strong public-private partnership and clear, robust and accountable governance, management and assurance processes.

Alongside the above, the following dependencies also have to be taken into account:

- Annual funding profile from Government (for the £110) – can be mitigated, but needs factoring in.
- Securing the Final Deal – a process is being mapped out by Governments and the region to secure the funding. Heads of Terms is expected Autumn/Winter 2020 – with a final deal agreement to secure the £110m government funding and agreeing Governance Agreement 2 within the partnership.

- Private Sector Engagement – The Growth Deal cannot be successfully delivered without the engagement of and collaboration with the private sector. The Economic Strategy Group (ESG) is one avenue of engagement and advice – but there should also be strong engagement in a broader sense.
- Public Sector Engagement – The Growth Deal required the Local Authorities to establish the Growing Mid Wales Board to continue to develop, and ultimately deliver the Deal. There is a broader consideration of how this works alongside other regional structures and funding streams.
- Statutory Consents and Planning Approval – A number of the Growth Deal projects will require statutory consents and planning approval.

Dependencies for any programmes and projects will be set out within the relevant business case(s).

## 2 THE ECONOMIC CASE

The Economic Case sets out how we appraise options for the potential scope of the Mid Wales Growth Deal, as set out in the Strategic Case.

**NOTE:** This section is not yet complete. This is an INITIAL draft, subject to consultation.

Following cycle of consultation, and further work – the detail will be developed iteratively, over time.

### 2.1 Critical Success Factors (CSF)

The following Critical Success Factors have been developed from existing documentation (Vision for Growing Mid Wales), and the outcome of workshops 1a-1d and workshop 2.

They are standardised according to HM Treasury guidance, with the process having been led and advised by an experienced practitioner.

**NOTE:** *elements may be refined in subsequent revisions of the Portfolio Business Case, however, they are sufficient for this early draft stage.*

CSF	Details
<p>How well the option provides:</p> <p><b>Strategic fit</b></p>	<p>With:</p> <ul style="list-style-type: none"> <li>Wellbeing of Future Generations Act</li> <li>UK Industrial Strategy</li> <li>Prosperity for all: Low Carbon Wales</li> <li>Economic Action Plan – WG and Regional Framework</li> <li>Local collaboration – Local Authorities, Universities and Partnering Organisations</li> <li><i>Emerging UKG/WG policies around Green Recovery (10 point plan)</i></li> </ul>
<p>How well the option meets:</p> <p><b>Business needs</b></p>	<p>The need to overcome the following core regional needs:</p> <ul style="list-style-type: none"> <li>Low and lagging productivity</li> <li>A declining, aging population</li> <li>A narrow and vulnerable economic base</li> <li>Projected employment decline</li> <li>Static and weakening economic base</li> <li>Market failure</li> <li>Hidden nature of rural economy</li> </ul>
<p>How well the option:</p> <p><b>Optimises social welfare (cost benefit)</b></p>	<p>In terms of the following strategic outcomes:</p> <ul style="list-style-type: none"> <li>Attract and develop industries that drive regional productivity, earnings and employment growth – capitalising on the strengths of our research, industrial and skilled assets.</li> </ul>

	<ul style="list-style-type: none"> <li>• Attract and unlock private sector investment (leverage potential).</li> <li>• Position Mid Wales as a rural powerhouse that develops existing industrial strengths to generate new industrial and employment opportunity.</li> <li>• Reduce outward migration and retaining a skilled workforce through industry-led employment and skills support combined with clear employment pathways.</li> <li>• Utilise Growth Deal investments to influence and catalyse further investments and policy changes to ensure equitable, inclusive growth across the whole region, positioning the Growth Deal as a core component within wider regional economic recovery efforts.</li> </ul>
<b>Potential Supply side capacity and capability</b>	<p>In terms of:</p> <ul style="list-style-type: none"> <li>• <i>What is available within the region – volumes and skills post pandemic</i></li> <li>• <i>What could be attracted by way of inward investment from other parts of Wales and the UK</i></li> </ul>
<b>Potential Affordability</b>	<p>In terms of:</p> <ul style="list-style-type: none"> <li>• Available capital from WG and UK Government</li> <li>• Ability to match fund from the private sector</li> <li>• Funding horizon – 15 years</li> <li>• <i>Organisations ability to meet ongoing operational whole life costs</i></li> </ul>
<b>Potential Achievability</b>	<p>In terms of governance:</p> <ul style="list-style-type: none"> <li>• Growing Mid Wales Board (Joint Committee)</li> <li>• Economic Strategic Group (ESG)</li> <li>• Growing Mid Wales Partnership</li> <li>• Mid Wales Management Group</li> <li>• Programme/Project Boards</li> </ul> <p>Resources (competence and capabilities):</p> <ul style="list-style-type: none"> <li>• Regional PMO</li> <li>• Programme/Project Sponsors</li> <li>• Use of best practice (able to develop in accordance with HM Treasury &amp; WG guidance on Better Business Cases)</li> </ul>

	<ul style="list-style-type: none"> <li>• Timescales (within 15 year Portfolio lifecycle)</li> </ul>
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## 2.2 Options Assessment

The Mid Wales region has undertaken significant evidence baselining and stakeholder engagement, to help determine and refine the appropriate scope for the Growth Deal. These are all documented in detail in the Vision for Growing Mid Wales document, upon which this Portfolio has been scoped.

### *Long List*

Within each of these 8 Strategic growth Priorities identified, work was undertaken to scope an initial long-list of potential interventions. This was informed from the extensive work undertaken in bringing together the Strategy/Vision document, and officer workstreams and technical workshops. This list was then formed and refined during workshops 1a-d under the guidance of an experienced Business Case practitioner.

The following is the long-list of potential interventions that were identified for each of the 8 themes:

*[section to be completed following consultation with key groups]*

***-long-list and initial short list documentation provided separately.***

## 2.3 Economic Appraisal

[to be drafted in a future iteration of the document]

## 2.4 Risk and Sensitivity Assessment

[to be drafted in a future iteration of the document]

## 2.5 Wider Benefits

[to be drafted in a future iteration of the document]

## **3 THE COMMERCIAL CASE**

[to be drafted in a future iteration of the document]

### **3.1 Commercial Strategy**

[to be drafted in a future iteration of the document]

### **3.2 Procurement Strategy**

[to be drafted in a future iteration of the document]

### **3.3 Contractual Relationships**

[to be drafted in a future iteration of the document]

### **3.4 Service Requirements, Outputs and Risk Allocation**

[to be drafted in a future iteration of the document]

### **3.5 Charging Mechanism**

[to be drafted in a future iteration of the document]

### **3.6 Asset Ownership, Management and Accountancy Treatment**

[to be drafted in a future iteration of the document]

### **3.7 State Aid**

[to be drafted in a future iteration of the document]

### **3.8 Personnel Implications**

[to be drafted in a future iteration of the document]

## **4 THE FINANCIAL CASE**

[to be drafted in a future iteration of the document]

### **4.1 Capital Requirements**

[to be drafted in a future iteration of the document]

### **4.2 Revenue Requirements**

[to be drafted in a future iteration of the document]

### **4.3 Income and Expenditure Summary**

[to be drafted in a future iteration of the document]

### **4.4 Project Maturity**

[to be drafted in a future iteration of the document]

### **4.5 Private Sector Funding**

[to be drafted in a future iteration of the document]

### **4.6 Monitoring and Evaluation**

[to be drafted in a future iteration of the document]

## 5 THE MANAGEMENT CASE

[to be drafted in a future iteration of the document]

### 5.1 Management, Governance and Co-Ordination

[Headings to be drafted in a future iteration of the document]

## BIBLIOGRAPHY/REFERENCE DOCS

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<sup>1</sup> Mid Wales Growth Deal – Inter-Authority Agreement 1 (December 2019) (LINK)

<sup>2</sup> Vision for Growing Mid Wales (May 2020) (LINK)