



REPORT TO THE GROWING MID WALES BOARD

11th March 2022

TITLE:	Digital Programme Report
AUTHOR:	Dave Owen, Digital Programme Manager

1. Purpose of the Report

- 1.1. The purpose of this report is to update members of the board on the development of the Digital Programme Business Case to date, and seeks the GMW Board's support to mandate its further development to support the delivery of the Mid Wales Growth Deal.

2. Decision(s) Sought

The following decisions are sought from GMW Board:

- 2.1 Note progress and developments to date with consideration of the documentation attached in relation to the Digital Programme.
- 2.2 To mandate the further formal development of the Digital Programme Business Case and further exploration of the potential projects within the programme.
- 2.3 To mandate the establishment of a Digital Programme Board and appropriate governance and reporting arrangements with the Management Group (Portfolio Board).

3. Purpose of the Programme Business Case

- 3.1. The Programme Business Case (Appendix 1) sets out the considerations for the development of the Digital Programme for Growth Deal funds, and provides a list of interventions and potential projects to be considered for development and delivery over the length of the Programme and the Growth Deal.
- 3.2. The Programme Business Case identifies that investment and the quality of Digital Infrastructure is currently lagging behind in Mid Wales than in other areas and that without intervention the region will continue to experience deficiencies in digital infrastructure provision.
- 3.3. The Programme Business Case describes the economic ambitions and digital themes outlined in the "Vision for Growing Mid Wales" and provides a case for

intervention by Growing Mid Wales (GMW) to accelerate investment in digital connectivity across the region.

- 3.4. A strong case for change has been set out, that without any intervention from the public sector, connectivity and capacity will fall further behind the required levels over the forthcoming years as the demand and dependency upon digital technology increases.
- 3.5. The Programme Business Case suggests that despite potential significant funding, Mid Wales will almost certainly be budget-constrained, with the scale of the digital problem estimated to require investment of over £200m to resolve completely, with the digital programme limited to approximately £11m Growth Deal funds. Interventions should therefore be focused where they can deliver the greatest impact for the region, driving and supporting other investments.
- 3.6. The first priorities are therefore fixed and mobile connectivity. As highlighted within the Vision for Mid Wales document, these have a fundamental effect on the efficacy of our economy and so play a significant role in allowing business to grow and flourish. They are also foundations for other forms of digital infrastructure.

4. Progress to date

4.1. Since March 2021, Spirit Public Sector have been commissioned to provide technical support and advice to the team in the development and completion of the Programme Business Case in preparation for Final Deal Agreement. The commission has been broken in to two phases, scoping and feasibility, with the objectives of each phase outlined below.

4.2. Phase 1 (Scoping):

- Scoping potential interventions that will significantly enhance digital connectivity in Mid Wales.
- Applying Treasury Guidance (5 Case Business Model), to advise and consider the key elements that would form a strategic case.
- Consideration of the main issues to feature within in the Economic Case; in determining critical success factors and an initial long-list of interventions.
- Demonstrate how additional existing Government investment can support the regions objectives within the digital thematic.

4.3 Phase 2 (Feasibility)

- To further develop the identified interventions in phase 1 and development of the Economic Case through determination of a Preferred Way Forward.
 - To undertake detailed feasibility and set up of a programme/projects as identified from the Preferred Way Forward.
- 4.4 A final draft of the Programme Business Case has been developed and has received feedback from both the Digital Steering Group and the GMW Management Group. The Digital Steering Group was established for the purpose of scoping the early programme, consisting of key stakeholders and partners organisations.
- 4.5 Though a comprehensive list of possible interventions have been developed, two projects have currently been identified as 'quick win' projects through the development of the Programme Business Case and will be considered further following the establishment of the Digital Programme Board and funding becoming available.
- 4.6 The first identified 'quick win' project, the Strategic Employment Sites, which has been proposed seeks to accelerate the provision of fibre to the property provision to strategic employment sites within the Mid Wales region, and in doing so provide better services to businesses to facilitate greater economic growth.
- 4.7 The second, which focuses upon the acceleration of fibre connectivity services to as many social housing premises as possible within the Mid Wales region, aims to provide better facilities for tenants and increase opportunities for individual employment in the digital marketplace, and so facilitate greater economic growth.
- 4.8 Both projects would act as 'hub site' projects which will support a propagation effect, providing the link and benefits not only to the premises involved but also to other premises which the fibre may pass and providing the opportunity for suppliers to more easily build out from these areas.
- 4.9 Decisions upon which possible interventions are developed will be considered and scrutinised by the Digital Programme Board and progressed through the agreed Governance.

5. Key Considerations of the Programme Business Case

- 5.1 Accelerating the provision of digital infrastructure within Mid Wales is the programme's key objective. As widespread high quality digital infrastructure is unlikely to be delivered in Mid Wales quickly, it is therefore vitally important that GMW identifies interventions that directly provide or facilitate greater investment, stimulate demand, and accelerate digital infrastructure build to prevent the region falling further behind.

- 5.2 The Programme Business Case considers four key questions in respect of the GMW intervention:
- What are the obstacles to better Digital Infrastructure?
 - Why should GMW itself intervene?
 - What level of intervention should GMW make?
 - How will the interventions work and what resources will be required – how will the Growth Deal funding be used to bring about the greatest impact in the region.
- 5.3 Before identifying why and how the GMW Growth deal should intervene, the Programme Business Case first establishes a firm understanding of the strategic context, the current provision of digital infrastructure, including the current levels of connectivity, market conditions, and existing activities to address digital infrastructure provision.
- 5.4 The Programme Business Case describes how the challenges can be addressed through targeted interventions, to attract investment to our region and accelerate the provision of digital connectivity to support Growth Deal ambitions.
- 5.5 The Programme Business Case takes into account both our own existing initiatives, and other existing national, regional and local initiatives to identify gaps in coverage. It identifies where the Growth Deal is best positioned to intervene and sets out the actions the GMW Board could take to make best use of public funds to bring the connectivity required in Mid Wales. The aim is to complement the role of other bodies in bringing about change and not to duplicate.
- 5.6 The Programme Business Case sets out a longlist of options for GMW intervention, and a model to identify the most appropriate level and type of intervention to maximise the Return on Investment for the Mid Wales Growth Deal. This RoI is measured primarily in substantial increases to regional GVA. It also references social, health and well-being benefits and identifies some proxy indicators for success, whilst also highlighting other broader outcomes that investment will support.
- 5.7 The Programme Business Case describes the costs and benefits of the proposed GMW intervention, and sets out a high level, structured delivery approach to ensure that projects are scoped, justified, and managed effectively.

6. Investment Objectives

- 6.1 As suggested, the primary driver for better digital connectivity is economic performance, measured most simply through an increase in Gross Value Added (GVA). Through better quality, more widespread and better value digital infrastructure provision, the digital programme will support education and skills development, enable more businesses to locate and grow, increase sustainable

employment opportunities, and create a more regionally balanced and prosperous Mid Wales economy.

6.2 It is crucial that the investment made under the Digital Growth Priority thematic is focused to drive this GVA increase. The Investment Objectives for the Programme Business Case are therefore:

- Increase the contribution of existing public/private investment in digital infrastructure by £100m to deliver a RoI of £180m by 2030 (attracting investment, delivering economic return).
- Achieve a target of 80% of outdoor 4g mobile data coverage by all operators by the end of 2026 (Coverage and acceleration).
- Achieve a target of 60% full fibre coverage by the end of 2026 (Coverage and acceleration).
- Achieve a target of 98% superfast coverage by the end of 2026 (Coverage and acceleration).

7. Additional Benefits

7.1 Better Digital Infrastructure is widely considered to drive economic growth by enabling a range of outcomes for business and domestic users, such as lower costs, more employment opportunities, and more highly skilled jobs.

7.2 There are broadly three types of relevant benefits of digital connectivity provision:

- Social Benefits - Quality of life, social cohesion, health, environmental and other benefits that are not typically measured financially.
- Economic Benefits - Benefits that contribute to GVA growth.
- Public Sector Efficiency Benefits - The value to the public sector of faster and more reliable connectivity for its own buildings.

7.3 However, Digital Infrastructure is not itself directly responsible for delivering the benefits associated with that use, as many other factors play a part. The difficulty in directly attributing socio-economic benefits to improved digital infrastructure provision is well recognised. Economic benefits are nonetheless reasonable to expect, and possible to infer.

8. Interventions

- 8.1 It is vitally important that GMW can flex to respond to the ever changing environment in which the Digital stream operates, including consumer behaviour, market, government plans, and existing and planned initiatives which will continue to evolve. The intervention model needs to be highly adaptable with a means to manage our response without constraining our actions, such is the nature of digital technology.
- 8.2 The options identified need to allow the programme to vary intervention approaches to meet conditions at any given time. The model needs to take account of the fact that no single intervention is likely to be effective. GMW will always need access to a range of tools to apply in different ways, and in different settings to meet changing demands and priorities.
- 8.3 An initial list of more than 90 possible projects that GMW could undertake has been identified, many of which will be necessary. Projects range from those focused primarily upon build activity, through policy and process driven initiatives, community engagement projects, and projects to develop the skills to build digital infrastructure, or to enable end users to take-up digital connectivity services. The long list has been tested against a set of Critical Success Factors (CSFs) to select a more manageable and realistic short list of projects and options to consider.
- 8.4 Identified projects will be scrutinised through the Digital Programme Board and progressed to GMW Board via the GMW Management Group as set out in the Programme's Governance.

9. Types of Projects

- 9.1 The projects identified to date will all drive digital infrastructure delivery across Mid Wales. The projects fall into three broad areas of activity seen below. As project types are not mutually exclusive and simply reflect the project's primary focus. Every project is therefore likely to have a combination of Build, Enablement and Skills elements. Potential projects under each of these three categories are highlighted within the Project TMap accompanying this report (Appendix 5).

9.2 Build

Projects that directly build new infrastructure, including ducts digging, fibre laying, mast construction or re-purposing, and other asset creation or re-use. For build projects, GMW will typically commission a supplier to build the infrastructure.

Asset reuse is a feature of the build category of projects. These initiatives focus on using council assets like ducts, street furniture, building facades, lighting poles, and roof space, making them available to providers for use in digital infrastructure delivery.

9.3 **Enable – Process, Policies and Engagement**

Enable projects focus upon putting in place the mechanisms that are needed to help accelerate digital infrastructure build, for example, easing supply side issues by removing or minimising typical deployment barriers; and addressing demand side issues by actively raising awareness of services and encouraging changes in consumer behaviour, to stimulate demand, for example by encouraging and helping residence or businesses to apply for grants or voucher schemes.

9.4 **Skills**

Skills projects are needed to ensure that Mid Wales has access to the specific knowledge and expertise needed to grow our Digital Infrastructure footprint. This may include working with commercial or educational bodies to develop the Civils and engineering know-how needed to deploy the digital infrastructure, together with development of softer community engagement skills.

10. Management

- 10.1 It is highly likely that the scale of the infrastructure issues to address will greatly exceed GMW's resources, and that the challenges and opportunities in respect of Digital Infrastructure will change significantly over time. The programme is likely to last at least 10 years, with the level of effort required and the type of interventions is likely to change significantly over time with the most concentrated period expected to be in the first 5 years.
- 10.2 It is therefore essential to set in place a structured yet flexible programme of activity to prioritise and manage a clear plan of action. The programme will need to be well governed and resourced, and carefully managed by a hybrid team of knowledgeable and capable officers drawn from across the Growth Deal partnership, supported with specialist 3rd party resources.
- 10.3 The Digital Programme Manager has been appointed and is now actively involved in the scoping and set up of the programme. Other project specific resources are being identified as projects undergo further scoping. The presence of external support as an integral part of the resourcing model means that skills and knowledge gaps can be plugged whilst GMW resources are sought, and more effective transfer of knowledge can take place once roles are filled.
- 10.4 The Programme Board will maintain responsibility for all aspects of GMW's digital infrastructure planning and delivery, both in terms of internal delivery and of external engagement with other interested or related bodies. It will be governed in line with the wider Growth Deal management structures. This is imperative if programme decisions about funds are to reflect the broad Growth Deal priorities, and are to be invested effectively to enable the provision of widespread digital infrastructure across Mid Wales.

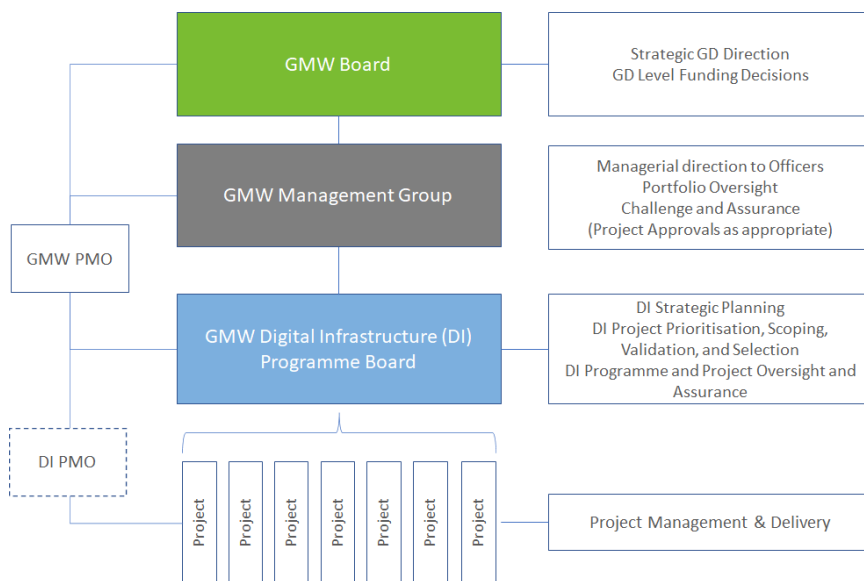
- 10.5 Through this, and complementary project level governance, the programme will:
- Ensure strategic alignment with national and local economic development vision and plans, and a shared view on the approach to digital infrastructure, the objectives we want to achieve, and desired benefits.
 - Ensure the purchase and delivery of digital infrastructure that meets the needs of the businesses and citizens of Mid Wales, but also considers the plans of neighbouring councils, the Welsh Government representing all Welsh local authorities, other Growth Deals and other interested and active parties.
- 10.6 As well as providing clear governance and management benefits, a strong established programme for digital infrastructure also brings other benefits. It is a key requirement for Government funding, and it is an attractive feature for suppliers. It therefore improves the likelihood, value and timing of a range of grant funding, and supports a more active market.
- 10.7 Programme Board members will determine which projects should be brought to fruition to meet the digital infrastructure investment objectives and contribute to the achievement of the portfolio investment objectives. The GMW Board will provide oversight and assurance of those decisions to support consistency and alignment across the portfolio, providing a valuable role in ensuring critical feedback to test and challenge decisions and rationale.
- 10.8 Such a structure will ensure a degree of autonomy at programme level to allow prioritisation and agreement of projects to be conducted by domain specific experts, taking into account the dependencies and relative strengths of and between each project, to ensure that investment is targeted in the correct areas, in the correct order.

11. Programme Governance

- 11.1 The Programme will be governed by the Digital Programme Board. A blend of Regeneration, ICT and Digital officers from both Ceredigion and Powys Councils as well as representatives from regional public services acting as users of the infrastructure.
- 11.2 The Digital Programme Board is responsible for oversight and the delivery of the Digital Programme and ensuring alignment with the Growing Mid Wales Vision. The board will ensure the Programmes deliverables and objectives, reporting regularly to the Management group and to the Growing Mid Wales Board.
- 11.3 The Programme Board will initially focus on the development of the agreed business cases and subsequently oversee delivery, with a specific focus on the benefits and outcomes to be achieved.
- 11.4 Meetings will be held monthly in advance of Management Group Meetings to provide opportunity to present relevant updates and reporting, as well as escalating requests for approval and the development of project mandates. The frequency of meetings

will be reviewed as the programme develops. However, extraordinary meetings will be convened where deemed necessary and the availability of Board members allows.

- 11.5 The governance mechanisms and structure are intended to give the Digital Programme Board the degree of autonomy necessary to plan and respond in a flexible and agile manner. It will use the programme’s digital experts and their knowledge to identify priorities, dependencies, and the relative strengths of and between each project, as well as ensuring that investment is targeted in the correct areas, in the correct order.
- 11.6 For the Programme Board to agree and submit recommendations, at least 50% of the core membership including the Senior Responsible Owner (SRO) (or nominated Deputy) shall be present. It is not envisioned that the Programme Board will require voting arrangements, with agreement being reached by consensus. Where alternative views and opinions are expressed, these will be recorded and included in any reporting process.
- 11.7 The Digital Programme Board will be established once the Programme Business Case has been approved and detailed programme planning commenced. Together they will provide a structured and disciplined, but flexible approach enabling the Digital Programme to respond to new and changing requirements.
- 11.8 The proposed governance model for the Programme, is as follows¹:



12. Resources

- 12.1 To deliver these benefits, the Programme must be adequately resourced. Although the Programme will make use of existing resources in the normal course of work, significant dedicated Programme resources will also be required.

¹ this aligns with the provisions allowed for under Inter Authority-Agreement 3 and the arrangements set out in the management case of the Portfolio Business Case

- 12.2 The proposed resource requirement will be scrutinised by the Digital Programme Board before an appropriate report and request is presented to GMW Board following the approval of the Programme Business Case.
- 12.3 The Programme Business Case describes a hybrid team of internal and external resources. The approach is a tested and proven model for successful delivery of other Growth Deal and The Programme will be led by a full time Programme Manager, supported by a hybrid team that will consist of internal Project Managers, administrative support and external specialist support. Activities will include data collection, procurement design and operation, implementation management and a wide range of other tasks.
- 12.4 The Programme's internal resources will support the range of activities required to set up and operate the Programme. The team will establish the governance structure and Programme controls.
- 12.5 Further work will be undertaken by the team to establish and quantify the resource requirements. The Management Group will initially consider any resourcing ask, before seeking approval as part of the budget setting process of the GMW Board.
- 12.6 There may be times when GMW will use contractor resources to increase resource capacity, for example in project management and engagement. The model provides a mechanism for short term resource for activities that are uncertain, urgent, or temporary, where it is less cost effective to appoint a full-time member of staff, or where there is not time to do so. The model therefore provides the capability, capacity and flexibility required for successful delivery, and has been shown to work well in the planning and delivery of many public sector Digital Infrastructure programmes.

13. Risk Management

- 13.1 Risks and Issues will be managed via the formal programme and project controls using a Risk Register, and in line with the GMW Portfolio approach.
- 13.2 A draft Risk Register has been developed using information to date. Responsibility for further development and monitoring will lie with the Programme Board, once established, with operational management by the Digital Programme Manager.
- 13.3 Programme Risks will be scored in accordance with their probability and impact and will be escalated according to their numerical rating. Escalation routes will vary according to the nature of each specific risk. Key strategic or high impact risks that affect or require Portfolio level input will be escalated to the GMW Management Group, and in exceptional circumstances, ultimately to the GMW Board.
- 13.4 As the Programme develops and Projects are identified for business case development, then subsequent Project arrangements will be put into place, e.g. Project Boards, which will feed into the Programme Board.

- 13.5 Project level risks will be operationally managed by the respective Project Manager, and overseen by each individual Project Board using the same approach. Any risks requiring strategic input or resolution will be escalated to the Digital Programme Manager for consideration by the Digital Programme Board.
- 13.6 Outstanding issues will be reviewed on a fortnightly basis as a minimum, their impact re-assessed and will be re-classified as necessary. Issues will be resolved at project and Project Board level unless requiring escalation to, and intervention by, the Digital Programme Board, or GMW Management Board respectively.

14. Next Step Actions

- 14.1 Where felt necessary, appropriate amendments will be made to the documents following feedback by GMW Board.
- 14.2 Establishment of the Digital Programme Board. Including the first meeting where terms of reference and responsibilities will be confirmed with members. It is planned for this to take place week beginning April 4th 2022.
- 14.3 The Digital Programme Board to consider projects that have been proposed, and which should be prioritised and progressed.
- 14.4 Resource requirements to be detailed and considered by Management Group, and Growing Mid Wales Board.
- 14.5 Further updates to GMWB via standard reporting on the progression of the Portfolio. Identify communications opportunities to promote the work of the Digital Programme as appropriate and manage stakeholder expectations, for inclusion in the GMW Communications Plan.
- 14.6 Implementation plan for the Programme to be updated and establish a baseline for quarterly reporting as part of the Portfolio reporting arrangements.

Relevant attached documents

- Appendix 1 - Digital Programme Business Case
- Appendix 2 - Digital Programme Board – Terms of Reference
- Appendix 3 - Digital Programme Implementation Plan
- Appendix 4 - Digital Programme – Project TMap

Dave Owen
14th March 2022