



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

# MID WALES GROWTH DEAL

Final Deal Agreement

**Version: 1.0**

**Status: Final**

[www.growingmid.wales](http://www.growingmid.wales)

## Foreword

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

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

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

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

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

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

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

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



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



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



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



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



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



Cllr Rosemarie Harris  
**Leader  
Powys County Council**



Llywodraeth Cymru  
Welsh Government



Tyfu  
Canolbarth Cymru  
Growing  
Mid Wales



UK Government  
Llywodraeth y DU

*All parties to this Final Deal have provided their signatures electronically*

<b>CONTENTS</b> .....	4
Foreword.....	2
Executive Summary .....	5
1. Introduction .....	7
2. The Growth Deal – Current Scope .....	21
3. Governance Structure .....	25
4. Role of the Accountable Body .....	34
5. Monitoring and Evaluation.....	34
6. Communications Protocol .....	34
7. Delivering for Mid Wales .....	35
Appendix A – Short-listed Projects/ Programmes for Tranche 1 of Mid Wales Growth Deal	36
Appendix B – Annual Funding Approval Process .....	39
Appendix C – Additional Governance Documents to Final Deal Agreement.....	40

## Executive Summary

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

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

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

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

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

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

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

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

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

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

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

---

<sup>1</sup> [www.growingmid.wales/thevision](http://www.growingmid.wales/thevision)  
[www.growingmid.wales](http://www.growingmid.wales)

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

As set out in the Strategic Portfolio Business Case, an indicative assessment of the shortlisted programmes and projects estimates that the Growth Deal will deliver a total investment of £280-400 million in the Mid Wales economy (£110 million jointly from UK and Welsh governments), creating 1,100-1,400 net additional jobs and generating £570-700 million in net additional GVA<sup>2</sup>.

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

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

---

<sup>2</sup> Note: Values undiscounted  
[www.growingmid.wales](http://www.growingmid.wales)

## 1. Introduction

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

### *Growing Mid Wales Board*

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

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

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

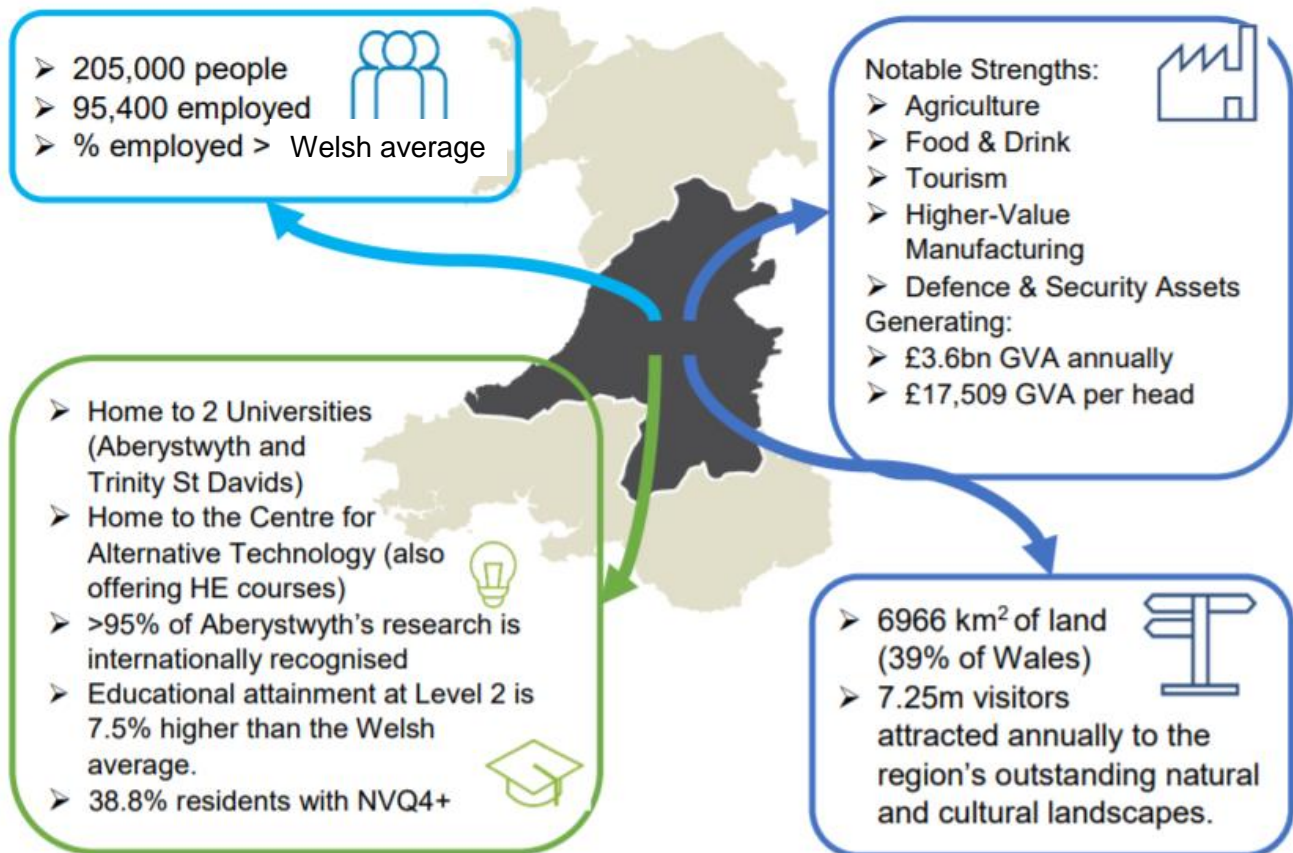
As is the case with other Welsh City & Growth Deals, this is set out in the form of governance agreements between the relevant Local Authorities, to establish new joint decision-making forums and engagement with wider stakeholders. The governance arrangements for the delivery phase of the Deal (post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



## The Vision for Mid Wales

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

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



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



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

The Growth Vision set out 8 Strategic Growth Priorities:



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

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

### ***Growth Deal Proposition***

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

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

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

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

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

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

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

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

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

### ***The Region***

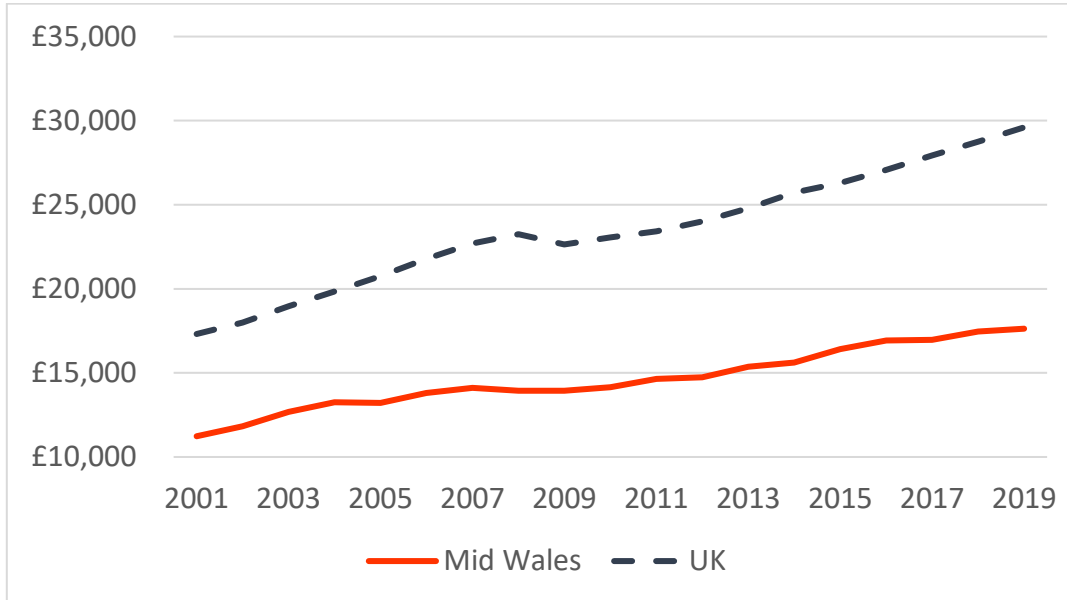
The Mid Wales economy is often characterised as a large and predominantly rural region, comprising 34% of the land mass of Wales. It is known for its natural beauty, strong cultural identities, and heritage. It is less well-known as a land of untapped economic opportunity - where business survival rates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

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

year, representing 5.5% of the Welsh economy<sup>3</sup>. The contribution of Mid Wales to the national economy has remained almost constant for the last twenty years. Mid Wales is characterised by an ageing population and a net out-migration of young people. Since 2008, the region has seen an overall decline in its population of around 1.2%.

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

**GVA Per Head**

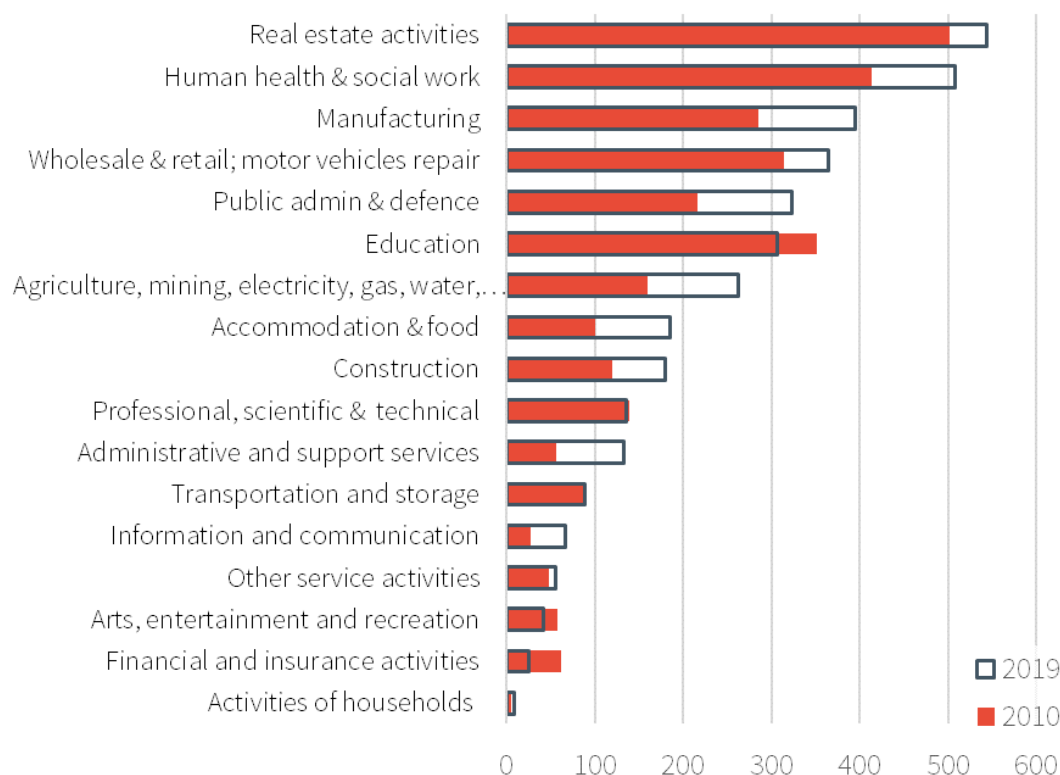


Source: ONS, Regional GVA and ONS, Mid-year population estimates

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

<sup>3</sup> StatsWales, December 2019  
[www.growingmid.wales](http://www.growingmid.wales)

GVA (£million) by sector, Mid Wales



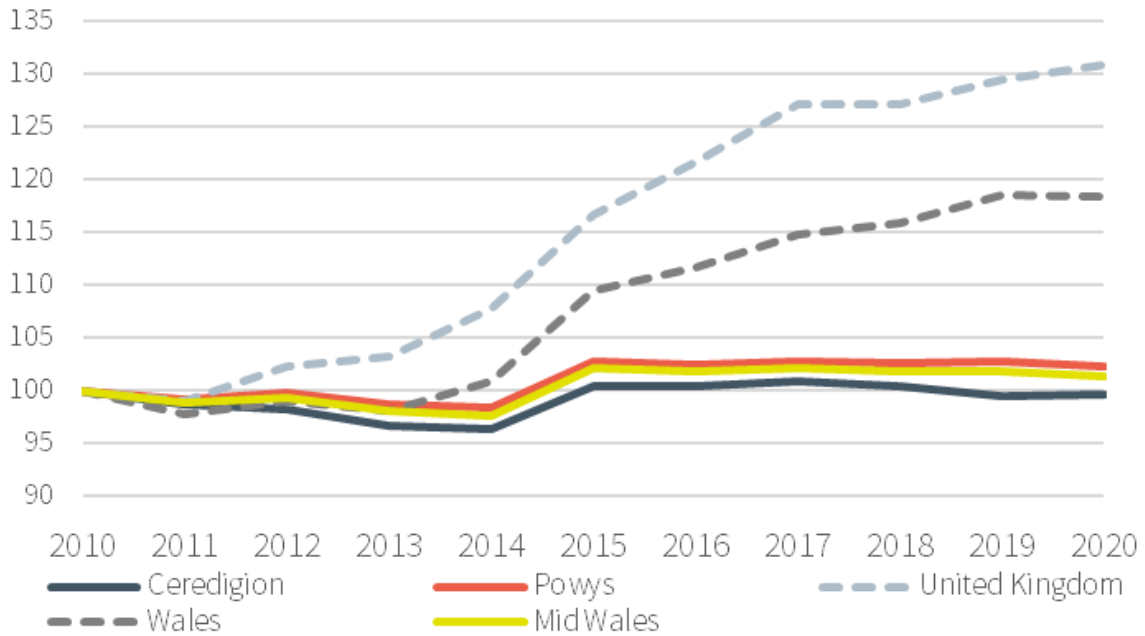
Source: ONS, Regional gross value added (balanced) by industry

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

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

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

Business Counts Growth Index, 2010 = 100



Source: ONS, UK Business Count

Survival rates for new businesses after 5 years are however significantly better in Mid Wales than for England & Wales<sup>4</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.

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

<sup>4</sup> Growing Mid Wales Baseline Report, AECOM, 2019  
[www.growingmid.wales](http://www.growingmid.wales)



## ***The Case for Change***

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

### **Applied Research & Innovation**

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

### **Agriculture, Food & Drink**

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

### **Strengthened Tourism Offer**

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

### **Energy**

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

### **Digital**

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



### **Supporting Enterprise**

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

### **Transport**

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

### **Skills & Employment**

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

## ***The Economic Impact of COVID-19***

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

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

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

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

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

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

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

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

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

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

**Skills & Employment** – UK and Welsh Government schemes, such as the Job Retention Scheme and Economic Resilience Fund, have helped to mitigate the economic impact of COVID-19. However, substantial effects were still felt, with 16,000 redundancies occurring in Mid-Wales in the three months to November 2020, the highest rate in this period since 2009. Women, ethnic minorities and young people have been particularly affected with higher proportions of these demographics being furloughed<sup>6</sup>. Additionally, key sectors such as manufacturing in Wales have been affected by the pandemic and economic uncertainty. There are opportunities to innovate these sectors and to support re-training opportunities in sectors which are likely to grow.

---

<sup>5</sup> DfT Domestic Transport Use by Mode, Great Britain, since 1<sup>st</sup> March 2020

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

## Growth Deal Investment

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

The UK and Welsh Governments have jointly committed to the investment of £110 million over the next 10/15 years<sup>7</sup>, subject to an annual funding approvals process; the Growing Mid Wales Board also committed to securing further public and private sector investment to deliver an overall investment of £280-400 million. A private sector investment strategy will be developed to provide assurance with regards to leverage and match funding.

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

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

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

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

## The Impact of the Growth Deal

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

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

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

<sup>8</sup> Note: Values undiscounted.

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

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

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

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

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

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

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

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

Source: Mid Wales Strategic Portfolio Business Case

## 2. The Growth Deal – Current Scope

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

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

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

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

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

## Applied Research and Innovation

### Strategic Aim:

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

### Spending Objectives:



#### JOB CREATION

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



#### GVA

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



#### INVESTMENT

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

## Agriculture Food and Drink

### Strategic Aim:

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

### Spending Objectives:



#### JOB CREATION

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



#### GVA

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



#### INVESTMENT

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



## Strengthened Tourism Offer

### Strategic Aim:

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

### Spending Objectives:



#### JOB CREATION

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



#### GVA

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



#### INVESTMENT

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

## Digital

### Strategic Aim:

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

### Spending Objectives:



#### JOB CREATION

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



#### GVA

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



#### INVESTMENT

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

## Supporting Enterprise

### Strategic Aim:

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

### Spending Objectives:



#### JOB CREATION

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



#### GVA

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



#### INVESTMENT

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

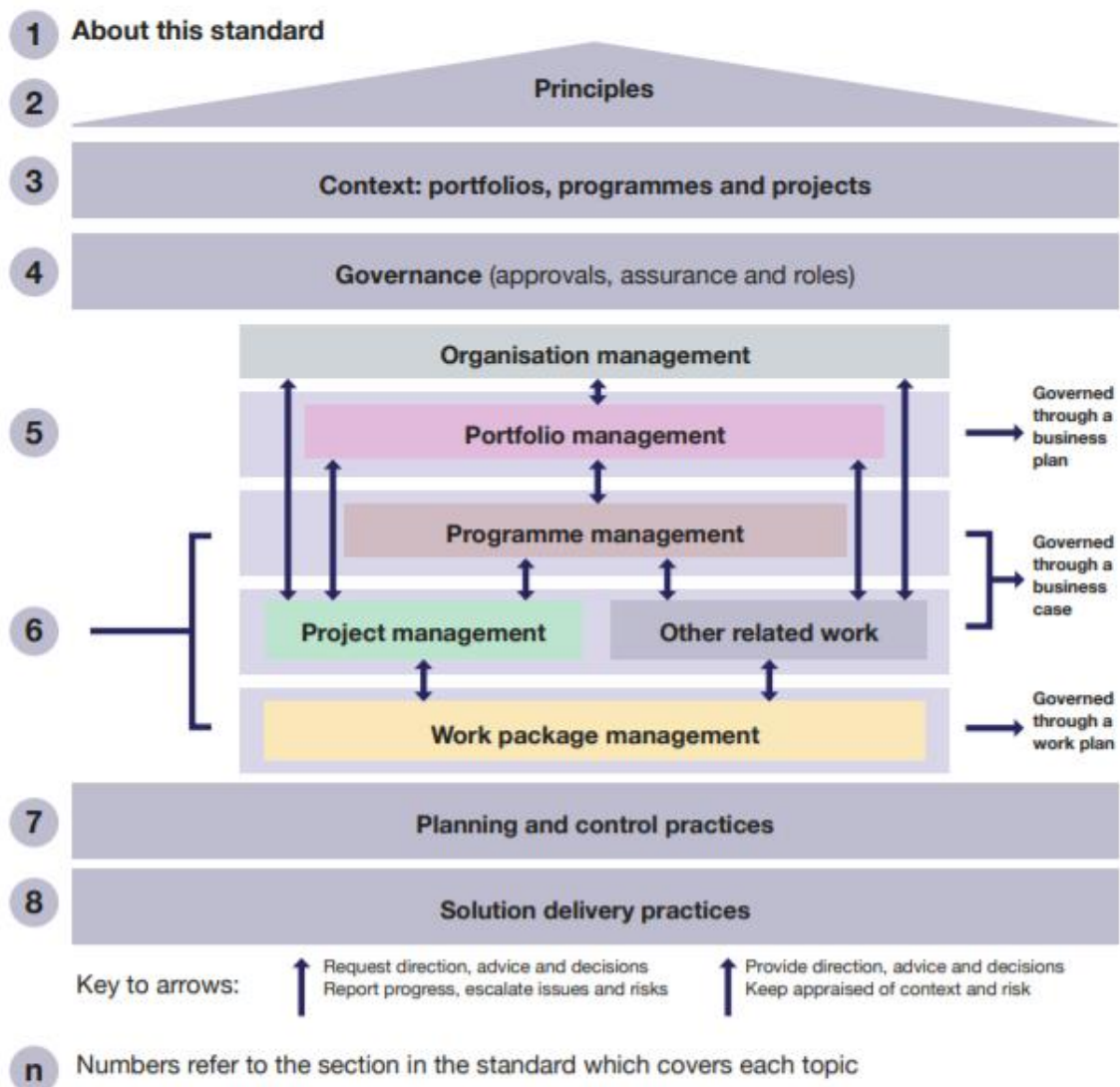
### 3. Governance Structure

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

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

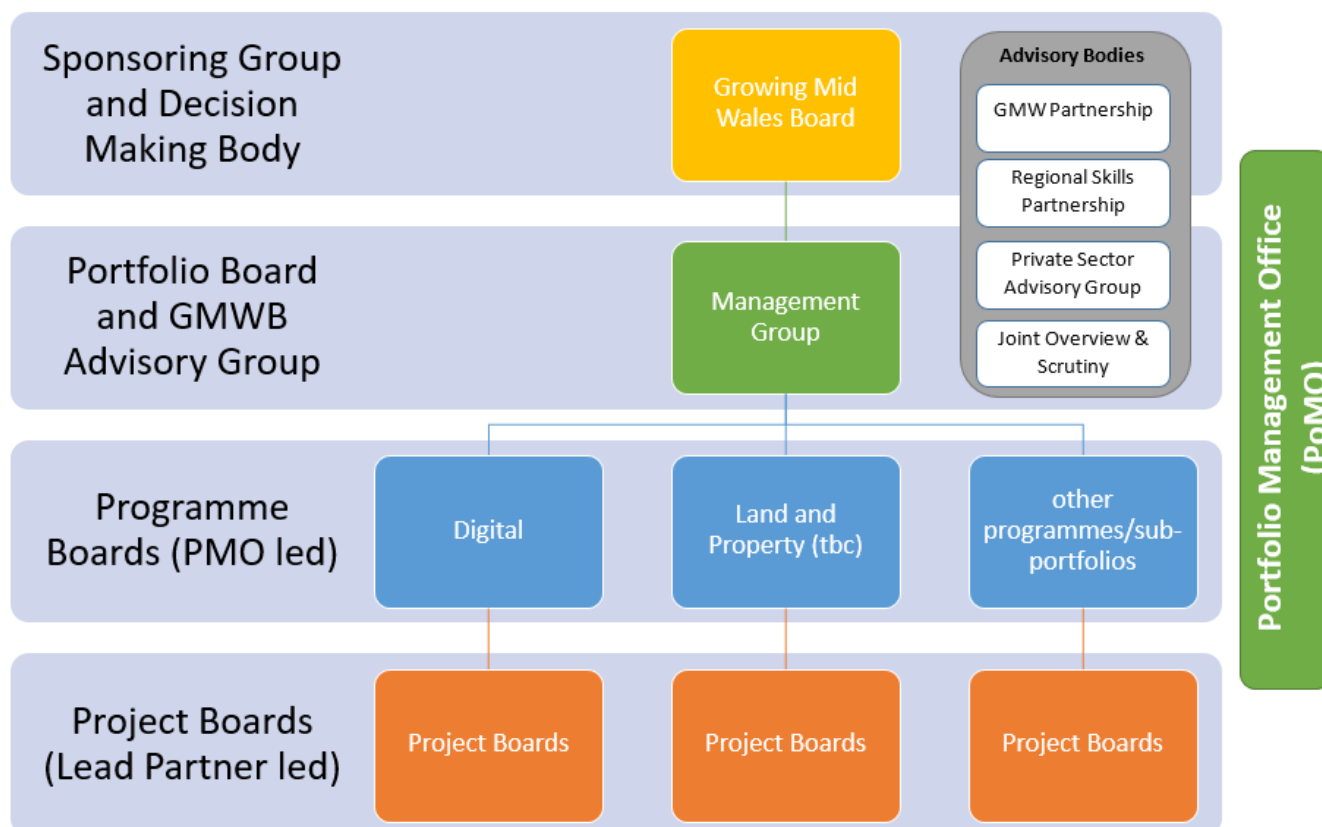
#### Mid Wales Growth Deal Governance Structure

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



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

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



### **Strategic and Portfolio Level**

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

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

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

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

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

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

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

### ***Programme and Project Level***

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

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

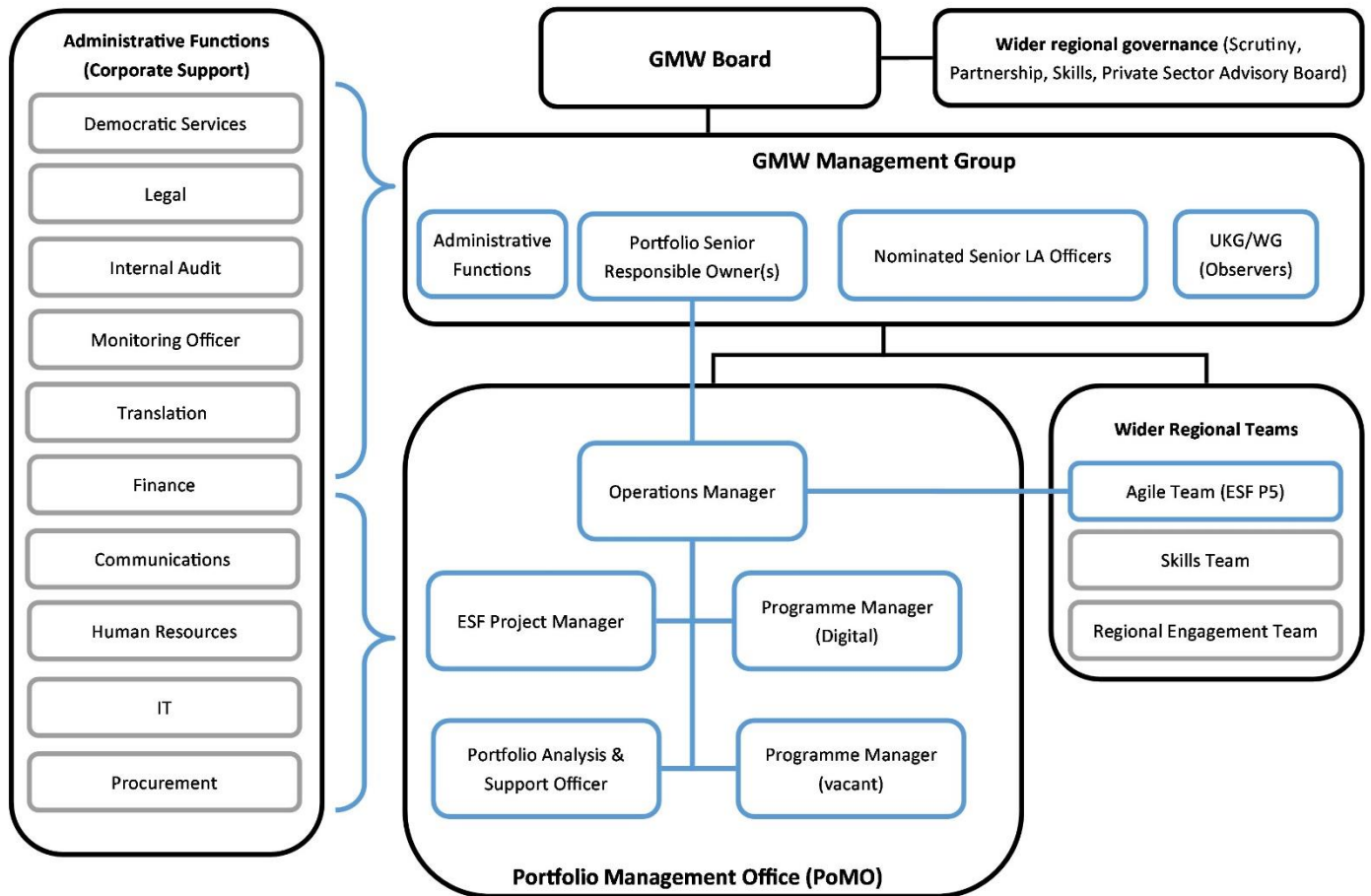
**Portfolio Management Office (PoMO)** – The PoMO provides a professional support team for the successful delivery of the agreed work programme of the Board. It supports and co-ordinates activity across the portfolio, acting as an information hub and ensuring a consistent approach to reporting, control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

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

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

The PoMO structure is set out on the following page:

**Portfolio Management Office Structure**



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

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

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

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

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

## ***Standing Orders, delegated authority and terms of reference***

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

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

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

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

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

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

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

## ***Resourcing***

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

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

## ***Decision Making Process***

### **UK Government and the Welsh Government**

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

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



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

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

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

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

While overarching accountability for the administration of funding rests with the Permanent Secretary for the Welsh Government, members of the Welsh Cities & Growth Implementation Board need to ensure that they are acting in accordance with the principles in Managing Welsh Public Money<sup>9</sup> (in the case of Welsh Government officials) and HMT's Managing Public Money<sup>10</sup> (for UK Government officials). This includes the need to assure themselves that the use of the funding offers good value for money and that it will be used with due regularity and propriety.

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

### **Growing Mid Wales Board**

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

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

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

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

---

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

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

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

### ***Project approval process***

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

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

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

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

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

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

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

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

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

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

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

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

## Assurance

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

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

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

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

## Change Management

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

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

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

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

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

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

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

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

### ***Role of members/accountability***

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

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

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

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

## 4. Role of the Accountable Body

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

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

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

## 5. Monitoring and Evaluation

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

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

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

## 6. Communications Protocol

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

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

## 7. Delivering for Mid Wales

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

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

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

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



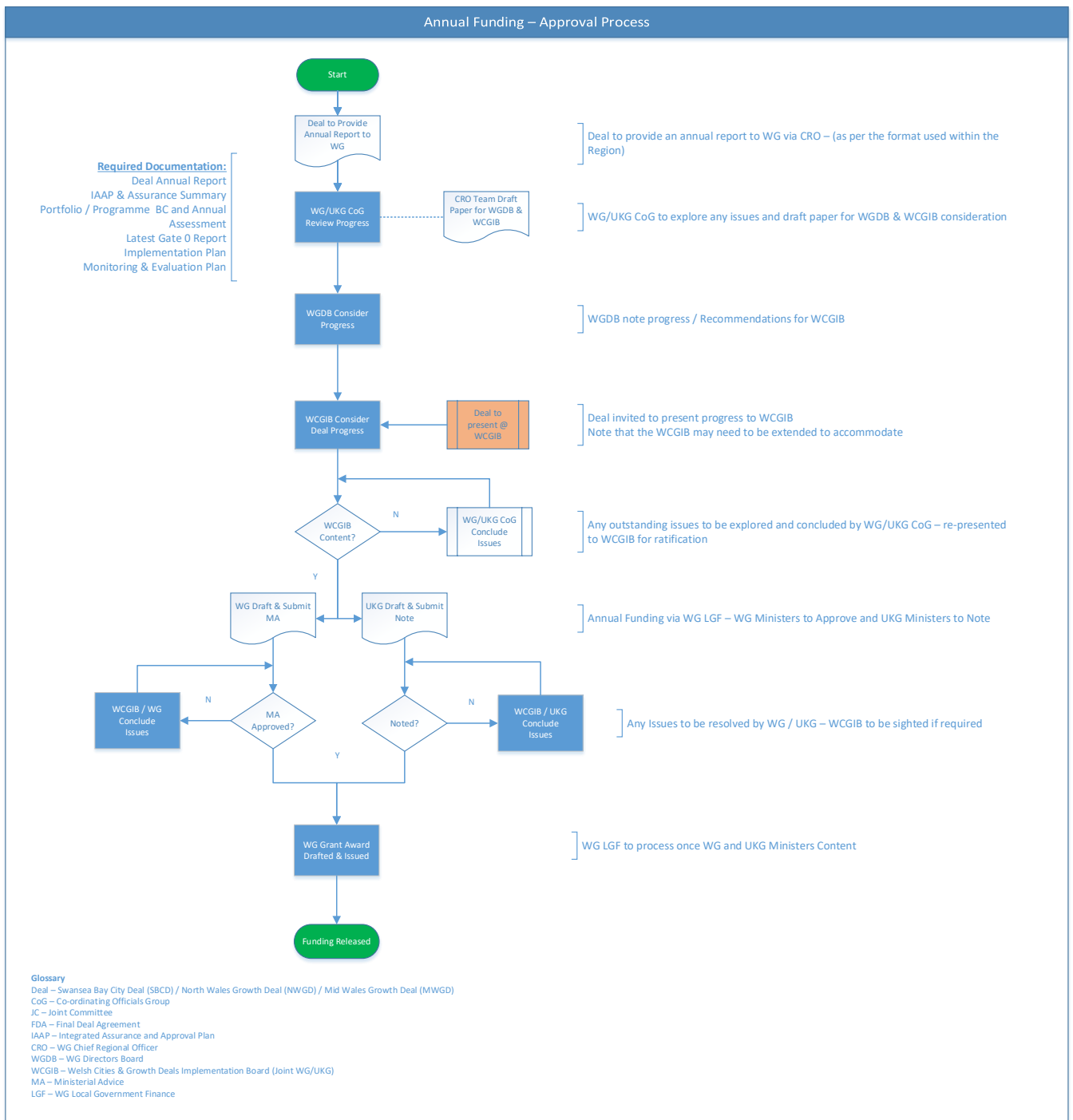
Short-listed Projects / Programmes for Tranche 1 of Mid Wales Growth Deal*			
Strategic Growth Priorities	Project / Programme	Summary	Business Case Maturity Index
		infrastructure of the wider agri-food economy in Mid Wales from the centre and its outreach work, particularly by focusing on skills and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

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

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

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

# Appendix B – Annual Funding Approval Process



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

## Appendix C – Additional Governance Documents to Final Deal Agreement

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