Agenda – Economy, Infrastructure and Skills

Committee

Meeting Venue: Video Conference via Zoom
Meeting date: 3 March 2021
Meeting time: 09.15

For further information contact:
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Committee Clerk
0300 200 6565
SeneddEIS@senedd.wales

Private pre-meeting (09.15–09.45)

In accordance with Standing Order 34.19, the Chair has determined that the public are excluded from the Committee's meeting in order to protect public health. This meeting will be broadcast live on www.senedd.tv

1 Introductions, apologies, substitutions and declarations of interest
(09.45)

2 City Deals update: Mid Wales Growth Deal and Cardiff Capital Region City Deal
(09.45–10.45) (Pages 1 – 60)

Councillor Ellen ap Gwynn, Leader of Ceredigion County Council
Councillor Rosemarie Harris, Leader of Powys County Council
Carwyn Jones-Evans, Strategic Manager, Mid Wales Growth Deal
Nigel Brinn, Corporate Director, Economy & Environment of Powys County Council
Councillor Anthony Hunt, Chair, Cardiff Capital Region City Deal and Leader of Torfaen CBC
Kellie Beirne, Director of Cardiff Capital Region City Deal

Attached Documents:
EIS(5)–7–21 – Research Brief
EIS(5)–7–21 – Evidence from Cardiff Capital Region City Deal
EIS(5)–7–21 – Evidence from Mid Wales Growth Deal

Break (10.45–10.55)

3 City Deals update: Swansea Bay City Deal and North Wales Growth Deal
(10.55–11.55) (Pages 61 – 85)
Councillor Rob Stewart, Leader of the Swansea Bay City Region Deal
Jonathan Burns, Director, Swansea Bay City Deal
Councillor Dyfrig Siencyn, Chair of the North Wales Economic Ambition Board
Alwen Williams, Programme Director for the North Wales Economic Ambition Board

Attached Documents:
EIS(5)–7–21 – Evidence from Swansea Bay City Region Deal
EIS(5)–7–21 – Evidence from North Wales Economic Ambition Board

4 Motion under Standing Order 17.42(ix) to resolve to exclude the public for the remainder of the meeting
(11.55)

5 Private
(11.55–12.15)
Consideration of evidence following the meeting
Cardiff Capital Region City Deal Gateway 1

Connected, Competitive, Resilient

Achieving Shared Economic Prosperity and Societal Benefit

20 January 2021
## Agenda

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INTRODUCTION
Final Report – Gateway 1 Evaluation

- Good understanding of CCR & future challenges & opportunities
- Strong statements on CS Project and future prospects – cluster, supply chains & skills
- Positive commentary on good political leadership & the distinctiveness of a flexible WIF-led approach
- Positive commentary on richness of partnership – REGP model commended as well as enhancements such as Investment Panel
- Business engagement structures
- Not a traditional approach – ROI, risk-reward – an investment fund approach
- Recognises growing pipeline and capacity needed to deliver
- Clusters, eco-systems and approach to Research and Innovation – long-term approach to building productive capacity
CCR City Deal delivery structure

• £1.229Bn fund over 20 years

• £734M – Metro Scheme, delivered by Welsh Government via Transport for Wales

• £495M – Wider Investment Fund, delivered by the 10 local authorities via Regional Cabinet and Office of the CCR City Deal
A bit about CCR…

• Joint Committee structure supported by an Accountable Body
• Multi-partner, multi-layer governance – 10 LAs, UKG and WG
• Region’s population c1.5M & represents over 50% total Welsh output
• Some of most and least prosperous areas of Wales exist cheek by jowl
• Valleys, rural areas with 2 cities including the Capital
• Wider Investment Fund – flexible, open & competitive fund
• Approved in March 2017. Operational 4 years in March 2021
Executive Summary – looking back, looking forward...

- Developed rich seam of data/insights/evidence to inform quality assessments & decisions
- Co-created a rich, fact-based Industrial & Economic Growth Plan, adapted for Covid-19
- Co-developed an Investment & Intervention Framework to robustly assess proposals
- Developed strong deal-flow and an investment pipeline
  - Approved £148M of investments, matched by c.£250M funds with projected leverage >£2BN, creating an initial c.2,445 jobs (plus Metro Central projection of an additional c.22,000 jobs – direct & indirect – based on DfT OBC (subject to further validation)
- Extended voice, reach & influence – underpinned by solid governance
- Built new capability, capacity and collateral for onward journey
- Embraced challenge and mission-driven thinking
- International outlook – MIPIM, Wales in London, Western Gateway, Global Welsh…
- Evolving from City Deal to a pioneer City Region with plans for Regional Development Entity
CCR - Connected, Competitive, Resilient
We have strong sense of core purpose.

- CCR City Deal 3 layers of Govt. & £1.229Bn to achieve our goals
- But it is not about hitting targets that miss “the point”... Economic growth = quality of life, opportunity, societal impact
- Inclusive growth key priority
- R&D / Infrastructure key to support agglomeration/spillovers but must be balanced with focus on foundational economy, public sector and civic innovation
- Economic ambitions must match progressive social policies = generalised prosperity
Our approach

• Challenges:
  • Past marred by dependency
  • Lacking resilience and ability to withstand shocks
  • Major beneficiaries EU funds
  • Job numbers and service-led economy
  • Lacking competitiveness
  • Relative low-growth / productivity
  • Unequal before Covid-19, economic downturn and EU-exit

• Opportunities:
  • City Deal catalyst for new approach
  • New ends and new means
  • Live off interest not capital
  • Balance local political and industrial leadership
  • Play long game – clusters and ‘eco-systems’ to impact productivity
  • Higher level policy goals – no more ‘one-off’ projects
  • City Deal that balances investment across all of region, with targeting to allow right projects to grow in right places
PART 1

LOOKING BACK ON WHAT HAS BEEN ACHIEVED
Solid Foundations
Data, Process, Frameworks and Collaboration.

• State of the Region – strengths & sectors & priorities
• Business-led Industrial & Economic Plan – adapted for Covid-19
• Investment & Intervention Framework
• Eco-systems and clusters – compound semi, fin-tech, cyber, creative and med-tech
• Three funding priorities
• Evergreen, co-investment & leverage
• Challenges & Missions
• Regional Cabinet & Investment Panel work in concert. Lead not do
• Start-up. Now scale-up.
Effective Governance and Partnership Engagement
We have transformed working practices and speed of decision making.

- Chair, Cllr Anthony Hunt
- Two vice chairs covering Business Innovation & Economic Strategy
- All leaders have portfolio leadership role
- Regional Cabinet – distributed leadership model
- Come together to make decisions in best interests of region – consensus and maturity
- Regional Boards show strong balance of business and local leadership
- Regional Economic Growth Partnership - pro-bono expert support and resources
- Beyond City Deal - Strategic Development Plan, Valleys Regional Park, Skills for Region
Governance and Partnership Structures

- Funding Stakeholders
- 10 Local Authorities
- UK Government

Cardiff Capital Region City Deal Regional Cabinet
- Regional Economic Growth Partnership
- Programme Board
- Regional Transport Authority
- CSC Foundry Board
- Investment Panel

Regional Skills Partnership
Regional Business Council
Investment and Intervention Fund

- Public sector not just a ‘funder’ ‘de-risker’ or ‘trouble-shooter’
- Shaping future & convener for big industrial/ societal challenges
- IIF enacts ‘evergreen’ WIF (through portfolio approach)
- Risk-reward
- Co-investor
- Shaping & creating new markets
- Recycling surpluses
- New JVs and legal structures such as CSC Foundry Ltd

✓ 20 projects with ‘status’ in the CCR Investment Fund*
✓ Total Investment request of c.£376M
✓ Projected investment leverage of c.£2.7Bn
✓ Projected jobs created of c.26,745**

* Projects in the pipeline – not approved projects. Some projects will drop off. Illustrative only. ‘Portfolio’ on track regarding targets. Capacity remains for new ideas and new proposals.

**inc. Metro Central direct and indirect job projections
## Approved Projects to date...

<table>
<thead>
<tr>
<th>Approved</th>
<th>CCR £M</th>
<th>Match £M</th>
<th>Projected Leverage (TBC) £M</th>
<th>Forecast Total £M</th>
<th>Date</th>
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<tbody>
<tr>
<td>CSC Foundry Ltd</td>
<td>38.55</td>
<td>6.00</td>
<td>375.00</td>
<td>419.55</td>
<td>May and July 2017</td>
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<td>Metro Plus</td>
<td>15.00</td>
<td>35.00</td>
<td>TBC</td>
<td>50.00</td>
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<td>Metro Central* (1st phase)</td>
<td>40.00</td>
<td>145.00</td>
<td>1,000.00</td>
<td>1,185.00</td>
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<td>Homes for all the Region* (Housing Viability Fund)</td>
<td>31.60</td>
<td>15.00</td>
<td>750.00</td>
<td>796.60</td>
<td>March 2020</td>
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<td>Graduate Scheme</td>
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<td>10.77</td>
<td>12.31</td>
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<td>Creo - Plasma Technology</td>
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<td>12.06</td>
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<tr>
<td>Challenge Fund</td>
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<td>6.00</td>
<td>3.00</td>
<td>19.00</td>
<td>October 2020</td>
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<tr>
<td>CS Connected (SIPF)* (approved through UKRI)</td>
<td>3.30</td>
<td>40.4</td>
<td>300.00</td>
<td>343.7</td>
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<td>Pharmatelligence</td>
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<td>Zip World - Tower</td>
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<td>TBC</td>
<td>7.40</td>
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## Immediate Pipeline...

<table>
<thead>
<tr>
<th>Project</th>
<th>Date</th>
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<tbody>
<tr>
<td>SIPF Wave 2</td>
<td>2021</td>
</tr>
<tr>
<td>Cyber Wales and West and Creative Capital Region</td>
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<tr>
<td>Strategic Premises Fund</td>
<td>March 2021</td>
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<tr>
<td>Innovation Investment Fund</td>
<td>2021</td>
</tr>
<tr>
<td>Fintech Wales</td>
<td>2021</td>
</tr>
<tr>
<td>Life Sciences Park</td>
<td>2021</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>2021</strong></td>
</tr>
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</table>

Early projections of investment value - c£145M direct funds with similar levels of match funds and leverage estimates of over £1BN
Wider investment pipeline

- Digital – Full fibre to premise proposal
- Rural connectivity
- Cyber Masters (blueprint for Cluster skills development)
- Shared Apprenticeships
- Digital clinical innovation – Strength in Places Wave 3
- Energy Demonstrators
Wider Impact of Investment
CS Foundry Project and Cluster

• £38.55M investment in state of art Newport mega-Foundry

• Necessary to support expansion of AIM-listed IQE Plc

• High-end production of VCSEL wafers to OEM

• Aim to create 550 jobs and safeguard 450

• Involved CCR:
  • Acquiring building from WG
  • Kit out with clean-rooms to allow IQE to invest £375M in fit out with VCSEL reactor tools
  • Managed via a Development Agreement for Lease
  • 11 year term, but with stair-cased rent and Option to Purchase
  • Established CSC Foundry Ltd – a Company Limited by Shares and owned by all 10 Councils

• Intervened where market couldn’t

• But on clear risk-reward basis

• Need for quick action...

• ....to retain company, build prospects for Cluster and anchor sovereign technological capability in UK
CS Foundry – progress to date

• 87% complete but sector is growing & whether they will need remainder of loan to be seen
• 110 high-value jobs created (95% within CCR)
• 545 jobs safeguarded v target of 450
• Analysis by Cardiff Uni estimates 956 indirect and induced jobs (as of Dec 2019)
• £50M invested in CSA Catapult (70 jobs) co-located in Foundry
CS Connected – the wider cluster

• Builds upon CCR investment & wider investment to date of £500-550M by partners in the region (UKRI, HEI, Industry & WG)

• Partners: CCR, WG, IQE, Cardiff Uni, Swansea Uni, SPTS, Newport Wafer Fab, Microchip, CSC, CS Institute & CSA Catapult

• Awarded Wave 1 Strength in Places Fund £42M (£25.4M SIPF grant):
  • Skills
  • Inward Investment ‘front of house’ (£3.5M CCR)
  • Cluster body
  • Collaborative R&D

• Projected 1161 additional jobs to add to 1400 that exist in region

• Estimated £140M additional GVA impact per annum

• Further expansion plan at Imperial Park
Extending Voice, Reach and Influence

• Policy & thought leadership role is strong
• International work is growing
• Global Welsh – global city hubs
• Manufacturing Wales
• Western Gateway
• Ministerial advice & policy support at WG and UKG levels
• 5 reps from CCR on UKRI Funding Councils
• Forefront of debates of the day – CJCs, levelling-up, post-Covid recovery and green economy
• Building footprint, potential and blueprint for a City Region
Why Act as a Region?
Because **Together Everyone Achieves More**

- **CCR** emerged as key attractor for ‘Economic South East Wales’
- OECD work aligns with thinking
- Structures, governance and processes are ready for regional development
- Big issues of day need a regional voice
- Levelling-up, UK R&D Roadmap £33Bn, place-based funding settlements, Shared Prosperity Fund and Western Gateway
- Complexity will be watchword - we have shown we can work competently in multi-layer and multi-partner governance environment
- Working well with WG regional team and OSSW

Our Investment Fund and Framework is open to all good ideas and prospects that advance pan regional growth and prosperity.
PART 2

LOOKING FORWARD TO WHAT’S NEXT
City Deal priorities

• Ensure successful delivery and benefits realisation of approved projects

Work on projects in the immediate pipeline through to legal completion – c.£145M in 2021/22 (see above)

• Further deliver programmes and projects aligned to the Industrial and Economic Growth plan and Covid-19 response plan – fully commit the Wider Investment Fund by 2026/27

• This would be a partial view only.....its about building a regional approach to economic development in the Cardiff Capital Region....
**Context**

- Opportunity to support WG in ambitions for a national framework for regional development policy through building upon our experiences of regional public investment.

- About how we transition from a single investment programme (City Deal) to a full-scale model of regional public investment (City Region).

- Detailed consideration about how we best work with Wales and UK Governments since the agenda is bigger than any one institution or nation.

- Continuing our relationship with Europe and strengthening our relationship with UKRI – which is so central to our Research & Innovation capabilities – is critical to this.

- Multi-level governance environment - we cannot afford to deny ourselves access to any the resources available to Wales – optimise around Shared Prosperity Fund, ‘levelling-up’, UKRI/ R&D investment, Horizon.

**Our Offer**

Three main tenets:

- **Regional frameworks, structures and delivery models** that are live, effective and operational. Co-designed with business, academia and local partners.

- **Thematic delivery programmes** – in keeping with OECD recommendations – highlighting the potential to bring together currently disparate funds to optimise alignment and leverage potential.

- **Science, Research and Innovation** – urgent given reliance of HEIs in particular on EU funds for R&D, the recent UK Govt R&D Roadmap and commitment for £33Bn of investment by 2027 (2.4% of national spend on R&D), the missing £4Bn (Nesta work), and the recent ARPA consultation, must be a clarion call to Wales.

This is only the start – building the institutional capacity for a City Region (beyond a City Deal) and we are ready to work in concert with WG to play a national role in catalysing innovation and inclusive development in Wales.
New Corporate Joint Committees

• Required to be in place by Sept 2021 as new model of regional economic governance
• General Power of Competency
• Same footprint as CCR
• Evolving / adapting what we have
• Compelling narrative and vision developing
• New powers, freedoms and flexibilities
• Agenda of ‘radical decentralisation’
Regional Public Investment

• CJCIs could enable our already maturing model to: optimise structures, develop and host new funds & programmes & deliver greater impact

• Remove barriers/ blockages

• Examples:
  • Enhanced CPO powers
  • Tax levying powers
  • CCR balance sheet
  • Fiscal levers & incentives
  • Regional planning powers

• Prospectus for Evolution and Delivery – 5 year Strategic Business Plan and Levelling-up Investment Prospectus
Multi-level: positive-sum game
Think Local….Act Regionally….Wales Wins

Office of Regional Development
- Ground rules
- Steering/smart co-ordination
- Evaluation / benchmark
- Policies: WFG, Prosperity for All, International Strategy, Transport Plan

CCR CJC
- Co-designed delivery
- Governance & Partnerships
- Investment & Funds – Invest CCR
- Regional Development Entity: Programmes & priorities, Scale projects, Business facing/engaging functions

Local Level
- Local regeneration / Town Centre renewal
- Local economic development
- Invest in Cardiff etc
- Citizen engagement
- WIMD

Welsh Government

Local Authorities

UK Government (BEIS, MCHLG)
- City Deals
- UKRI
- Other Funds and instruments

Cardiff Capital Region

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The 5 year Strategic Business Plan 2021-2026

5 priorities for next 5 years as we evolve, transition & deliver...

1. Build Back Better – our part in economic restructuring and building resilience
2. Becoming a City Region – strengthening regional economic governance
3. Scaling-up – delivering the CCRCD WIF ‘peak’ programme
4. Making case for CCR ‘levelling-up’
5. Developing industrial clusters & innovation-led growth
Levelling-up - a plan for place-based prosperity

• CCR ‘levelling-up’ priorities:
  • Foundational investments – infrastructure, housing, energy, transport, digital & connectivity improvements e.g. chronic underfunding in rail
  • Targeted sector investments – Clusters CS, Med-tech, Insure-tech, Cyber, Data/AI & role of public sector-foundational economy
  • Bigger bets – transformation-scale projects

- £ investment through existing mechanisms – Innovation Fund, SME Finance Fund, Housing Fund, Premises Fund
- Skills support that targets viable economies
- Fiscal incentives and levers, re-location of UK Govt depts., challenge-driven approaches and R&D settlement for region
Levelling-up – bigger bets

• Frontier of new and nascent economies. Ideas/opportunities:
  • Cardiff Business District
  • M4 Innovation Corridor
  • Valleys Adventure Tourism
  • Pontypridd Strategic Hub
  • Severnside – Estuary, Tidal Bar, Freeport & Western Gateway
  • Hydrogen Demonstrators
  • Newport – Data City
PART 3

AREAS FOR FUTURE SUPPORT
### 10 Priority Areas

1. **Helping CCR businesses navigate the funding support packages available and surfacing gaps in provision.**
   - This will include:
     - Identifying and distributing all relevant information through our communication channels.
     - Undertaking occasional pulse surveys for feedback on accessibility and adequacy and raising awareness of arising issues with all relevant institutions and bodies.

2. **Building a strong evidence base to enable ongoing assessment of Regional Economic Health**
   - This will include:
     - Utilising the analytical capability of the School of Economic Geography at Cardiff University to create a regional data dashboard of Key Performance Indicators.
     - Obtaining regular feedback from our Economic Growth Partnership, Business Council Regional Skills Partnership and other stakeholder groups to surface issues and opportunities and maintain a proactive programme of CCR Thought Leadership publications.

3. **Reviewing all current City Deal initiatives to ensure they align with CCR economic and social imperatives in a post Covid world.**
   - This will include:
     - Reviewing the assumptions underpinning our proposed Housing Fund programme to ensure the scheme continues to be viable for all parties especially SME Developer participation.
     - Accelerating our Digital Infrastructure programmes on full fibre connectivity and 5G.

4. **Ensuring entrepreneurs and new start-ups get the support they need.**
   - This will include:
     - Facilitating access to expertise including mentor programmes and networking groups
     - Unlocking routes to obtaining seed capital and influencing the potential creation of a bespoke shared prosperity funding programme

5. **Establishing a new “Re-building Local Economies Challenge Programme” to capitalise on the levels of business innovation and ingenuity seen throughout the crisis period.**
   - This will include:
     - Agreeing 2 or 3 challenges (such as healthy ageing, foundational economy renewal, future mobility, decarbonisation etc.) to form the focus for the new individual challenge funds.
     - Providing new funding pots with contributions from CCR, challenge owners and other funding partners to progress the agreed challenges.
10 Priority Areas

6. Developing new, targeted funding interventions and new investment application support mechanisms.
   This will include:
   • Working with Investment partners to create an SME Co-investment Fund to assist with scaling up businesses in our priority sectors.
   • Putting in place an “Investor Readiness” capability to assist businesses in the preparation of their investment proposition. This will increase both the quality of submissions and the pace of throughput and decision making.

7. Supporting key businesses in the CCR priority clusters to increase their resilience and capacity for growth through increased flexibility on lending/investments
   This will include:
   • Consideration of alternative funding mechanisms such as convertible equities.
   • Encouraging greater flexibility in ways of assessing debt capacity alongside potential revision of key performance metrics to better align with the current economic scenarios. Increased use of guarantees and asset backed securities.

8. Increasing our overall competitiveness and wealth creation as a region through improving the financial performance of our medium sized businesses.
   This will include:
   • Consideration of focused interventions such as facilitating greater networking opportunities between CEOs, for the sharing of best practice advice and guidance.
   • Creation of and provision of access to high-level executive education programmes

9. Accelerating the development of our Med-tech Cluster through encouraging and supporting investment opportunities in Med-tech innovation.
   This will include:
   • Reinforcing the messaging that we are open to receiving Med-tech innovation investment proposals into our pipeline.
   • Prioritising funding decisions on opportunities that allow us to build upon the strategic opportunities for the sector and the region presented by the scale of businesses diversifying their manufacturing bases to accommodate the production of medical tools and equipment.

10. Expediting the creation of resilient industrial clusters with thriving regional eco systems.
    This will include:
    • Creation of formal cluster bodies in the priority sectors.
    • Prioritised investment support to compliment strategic cluster company inward investment activities.
Govt support required going forward

- GVA & Wellbeing
- Fiscal levers and incentives
- Support for building regional institutional capacity - more than a City Deal
  - Our governance & approach endorsed by 3 layers of Govt. We work in complex multi-partner environment. We are building model regional public investment model
- Devolution of Rail
- R&D settlement – Place Strategy & new Innovation Strategy
- Skills to move outside of annualised cycle
Gross project expenditure exceeds £495M by 2026/27

Funding Gap – expenditure in advance of grant receipt

Cumulative projected expenditure

Cumulative projected funding (HMT + LA)
In Conclusion.....

We have built firm foundations, we have solid plans for the next stage of our journey and we have effective local and business leadership.

- Good evidence, good strategy, good investment framework = good delivery progress
- Complementary balance of local political and industrial leadership
- Big external investment awards show we can compete with other UK regions – but more to do
- Evergreen ROI focus – paying dividends. Deal-flow is strong and growing productive capacity is the end game
- City Deal evolving to City Region with clear prospectus for change and evolution
- But fundamentally – dots all over the CCR map. Covid-19 exacerbating existing inequalities. Our job is to close the gaps. No place gets left behind

‘Economic growth accompanied by worsening social outcomes is not success. It is failure’ – Jacinda Ahern

But our Journey has only just begun...

We are confident that we have the right leadership in place and the right plans in progress. We take confidence from our progress to date and are 100% committed to making a success of this programme.
WRITTEN EVIDENCE IN SUPPORT OF THE SENEDD’S ECONOMY, SKILLS & INFRASTRUCTURE COMMITTEE REVIEW ON WELSH CITY AND GROWTH DEALS

3rd March 2021

1. Introduction

1.1. The Growing Mid Wales Board welcomes the opportunity to provide evidence to the Welsh Affairs Committee’s inquiry into the effectiveness of Growth and City Deals for Wales.

1.2. Partners across Mid Wales have long been working towards driving forward regional economic growth in Partnership. Ever since the creation of the Growing Mid Wales Partnership in 2015; public, private and voluntary partners across the region have developed the necessary leadership and voice to influence and strengthen the focus on growing the Mid Wales economy.

1.3. Following similar arrangements in other Welsh regions, Mid Wales was invited in late 2017 to develop its own proposals for a Growth Deal – and Committee Members have received regular written and verbal evidence on the progress in bringing the Deal to fruition.

1.4. This written evidence has been prepared on behalf of both Leaders in advance of their audience with the Committee on 03/03/21, to discuss the progress and next steps in more detail.

2. Early engagement and setting the foundations for the Deal

2.1. Throughout 2018/2019, significant effort and consultation was undertaken by stakeholders in the region to draw together a detailed evidence base of the needs and opportunities of the Mid Wales region. A number of workshops, stakeholder interviews, and detailed analysis were undertaken - and an emerging picture of how a potential Growth Deal could be framed.

2.2. In late 2019, formal governance arrangements were set in place – with an Inter-Authority Agreement agreed by both Local Authorities, which paved the way for a formal Joint Committee, a private sector Economic Strategy Group, and regional officer working and management arrangements.

2.3. Political discussions evolved throughout 2019, and the quantum of potential funding emerged from UK Government as £55m as a “down-payment”. Welsh Government indicated its views, and affirmed its commitment to supporting a deal in Mid Wales. However, the quantum of funding was not formally advised at this point.

2.4. The advice early on from both Governments was to set the Growth Deal in context, to articulate a clear case for investment. The Growing Mid Wales Board, in consultation with the GMW Partnership and the Economic Strategy Group, took the decision to formulate a Vision/Proposition document to both Governments. In bringing forward the development of a Growth Deal at scale, required significant capacity and capability to be developed and aligned across regional stakeholders.
2.5. The cornerstone of any successful intervention, is a clear and purposeful mission statement or investment strategy. The development of a document that articulated common purpose was required to help facilitate and accelerate economic growth via a single and ambitious vision for economic and employment growth in the region – of which a strong case for a Growth Deal would be made, as a catalyst in a broader funding mix.

3. Vision for Growing Mid Wales

3.1. The Vision for Growing Mid Wales was published in April 2020. The document can be found on the Growing Mid Wales website. [www.growingmid.wales](http://www.growingmid.wales)

3.2. The document brought together the significant evidence base and stakeholder engagement to articulate a Strategic Economic Plan and a proposal to Government for a Growth Deal roadmap. The document was authored by officers from both Local Authorities, in consultation with key regional stakeholders through a workstream structure – before taking strategic feedback from the Economic Strategy Group before approval by the GMW Board.

3.3. The document was articulated as a broad economic strategy, that encompassed 8 thematic areas (Strategic Growth Priorities), that underpin the Mid Wales economy:

3.4. The strategy was published at the outset of the Covid-19 pandemic, and we have all seen the direct and indirect implications on our economy unfold, and continue to...
take hold in our communities and businesses. Rather than pause the Growth Deal in order to understand this effect in more detail, it was considered imperative by the GMW Board to prepare the ground urgently for the recovery that will inevitably need to follow.

3.5. It was felt by the GMW Board and its regional partners that if the Growth Deal was to play a key part in any resulting recovery, then it would need to be agile and flexible to adapt to the economic and societal needs of the region as things unfold. Thus, the detailed proposal for a Portfolio approach was structured in the form of a Strategic Outline Plan (part 2 of the document) – to set out a clear and structured framework that would allow the region, both Governments and key partners to deliver a genuinely Portfolio-led approach.

4. Heads of Terms

4.1. Heads of Terms for the Mid Wales Growth Deal was then formally achieved on the 22nd of December. Very good national and local media coverage of the signing was achieved, with strong interest and positive coverage of the event.

4.2. The Heads of Terms document is a public document, and was available and promoted on the day of the formal signing on the GMW website at www.growingmid.wales

4.3. As is the case with all City and Growth Deals, the Heads of Terms is the first formal agreement in which both Governments have accepted the case for a Growth Deal, and has set out the political commitments and expectation by Government and the region now to develop the detail of the Deal in earnest to secure the next milestone (full deal agreement).

4.4. However, the Heads of Terms for the Mid Wales Growth Deal differs from similar Deals in Swansea and North Wales – in that it does not contain any programme/project detail at this stage. It set out and agreed the broad foundations for the Portfolio – that will be scoped from the 8 priorities for the region as set out in its Vision.

5. Governance & Assurance

5.1. Early planning work has continued on the development of a second governance agreement (inter-authority agreement 2). This will be required to be in place, and operational to cover the delivery arrangements for the Deal.

5.2. Emerging legislation will also need to be considered in this context (Local Government & Elections Bill (Wales)).

5.3. In the interim, it is anticipated that existing Governance arrangements continue for the development phase, with minor amendments to the IAA being considered by the Board and both Local Authorities shortly to strengthen key roles and to ensure clarity and a mechanism for appropriate scrutiny as the Deal continue to develop up to the next milestone (Full Deal Agreement).

6. Capacity and Resourcing

6.1. Both Local Authorities have made available revenue funding contributions to support the regional budget, for staff and Portfolio development. Contributions have also been received from Welsh Government to help establish a team and enable development work.
6.2. The architecture for a Portfolio Management Office (PMO) has been developed, a regional team that will continue the development and delivery of the Deal, on behalf of the GMW Board.

6.3. External funding through the Welsh European Funding Office (WEFO) is being sought to help resource this for the initial period of its operation, and beyond supporting the Growth Deal – it will have provision for undertaking wider regional collaboration aligned to the regional Vision for Growth.

6.4. Legal, HR and funding processes are being undertaken currently – with a likely timescale for recruitment to begin from April 2021.

7. Communications and Engagement

7.1. The majority of the communications activity recently has been focused around the coverage of the Heads of terms signing. However, the GMW website has been live since October 2020 – and will be a clear platform for regular updates on the work ongoing to develop the Deal and wider efforts to realise the Vision.

7.2. A meeting of the Economic Strategy Group (ESG) was held with both Leaders on the 7th of December. Providing a briefing and discussion on the progress to date on establishing the Growth Deal and nearing Heads of Terms; before discussing the key concerns, challenges and opportunities of business – with particular regard to the ongoing effects of Covid and the potential implications of Brexit.

7.3. Both Leaders were invited to offer their perspectives at a well-attended event organised by the Institute of Directors (IoD) and AberInnovation on the 15th December, bringing together and influential network of leaders across the public and private sectors to discuss the region’s economy.

7.4. The IoD has recently written about the role and potential of the City and Growth Deals in Wales: Think Big, Work Local - Business News Wales

7.5. Once the Portfolio Management Office (PMO) has been established, and early engagement with the Board, the Economic Strategy Group and key stakeholders and Governments has been undertaken on the early Portfolio – there will be a strong campaign of communications activity to be articulating the benefits and potential opportunities from the Deal.

8. Portfolio Development

8.1. In parallel to the negotiations on Heads of Terms, evolving Governance arrangements, and establishing capacity – work has begun on structuring the Portfolio Business Case.

8.2. The development of the Portfolio Business Case is being brought to fruition according to guidance received from both Governments, with the support of a senior experienced consultant – who is currently advising HM Treasury on Business Case guidance and the Portfolio approach.

8.3. The Portfolio-led approach in Mid Wales is unique, and the region has been told it is one of the very first models to develop its proposals iteratively from Strategy, to Portfolio, and then ultimately to Programmes/Projects.

8.4. It has taken time however for this early work to develop and take shape, before proposals have begun to take shape. This has been due to a number of reasons;
that have now been addressed in terms of having a clear vision, a clear coordinating framework, established governance, capacity and resources made available, commissioned work nearing fruition, and positive momentum leading to credible conversations with prospective project proposals.

8.5. Initial technical workshops have been held to assemble a first iteration of the Strategic Portfolio Business Case (SPBC), that will shortly be considered by regional governance arrangements.

8.6. These workshops have been structured and undertaken according to the guidance set out, in a manner which brings about clarity on the key investment objectives, critical success factors – and the potential long-list of options (programmes/projects) that could play a role in delivering those objectives.

8.7. There have been two tiers of work ongoing, to help scope and develop the detail of the Portfolio:

- **Commissioned Scoping and Feasibility Studies in key programme areas:** Where there are key strategic questions to address at a Portfolio/Programme level, before any project proposals can be considered. i.e. need to determine the strategic context, existing delivery arrangements etc in these areas, to aid the region to make sounds judgements on the optimal mix of activities to deliver the best outcomes for the region. These commissions have been in 4 principal areas: (Applied Research and Innovation; Digital; Hydrogen; Sites & Premises)

- **Programme/Project Information Gathering:** officer workstreams have gathered further information on the proposals existing within the region, in order to have a clearer sense of the initial proposals (detail and maturity of the proposal, scope and size, expected outcomes etc).

8.8. All of this information has been gathered into an initial draft of the Strategic Portfolio Business Case that will be consulted on, and receive the feedback of regional governance structures. The strategic views and feedback from these consultations will help form the shape of the initial Portfolio, with regular input and support at each stage from both Governments.

8.9. As Members of the committee will know with all City and Growth Deals, there exists long lead-in times to develop business cases to a level of sufficient maturity for both Governments to review and approve.

8.10. With the Mid Wales Growth Deal being a Portfolio-led approach – clarity is being sought on the expectations and requirements required to underpin Full Deal Agreement. A further workshop is being organised to seek clarity and develop a roadmap that is mutually agreeable both by the region to be able to respond and deliver the requirements set out, and for both Governments to be able to plan for the required review and approvals process.

8.11. It is the region’s expectation and current understanding that Full Deal Agreement could be achieved within the calendar year, and to look to delivery starting in earnest in 2022.

8.12. As noted, planned consultations will be undertaken imminently on the detail of the Portfolio that is being initially scoped for regional governance arrangements to consider.
Swansea Bay City Deal
Portfolio Update
Economy, Infrastructure & Skills Committee
3rd March 2021
1. The Portfolio

The Swansea Bay City Deal (SBCD) was originally estimated to be an investment worth £1.3bn across a portfolio of 11 major programmes and projects throughout the Swansea Bay City Region. Since reprioritising in 2019, the portfolio now consists of nine programmes and projects with current investment estimated at £1.157bn. This investment is based on £235m from Welsh Government and UK Government (with £5m remaining unallocated), £396m other public investment and £637m from the private sector.

The impact of the portfolio is based on generating at least £1.8 billion GVA and providing at least 9,000 jobs to the region.

The investment and impact for the portfolio is summarised in the table below. Current forecasts show that the overall investment has reduced by 9% (£1.3bn to £1.157bn), while the estimated GVA has a 32% increase and jobs created a 2.8% increase from original estimates. It is important to note, however, that these headline figures are estimates and by nature are subject to change as project business cases reach full business case status and solutions are implemented.

<table>
<thead>
<tr>
<th>Programme/Project</th>
<th>Investment (£m)</th>
<th>Impact (15 years)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>City Deal</td>
<td>Public</td>
</tr>
<tr>
<td>Swansea City &amp; Waterfront Digital District</td>
<td>50.00</td>
<td>85.38</td>
</tr>
<tr>
<td>Yr Egin</td>
<td>5.00</td>
<td>19.17</td>
</tr>
<tr>
<td>Digital infrastructure</td>
<td>25.00</td>
<td>-</td>
</tr>
<tr>
<td>Skills and talent</td>
<td>10.00</td>
<td>16</td>
</tr>
<tr>
<td>Life Science &amp; Well-being Campuses</td>
<td>15.00</td>
<td>20</td>
</tr>
<tr>
<td>Pentre Awel (Life Science &amp; Well-being Village)</td>
<td>40.00</td>
<td>51</td>
</tr>
<tr>
<td>Homes as Power Stations</td>
<td>15.00</td>
<td>114.6</td>
</tr>
<tr>
<td>Pembroke Dock Marine</td>
<td>28.00</td>
<td>16.35</td>
</tr>
<tr>
<td>Supporting Innovation and Low Carbon Growth</td>
<td>47.70</td>
<td>7.7</td>
</tr>
<tr>
<td>TOTALS</td>
<td>235.70</td>
<td>330.20</td>
</tr>
</tbody>
</table>

Table 1. SBCD Portfolio Investment and Impact

The SBCD is in the process of updating its Portfolio Business Case (PoBC) for consideration by regional partners prior to submitting to the Welsh Government and UK Government for review and approval in March 2021.
2. GOVERNANCE STRUCTURES

The SBCD is led and delivered by eight key partners: Carmarthenshire County Council, Neath Port Talbot Council, Pembrokeshire Council, Swansea Council, Swansea University, the University of Wales Trinity Saint David, Swansea Bay University Health Board and Hywel Dda University Health Board; and in conjunction with private industry. The SBCD governance and delivery structure is outlined in Figure 1. below. This governance is operational with established Terms of Reference, membership/post holders, and plans and processes in place to govern and deliver the SBCD portfolio.

Figure 1. SBCD Governance Structure

The purpose of each of the governance arrangements is summarised in Table 2 below:

<table>
<thead>
<tr>
<th>Governance</th>
<th>Purpose</th>
</tr>
</thead>
<tbody>
<tr>
<td>Joint Committee</td>
<td>Executive board with overall responsibility for scrutiny and business case approvals. It holds the Programme (Portfolio) Board and SBCD Portfolio Management Office (PoMO) to account. Joint Committee comprises of the four Local Authority Leaders of Carmarthenshire, Neath Port Talbot, Pembrokeshire and Swansea.</td>
</tr>
<tr>
<td>Programme (Portfolio) Board</td>
<td>Oversees the operations of the SBCD. Responsible for reviewing business case developments and portfolio progress. Consists of the head of paid service of each of the eight primary partners for the SBCD and is chaired by the SBCD Senior Responsible Owner.</td>
</tr>
<tr>
<td>Senior Responsible Owner</td>
<td>Appointed by the Joint Committee in June 2020, the SRO is also the chairperson of the Programme (Portfolio) Board to champion the SBCD and drive its successful implementation by overseeing portfolio delivery and ensuring that appropriate governance arrangements are in place. The SRO holds the Portfolio Director to account.</td>
</tr>
<tr>
<td>Portfolio Director</td>
<td>Responsible for delivering the Portfolio Business Case and Project Development Roadmap.</td>
</tr>
<tr>
<td>Programme / Project Managers</td>
<td>Experienced individuals who manage the development of the programme / project business cases and implement assurance and approval plans and project plans. They also work with the Portfolio Director and PoMO to apply the Portfolio Development Roadmap. Depending on the size and complexity of the programme / project, the Programme / Project Manager will run the programme / project team and manage external advisers.</td>
</tr>
<tr>
<td>PoMO</td>
<td>The Portfolio Management Office (PoMO) is responsible for the day-to-day management of matters relating to the Joint Committee and the SBCD.</td>
</tr>
</tbody>
</table>
Economic Strategy Board
Private sector advisory body which acts as the voice of business. The ESB provides strategic direction for the City Deal through advice to the Joint Committee on matters relating to the City Region. The Chair is accountable to the Joint Committee.

Joint Scrutiny Committee
Provides advice, challenge and support to the Joint Committee for the SBCD Portfolio and associated cross-cutting regional projects/programmes. The full terms and reference for the Joint Scrutiny Committee are set out in the Joint Committee Agreement.

Accountable Body
Carmarthenshire County Council is the Accountable Body responsible for discharging City Deal obligations for the four Local Authorities including financial and staffing matters, for example. The Accountable Body is the primary interface for the City Deal with the Welsh Government and the UK Government.

Table 2. SBCD Governance Functions

The SBCD Portfolio Director started in post in March 2020 and is tasked with overseeing the successful delivery of the SBCD portfolio throughout South West Wales. This includes the successful securing of funding and the effective delivery and governance of all City Deal programmes and projects. Accountable to the City Deal’s Joint Committee and reporting to the City Deal’s Senior Responsible Owner (SRO), the Portfolio Director has established a Portfolio Management Office (PoMO).

The PoMO structure shown in Fig 2. below is responsible for the day-to-day management of matters relating to the Swansea Bay City Deal. In Q2 and Q3 of the 2020/21 financial year, the PoMO was strengthened with the appointments of four new roles:

- PoMO Manager
- Portfolio Development Manager
- Senior Portfolio Support Officer
- PoMO Assistant

These posts complemented the existing posts of Business Engagement Manager, Communications and Marketing Officer and Finance Manager, who were appointed prior to the Portfolio Director.

![Figure 2. SBCD Portfolio Management Office Structure](image)

The SBCD governance and assurance arrangements have advanced significantly in 2020. This is reflected in the satisfaction of the external and regional review recommendations on the SBCD and successful draw down of further City Deal funds from the Welsh Government and UK Government.

All governance committees have been established and are fully operational. Robust governance and approvals of the SBCD are through its people, structures, strategies and processes - all based on Portfolio, Programme and Project Management (P3M) practices and principles. Having these arrangements in place to consider how the SBCD manages business cases, organisation, quality, plans, risk, change and progress will overcome challenges by reducing complexity or increasing portfolio capability - and in doing so will require regular revisits to the strategic, economic, commercial and financial cases, along with analysis of the SBCD.
3. **ASSURANCE AND APPROVALS**

**Gateway Reviews**
The SBCD portfolio underwent a Gateway 0 external review during July 2020. The review returned an Amber Delivery Confidence Assessment and was generally very positive with three critical administrative issues needing urgent attention. Work to address these issues is now either complete, significantly advanced or subject to ongoing considerations.

**Accounting Officer Review (AOR)**
The Welsh Government and UK Government conducted an Accounting Officer Review (AOR) process in July-September 2020 to assure and review the SBCD Portfolio Business Case. The AOR process set out 15 recommendations which the SBCD PoMO is in the process of implementing. The AOR was undertaken as the initial approval process of the Business Case and subsequent drawdowns will be aligned to updating the Business Case with the next submission taking place in March 2021. By the end of March, the SBCD will have drawn down £36m in the last 12 months, taking total draw down to date of £54m of the £240m. The key actions undertaken to progress the AOR recommendations are:

- Strategic policy alignment mapped across all programmes and projects
- Portfolio Spending Objectives defined, and baseline agreed
- Portfolio Procurement Principles and requirements for Community Benefits agreed
- Portfolio Risk Management Strategy in place
- Portfolio Risk Register and Covid-19 Impact Assessment in place
- Change Control process approved
- Development of a suite of monitoring and performance reports
- PoMO work plan to support future drawdowns of City Deal funds

**Integrated Assurance and Approval Plans (IAAP)**
The PoMO has also been working closely with the Welsh Government’s Office for Project Delivery to establish a Portfolio Integrated Assurance and Approval Plan (IAAP), to ensure that the planning, coordination and provision of assurance activities and approval points throughout the City Deal portfolio are proportionate to levels of cost and risk. All SBCD Programmes / Projects have also established an IAAP, which are shared with the appropriate governance structures.

**SBCD Programme / Project Business Case Status**

<table>
<thead>
<tr>
<th>Programme / Project</th>
<th>Joint Committee Approval</th>
<th>Ministerial Approval</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pembroke Dock Marine</td>
<td>Nov-19</td>
<td>Jun-20</td>
</tr>
<tr>
<td>Yr Egin Phase 1</td>
<td>Nov-18</td>
<td>Jul-19</td>
</tr>
<tr>
<td>Swansea City &amp; Waterfront Digital District</td>
<td>Nov-18</td>
<td>Oct-19</td>
</tr>
<tr>
<td>Digital Infrastructure</td>
<td>Dec-20</td>
<td>Submitted Dec-20</td>
</tr>
<tr>
<td>Pentre Awel</td>
<td>Nov-20</td>
<td>Submitted Nov-20</td>
</tr>
<tr>
<td>Homes as Power Stations</td>
<td>Jun-20</td>
<td>Submitted Jan-21</td>
</tr>
<tr>
<td>Supporting Innovation &amp; Low Carbon Growth</td>
<td>Jul-19</td>
<td>TBC</td>
</tr>
<tr>
<td>Life Science, Wellbeing &amp; Sport Campuses</td>
<td>Expected Q1 2021</td>
<td>TBC</td>
</tr>
<tr>
<td>Skills &amp; Talent</td>
<td>Expected Q1 2021</td>
<td>TBC</td>
</tr>
</tbody>
</table>

Figure 3. Programme/Project Business Case Status
4. PORTFOLIO RISK MANAGEMENT

A new SBCD Portfolio Risk Management Strategy was implemented in Qtr 3, 2020. Aligned to the HMT Green Book supplementary guidance: The Orange Book, the strategy defines the risk appetite and tolerance of the SBCD and principles of the strategy, along with a documented process for identifying, assessing, addressing and measuring risk and issues. Risk management is led from the top of the SBCD and is embedded in standard practices and processes of the SBCD governance arrangements.

The SBCD has a Portfolio Risk Register and Issues Log, and regularly reports on prioritised risks through the governance structures. Key Business Risks captured in the SBCD Portfolio Risk Register include SBCD partner withdrawal, delays to programme and project approval, funding draw down and portfolio delivery delays, achievement of targets, reputational effect and change to scope and objectives.

SBCD Covid-19 Impact Assessment

The Covid-19 impact assessment is the method used by the Swansea Bay City Deal to assess the potential impact that the Covid-19 crisis has on each of nine programmes / projects and overarching City Deal portfolio. This recognises that the national and regional economic recovery will rely upon City Deal projects to support and stimulate national and regional economic growth and attract inward investment during these times of uncertainty.

The assessment assures the viability and successful delivery of the City Deal programmes / projects during the crisis and recovery stages of the Covid-19 pandemic. It is envisaged that risks impacting the programmes / projects and mitigations to overcome them are dealt with at programme / project level. Any risks deemed to place significant pressures on the programme / project or overarching portfolio such as significantly changing the programme / project scope, significant variance in the defined programme / project outputs, significant stage gate delays or continued commitment from key stakeholders, will be assessed by the PoMO and escalated to Joint Committee for appropriate intervention and decision.

Risks and mitigating actions are continually under review and reported quarterly through governance structures to actively manage the identified Covid-19 risks. The current assessment undertaken in Jan-21 is summarised below:

- **Main concerns**: Achievement of targets, reputational effect and stakeholder/ partnership commitment
- **Secondary concerns**: Impact on scope and objectives

![Figure 4. COVID-19 Risk Impact Assessment](PackPage66)
5. **Change Control Procedure**

The PoMO has developed a Change Control Procedure that details the potential impacts and benefits for stakeholders, how stakeholders will be engaged to understand the impact (positive or negative) of the change and how the changes will be communicated, implemented and managed. This process was signed off at Joint Committee in February 2021.

As part of the Portfolio Business Case and associated Monitoring and Evaluation Plan the Portfolio Management Office has developed a change log which will record all changes within the Portfolio. Change control reporting will take place for all SBCD Portfolio changes and will include full summarisation for significant change and notification only of minor change, reporting appropriately to the following levels of Governance at the prescribed frequency following the respective project, programme or portfolio board:

- Programme (Portfolio) Board
- Joint Committee
- Welsh and UK Government
- Economic Strategy Board
- Joint Scrutiny Committee

6. **Procurement Principles**

Aligned to the Wales Procurement Policy Statement, the SBCD developed a supplementary set of procurement principles that aim to encourage project teams to consider wider benefits that can be achieved through procurement.

These principles link procurement activities with UK and Welsh Government policy and best practice, especially with meeting the objectives of the Well Being of Future Generations (Wales) Act 2015. The principles also draw on the need for Net Zero Carbon and Carbon Offset contributions to be considered as part of the procurement exercises.

The principles have been drafted in collaboration with industry, legal and procurement specialists with a view to ensuring that the regional supply chain and local businesses can have the opportunity to achieve the maximum benefit from the City Deal.

To support this, the SBCD PoMO has developed a Community Benefits Register. Programme / Project Leads will provide information as they progress through procurement, construction and delivery.

7. **Business Engagement**

The SBCD is working closely with businesses in the region and external companies to develop business cases and procure and deliver the SBCD programmes / projects. The inward investment target is in the region of £600m for the 15-year portfolio and will require many aspects of business and service delivery throughout its lifecycle such as construction, R&D, manufacturing, supply chain development, networking and infrastructure operations. A revised SBCD business engagement and inward investment framework is being developed to support the ambitions of the SBCD portfolio and provide clear direction in how the attraction, retention and growth of businesses will advance our regional GVA and opportunities for employment.
8. SBCD Communications and Marketing

A Communications & Marketing Plan has been developed, refined and updated, which includes a power and influence matrix of City Deal stakeholders. The plan informs the detail of communications, marketing and engagement activities.

From April 2020 to February 2021 (Note: Figures as of February 8, 2021), 168 positive media mentions were secured for the Swansea Bay City Deal in the digital and print media. Coverage was secured in the local, regional, Wales-wide and specialist media. Publications/websites/broadcasters which have featured positive Swansea Bay City Deal articles include BBC Online, the Western Mail, the South Wales Evening Post, Business News Wales, Wales Business Insider, and numerous local, regional and specialist media outlets.

The City Deal’s Communications and Marketing Officer runs bilingual Swansea Bay City Deal social media accounts on both Facebook and Twitter, where content is regularly posted and monitored. The impact of these social media accounts from April 2020 to February 2021 is outlined below (Note: Figures as of February 8, 2021).

**Facebook (@SBCityDeal)**

<table>
<thead>
<tr>
<th>Period</th>
<th>April-20 to February-21</th>
</tr>
</thead>
<tbody>
<tr>
<td>Combined reach of posts (User views)</td>
<td>88,081</td>
</tr>
<tr>
<td>Video views</td>
<td>8,513</td>
</tr>
<tr>
<td>Likes and shares</td>
<td>1,049</td>
</tr>
<tr>
<td>Link clicks from posts</td>
<td>1,034</td>
</tr>
<tr>
<td>Page followers</td>
<td>840</td>
</tr>
<tr>
<td>Page likes</td>
<td>773</td>
</tr>
</tbody>
</table>

**Twitter (@SBCityDeal & @BargenDinesigBA)**

<table>
<thead>
<tr>
<th>Period</th>
<th>April-20 to February-21</th>
</tr>
</thead>
<tbody>
<tr>
<td>Average impressions (Total tally of views)</td>
<td>634</td>
</tr>
<tr>
<td>Likes</td>
<td>827</td>
</tr>
<tr>
<td>Retweets</td>
<td>460</td>
</tr>
<tr>
<td>Video views</td>
<td>7,629</td>
</tr>
<tr>
<td>Account followers</td>
<td>1,450</td>
</tr>
</tbody>
</table>

The City Deal’s Communications and Marketing Officer has continued to work closely alongside communications teams at all partner organisations throughout 2020/2021. This includes communications teams at the Welsh Government and the Secretary of State for Wales’ Office at the UK Government.

This work has helped considerably boost positive City Deal media and social media mentions/reach, while also ensuring the inclusion of Ministerial quotes in priority communications including business case approvals and the release of portfolio funding.
9. PROGRAMMES & PROJECTS SUMMARY

9.1. Digital Infrastructure

The £55 million Digital Infrastructure programme will benefit residents and businesses in all parts of the Swansea Bay City Region, which includes Carmarthenshire, Neath Port Talbot, Pembrokeshire and Swansea. The programme is estimated to be worth £318 million to the regional economy in the next 15 years. Led by Carmarthenshire County Council, the Digital Infrastructure programme will:

- Ensure the region’s cities, towns and business parks have competitive access to full-fibre connectivity
- Pave the way for the region to benefit from 5G and internet of things innovation, which includes smart homes, smart manufacturing, smart agriculture and virtual reality, as well as wearable technology that will support healthcare, assisted living and other sectors
- Focus on improving access to broadband in the region’s rural communities, while stimulating the market to create competition between digital providers for the benefit of consumers

Inward investment of £30 million is estimated throughout the five-year delivery phase of the programme.

9.2. Pembroke Dock Marine

The £60 million Pembroke Dock Marine programme will place Pembrokeshire at the heart of global zero carbon marine energy innovation while also helping tackle climate change. Pembroke Dock Marine will deliver the facilities, services and spaces needed to establish a world-class centre for marine engineering. Led by the private sector and supported by Pembrokeshire County Council, Pembroke Dock Marine is made up of four elements:

- Marine Energy Engineering Centre of Excellence (MEECE)
- Pembroke Port developments
• Marine Energy Test Area (META)
• Pembrokeshire Demonstration Zone (PDZ)

The programme is expected to generate £73.5 million a year to the regional economy.

As well as having application across other blue economy industries, Pembroke Dock Marine will create the right conditions for the marine energy industry to flourish as the UK moves towards net zero decarbonisation targets. Pembroke Dock Marine’s drive to maximise innovation and operational efficiencies will seek to drive down the cost of marine energy, while acting as a foundation programme that will support the growth of new initiatives in the region.

As well as the Swansea Bay City Deal, Pembroke Dock Marine is also being part-funded by the European Regional Development Fund through the Welsh Government.

9.3. Supporting Innovation & Low Carbon Growth

This £58.7 million programme will deliver sustainable jobs and growth in the Swansea Bay City Region to support the creation of a decarbonised and innovative economy, thanks to a partnership between government, academia and industry. The programme of seven linked projects will help:

- Decarbonise the steel and metals industry
- Provide high-quality office space for businesses
- Provide a route map for the commercialisation of hydrogen
- Support the advanced manufacturing sector
- Establish a regional approach to decarbonise journeys in the region.

With a targeted focus on the Port Talbot Waterfront Harbourside area, this programme, led by Neath Port Talbot Council, is projected to be worth £6.2 million a year to the local economy.

The Supporting Innovation and Low Carbon Growth programme is made up of seven inter-linked projects (emboldened below) under four themes:

1. An energy positive Technology Centre building on Baglan Energy Park, providing flexible office space for start-up companies and indigenous businesses, with a focus on the innovation, ICT and R&D sectors.
2. A specialist facility which will support the steel and metals industry in Port Talbot, Wales and the UK, while reducing its carbon footprint.
3. Decarbonisation projects including a low emission vehicle charging network, as well as air quality monitoring and a hydrogen stimulus project.
4. An Industrial Futures project to address the gap between demand and supply for businesses and available land in the Port Talbot Waterfront Enterprise Zone, with a hybrid building providing production units as well as office space to support start-ups and indigenous businesses in the innovation and manufacturing sectors.

9.4. Life Science & Wellbeing Campuses

The vision for the Campuses project is to deliver two complementary initiatives across two sites in two phases (Singleton and Morriston in Swansea) that add value to the regional life science, health and
sport sectors. This will support interventions and innovation in healthcare and medicine to help prevent ill-health, develop better treatments, and improve patient care, while boosting sport through world class sport science and new facilities.

The proposal builds on established and emerging partnerships to deliver an environment that exploits life science and technology research to drive economic development, positioning the Swansea Bay City Region as an international centre of excellence for health, sport and well-being.

The project will deliver new research, innovation and sports facilities within a regional health campus that enables the co-location of life science research and industry alongside clinical infrastructure and investment opportunities. This will support existing partners and attract inward investment to accelerate innovation, while supporting the delivery of a second phase of the project and other longer-term developments.

Phase 1 of the Campuses project will include:

- Development at Sketty Lane in Swansea which will create an environment that fosters innovation at the intersection between life science, health, wellbeing and sport. This will help attract public and private investment from organisations across these sectors, while benefitting from expertise at the nearby Institute of Life Sciences initiative at Swansea University’s Singleton campus

- Refurbishment at Morriston Hospital that will accommodate a further Institute of Life Sciences development. This feature of the project will also include planning for new road access to a 55-acre site to the north of the hospital, which will establish Morriston as a global example of best practice for healthcare by accommodating commercial and academic collaboration with clinical research & development and facilitate access to modern technology and techniques

9.5. Yr Egin

Yr Egin is a digital and creative hub at the University of Wales Trinity Saint David in Carmarthen. Anchored by S4C’s headquarters, the 3,700 square metre first phase of the development is also home to a range of other companies working within the creative sector, including multi-media publishing and digital technology; digital education; video production and photography; post production; graphic design; translation and sub-titling.

Canolfan S4C Yr Egin – which also includes an auditorium, editing suites, a large performance area and a café - offers a varied programme of events, workshops, talks and screenings for members of the public as well as those working in the creative and digital industries.

Yr Egin’s main objectives are to stimulate further investment and economic growth in Carmarthenshire and beyond, and to inspire and revitalise a variety of social and community groups across the Swansea Bay City Region. Yr Egin will also create an exciting cultural hub for the digital and creative industries, while promoting the status of the Welsh language and Welsh culture.

A second phase of the development is being planned, which will deliver a state-of-the-art, hybrid digital co-working space allowing for cross-sector engagement between established businesses in West Wales and future SMEs in the creative industries. It will cater for a range of ‘new’ technological services that could be made available for the region.
It will also be a vibrant ‘destination of choice’ that inspires a digital community to connect, offering a range of services and a trusted technology ecosystem where clients can come to engage and co-curate new business solutions.

9.6. Swansea City Waterfront & Digital District

The Swansea City and Waterfront Digital District being led by Swansea Council is made up of three elements:

- A 3,500-capacity indoor arena at a site adjacent to the LC in Swansea city centre that will accommodate music concerts, touring shows, exhibitions, conferences, gaming tournaments and other events. Ambassador Theatre Group (ATG) have been appointed to run the indoor arena, once it’s operational. Led by Buckingham Group Contracting Ltd, considerable progress is being made on site as the arena heads towards opening in the autumn of 2021. A digital square featuring digital artworks and ultrafast internet connection speeds will also be developed outside the arena

- A state-of-the-art office development at the former Oceana nightclub site on The Kingsway in Swansea city centre. Around 100,000 square feet of flexible office space and amenities will be developed for tech and digital businesses, with conference and meeting facilities as well as potential links to the indoor arena. Acting as a catalyst for further development on The Kingsway, the development will benefit from world class digital connectivity and integration with smart city technology. Construction tendering is underway

- An Innovation Matrix development at the University of Wales Trinity Saint David SA1 for start-up businesses, which will foster entrepreneurship through close links with academia

9.7. Pentre Awel

The Pentre Awel project earmarked for Llanelli will feature new business, education and health facilities, along with a complementary development that will establish a state-of-the-art new leisure centre and swimming pool. Proposed for an 83-acre site in South Llanelli, Pentre Awel will be the first development of its scope and size in Wales.

Pentre Awel will provide public, academic, business and health facilities all on one site to boost employment, education, leisure provision, health research and delivery, and skills and training.

The project is planned to include integrated care and physical rehabilitation facilities to enable the testing and piloting of life science technologies aimed at enhancing independence and assisted living.

The council-run leisure centre element of the project will feature a cutting-edge gym, an 8 x 25-metre swimming pool, a learner pool, a hydrotherapy pool, multi-purpose studios and an indoor play area.

Worth millions of pounds to the local economy, Pentre Awel will also create a wide range of employment opportunities across the Swansea Bay City Region as whole.

The wider project will also feature assisted living accommodation, along with a nursing home, a hotel, expansion space for businesses, and elements of both open market and social and affordable housing. Landscaped outdoor spaces for recreation on site will benefit from spectacular views across the Loughor Estuary and Carmarthen Bay.
9.8. Homes as Power Stations

State-of-the-art design and energy efficiency technologies will be introduced to thousands of properties as part of the Homes as Power Stations project throughout the Swansea Bay City Region.

The pioneering project is aiming to facilitate the adoption of the Homes as Power Stations approach to integrate energy efficiency design and renewable technologies into the development of new build homes and retrofit programmes carried out by the public, private and third sectors. This will tackle fuel poverty while helping residents save money on their energy bills.

The Homes as Power Stations project aims to prove the concept in the public sector at a relatively small scale with the intention of then scaling up activity in other sectors across the Swansea Bay City Region. These will include private sector developers.

Homes as Power Stations aims to:

1. Facilitate the take up of renewable technologies in at least 10,300 properties (7,000 retrofit, 3,300 new build) within five years to increase affordable warmth and reduce fuel poverty
2. Improve residents’ health and well-being
3. Reduce burden on health and social services

The project will be linked to other housing improvement programmes to optimise efficiency of delivery. These include the Welsh Government’s Optimised Retrofit Programme (ORP) forming part of the Innovative Housing Programme, which will reduce the carbon footprint of existing social housing in Wales.

There will be a focus on developing a sustainable, regional supply chain, monitoring and evaluation, skills development, an education and dissemination programme, and a financial incentive scheme. The project will share its findings via a knowledge sharing hub.

Homes as Power Stations will leave a legacy of skilled jobs in the Swansea Bay City Region, while mainstreaming the concept for roll-out elsewhere in Wales and the UK.

9.9. Skills & Talent

The Skills and Talent project aims to deliver a regional solution for the identification and delivery of the skills and training requirements for all City Deal programmes and projects. Working alongside partners from the private sector, higher and further education, schools and the third sector, the project team will map out gaps in current provision and establish the skills and training needed for students, teachers and lecturers both now and in future.

Bespoke education and training solutions will then be introduced, which align to the needs of industry and key City Deal themes. Investment will include funding for equipment and the development of courses to support the City Deal portfolio’s programmes and projects.
10. PROGRAMME AND PROJECT STATUS AND PROGRESS UPDATE

Below is the status and progress update for each of the nine programmes and projects. A high-level timeline of the portfolio is also included in Appendix A.

10.1. Digital infrastructure

Significant progress has been made on the Digital Infrastructure programme in 2020/2021, following on from the appointment of a Programme Manager in February 2020.

Key progress has included the re-establishment and expansion of the Digital Infrastructure Programme Board. An external Stage Gate 0 peer review of the programme was also carried out by independent experts in October 2020, which led to an Amber/Green status.

The Digital Infrastructure Programme Business Case was approved by the City Deal’s Joint Committee in December 2020, following on from approvals at all four regional local authorities, along with endorsements from Programme (Portfolio) Board and the Economic Strategy Board. Following these approvals, the programme’s Business Case was submitted to both governments for final approval.

Regional agreement has also been secured to partially recruit programme resource at risk, with detailed supplier engagement and risk mitigation ongoing. Preparations are advanced for the programme’s transition from planning to delivery.

10.2. Pembroke Dock Marine

The Pembroke Dock Marine project was approved by the UK Government and Welsh Government in June 2020. Detailed discussions on a funding agreement between Pembrokeshire County Council, Milford Haven Port Authority and other project partners took place in Q3 and Q4 2020/21.

A planning application for the Pembroke Dock Infrastructure element of the project was submitted in December 2020, with the procurement of a construction contract in place.

A phase two marine licence for the Marine Energy Test Area (META) element of the project was awarded by Natural Resources Wales in January 2021.

All third-party approvals and funding are in place for the Pembrokeshire Demonstration Zone (PDZ) feature of Pembroke Dock Marine. A Marine Energy and Engineering Centre of Excellence (MEECE) Innovation Manager started in post in Q4 2020/21.

Formal project governance will be established in Q4 2020/21, pending approval of the funding agreement between the project lead authority and project partners.

10.3. Supporting Innovation & Low Carbon Growth

A Project Assessment Review (PAR) was commissioned into the Supporting Innovation and Low Carbon Growth programme of projects. This took place in June 2020, delivering an Amber status.

A Critical Friend Review also took place in October 2020, with action plans developed to meet recommendations arising from both reviews.

A Programme Board has been established for Supporting Innovation and Low Carbon Growth and a project/delivery plan is in place.
Planning consent for the Technology Centre aspect of the programme was secured in August 2020. Construction work - which is ongoing - started in November 2020.

A low emission vehicle regional public sector group has also been established, along with a working group - which includes Industry Wales - to develop the advanced manufacturing production facility element of the programme.

The Programme’s Business Case is being finalised before submission to the UK Government and Welsh Government for final approval. Air quality monitors as part of the programme are due for imminent installation.

10.4. Life sciences, Well-being and Sport Campuses

The Campuses Project was rescoped in 2020/21 to include a sports element. The project will now position the Swansea Bay City Region as a centre of excellence for sport and wellbeing, as well as for innovation in healthcare and medicine to help prevent ill-health, develop better treatments and improve patient care.

A masterplan for the Singleton site was completed in Q3 2020/21, along with initial costings for phase one Singleton and Morriston. Synergies and differentiation between the Campuses project and Pentre Awel have also been explored.

Key letters of support have been received from partners to evidence commitment, as well as the development of an initial video to engage the private sector.

A positive initial meeting with officials from the UK Government and Welsh Government to introduce the rescoped project took place in Q4 2020/21. The project’s redeveloped Business Case has also been presented to the City Deal’s Economic Strategy Board, along with a presentation to the City Deal’s Programme (Portfolio) Board.

An outline Business Case was submitted to the City Deal’s Portfolio Management Office for review and feedback provided to further enhance and align the Business Case to Better Business Cases guidance.

10.5. Yr Egin

In November 2020, phase one of Canolfan S4C Yr Egin celebrated two years since its official opening. The development is now home to S4C’s headquarters and a range of other creative sector businesses, including Big Learning Company, Boom Cymru, Captain Jac, Gorilla, Optimwm and Lens 360.

An updated Yr Egin Business Case was presented at and endorsed by Programme (Portfolio) Board in July 2020. A lessons learned exercise was completed in October 2020.

Phase two planning is ongoing, with a sector demand study commissioned in January 2021. This is aimed at undertaking a review of industry infrastructure and business support requirements, in light of Covid-19 and economic threats.

Job Creation - Yr Egin Phase 1:

- S4C jobs within the project: 58
- Jobs on site prior to Covid (not including UWTSD employees): 100 (inc 58 S4C jobs)
- Companies on site prior to Covid: 17 full-time
- Number of Welsh contractors involved in construction: 19
• Number of people who worked on the project construction: Average of 40 per week over 78 weeks

As a result of procuring Phase 1 through the South West Wales Regional Contractors Framework, a minimum of 52 weeks per £1 million spend of new entrants into employment, training and apprenticeships to include participants from disadvantaged groups, unemployed, NEETs, disabled and economically inactive was provided. This resulted in approximately 1560 weeks of employment and training to these groups.

10.6. Swansea City and Waterfront Digital District

Aspects of the Swansea City and Waterfront Digital District moved from planning into delivery in 2020/2021. This includes the completion of steelwork for the Swansea Arena, with plans now in place for completion of the development - both external and internal - in the autumn of 2021. In November 2020, a Meet the Buyer event was held, giving local and regional businesses the chance to bid for work packages forming part of the arena development. A call also went out in January 2021 for regional businesses working in the food & beverage and building services sectors to register their interest in supplying services to the Swansea Arena. In February 2021, work started on installing an iconic bridge linking the arena site with Swansea city centre.

In June 2020, planning permission was secured for the state-of-the-art office development at 71/72 The Kingsway for tech and digitally focussed businesses. Detailed discussions with potential tenants are ongoing, with construction expected to start in the spring of 2021, subject to authorisation from Swansea Council’s Cabinet.

The Box Village element of the project at the University of Wales Trinity Saint David SA1 has been re-named the Innovation Matrix. A planning application for that aspect of the overall project is expected to be submitted in coming months.

An updated Swansea City and Waterfront Digital District business case was presented to and endorsed by Programme (Portfolio) Board in July 2020.

Jobs Created - Digital Arena:

• Number of people who have worked on the project construction: Average of 120 per week over 52 weeks (Note: This is currently an estimate as the information is not fully collated. It is based on 1600 operatives having received induction and an average of at least 4 weeks employment per operative).

• Note: The final employment numbers may take additional time to be realised due to the ongoing impacts of COVID-19.

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<th>Category</th>
<th>Contracted / Agreed Activity Target</th>
<th>Activity Delivered</th>
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<td>other:</td>
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<tr>
<td></td>
<td>4325 person weeks</td>
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1. Recruiting and training of economically inactive people – Targeted Recruitment and Training (TR&T)

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<th>Existing Apprentices</th>
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<td>1297 (30%)</td>
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<td>2079 New Trainees, Apprentices and other</td>
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2. Supply chain initiatives

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<th>38% - Wales</th>
<th>30% - Wales</th>
<th>45% - UK &amp; EU</th>
<th>36% - UK &amp; EU</th>
<th>MTB events</th>
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</table>

10.7. Pentre Awel

The major development planned for an 86-acre site in South Llanelli is now called Pentre Awel.

Progress in 2020/21 included the award of outline planning permission in April 2020, as well as ecology work on site from July to September 2020 to ensure timely discharge of pre-commencement planning conditions.

An external Stage Gate 2 review into the Pentre Awel project was carried out in September 2020, resulting in an Amber status. Recommendations were subsequently implemented, with a workstream to develop a whole site operating model also established in September 2020.

The Pentre Awel Business Case was approved by Joint Committee on November 12 2020, following approval at Carmarthenshire County Council and endorsements at both Programme (Portfolio) Board and Economic Strategy Board. The project is awaiting final approval from Welsh Government and UK Government.

Memorandums of Understanding with tenants were signed in October, November and December 2020, with heads of terms discussions ongoing.

In January 2021, a tender for zone one of the project was placed via two-stage procurement methodology, using the South West Wales Regional Contractors Framework.

10.8. Homes as Power Stations

Formal governance for Homes as Power Stations was established in Q2 2020/21, along with a formalised stakeholder engagement plan and a formalised project delivery and implementation plan.

Following its approval at all four regional authorities, the Homes as Power Stations project Business Case was approved at Joint Committee on June 11, 2020. Delegated authority was granted to the project’s Senior Responsible Owner to make any minor changes necessary to the business case to secure UK Government and Welsh Government approval.

An external Project Assessment Review (PAR) was then commissioned into the Homes as Power Stations project for extra assurance. An action plan was produced to meet the recommendations of...
the PAR - which delivered an Amber status - prior to the submission of an updated outline business case to the Portfolio Management Office for review in early 2021.

A Technical Advisory Group for the Homes as Power Stations project was set up in Q4 2020/2021. The project is awaiting final approval from Welsh Government and UK Government.

10.9. Skills and Talent

A workshop was held with a Welsh Government Business Case adviser on the Skills and Talent project in August 2020, prior to a workshop on a long-list options appraisal in September 2020.

Business case development is ongoing, with feedback sought from a Welsh Government adviser in January 2021 to strengthen the business plan’s economic case.

The project’s Strategic Case has been reviewed by the Portfolio Management Office.

Several activities are planned for Q4 2020/2021. These include an external Stage Gate review of the project’s business case and the submission of the business case to the City Deal’s Economic Strategy Board and Programme (Portfolio) Board for consideration, prior to its submission to all four regional local authorities for approval.
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The Growth Deal has been developed through close collaboration and commitment, from partners across all sectors including the UK and Welsh Governments, to deliver long-lasting positive investment and change that will enable economic and employment growth for the long-term.

The deal is a unique opportunity to invest in our future with our partners and it’s a key enabler to building a more vibrant, sustainable and inclusive economy for us all in North Wales.

We will be smart with our investment - building on our strengths to boost productivity, foster innovation and be competitive in the markets we serve. We already have well-established research and innovation hubs, helping us push the boundaries in high value manufacturing. Further investment will enhance our reputation and enable growth in this important industry.

We make North Wales more investable by tackling known, long-term market failure, areas that have been a barrier for commercial investment. Unlocking potential for skilled jobs, so that young people and future generations can thrive. We’ll address the shortage of suitable land and property for business growth, bringing forward employment and housing sites to meet the need.

Being connected as a region is one of our strengths. Our partnership across the six local authorities, universities, colleges and the private sector is established and growing in strength. We’re driving a step change in connectivity through addressing those areas most in need of faster and more reliable broadband connections, and exploiting the potential of 5G and new innovation. We’re developing relationships across our borders, because we know that by working together, we can be stronger.

We will keep building our reputation as a cohesive region; leveraging partnerships to promote scalable, sustainable and inclusive economic growth. Our investment in low-carbon energy enables us to contribute directly to the climate change emergency, not only helping to make North Wales a cleaner, greener environment, but also positioning ourselves as one of the leading UK locations within the low carbon energy sector. Not forgetting our valued economies in agriculture and tourism, where we will focus on enabling and encouraging diversification to improve the long-term future of these key industries, ensuring they have opportunity to develop sustainably and thrive.

We will invest in a way that promotes social value and builds wealth in our communities. We recognise and value our obligation to deliver the Growth Deal in a way that improves and enhances our social, cultural, environmental and economic well-being.

By investing now, we build our resilience for the future.

We are privileged to lead this important investment in our home and our region, North Wales.

Dyfrig Siencyn, Cadeirydd | Chair, Bwrdd Uchelgas Economiaidd Cogledd Cymru | North Wales Economic Ambition Board

Mark Pritchard, Is-gadeirydd | Vice Chair, Bwrdd Uchelgas Economiaidd Cogledd Cymru | North Wales Economic Ambition Board

Alwen Williams, Cyfarwydwr Rhaglen | Programme Director, Bwrdd Uchelgas Economiaidd Cogledd Cymru | North Wales Economic Ambition Board
1. INTRODUCTION

1.1 This progress report provides an overview of key activity since the Economic Ambition Board last reported to the Economy Skills and Infrastructure Committee on January 15th 2020. The report covers:
- Background
- Summary of key activity delivered
- Priorities and work in progress
- Roadmap for project business case development and delivery.
- Key risks and issues
- Covid-19 and Economic recovery
- Conclusions
- Appendices

2. BACKGROUND

2.1 The aim of the North Wales Growth Deal, signed in December 2020, is to build a more vibrant, sustainable and resilient economy in North Wales, building on our strengths to boost productivity while tackling long-term challenges and economic barriers to delivering inclusive growth. Our approach is to promote growth in a scalable, inclusive and sustainable way in line with the Wellbeing of Future Generations (Wales) Act 2015.

2.2 The Growth Deal is a partnership between the public sector and the private sector, supported by funding from UK Government and Welsh Government. The UK Government and Welsh Government are investing £240million into the North Wales Growth Deal over the next 15 years. The Growth Deal is seeking to deliver a total investment of up to £1.1bn in the North Wales economy (£240m from the Growth Deal), to create 3,400 – 4,200 net additional jobs and generate £2.0- £2.4 billion in net additional GVA.

2.3 Supporting high value sectors and addressing long-term barriers to growth is at the heart of the North Wales Growth Deal. Key challenges and opportunities to address are:
- Improving productivity
- Supporting innovation and Research and Development (R&D)
- Supporting the low carbon agenda and driving low carbon growth
- Supply chain integration
- Meeting skills needs
- The need for modern employment floor space and serviced residential land
- Addressing the digital divide
- Expanding digital research capacity.

2.4 The Growth Deal is based on the delivery of 14 transformational projects across 5 programmes (Figure 1). The programmes have been defined as either Key driver in high growth sectors or enabling programmes.

Key driver programmes - to drive productivity in the region

2.5 The projects within the Growth Deal aimed at increasing the value and impact of high growth sectors sit within three key programmes:
- Low carbon energy
- Innovation in high value manufacturing
- Agri-food and tourism
Enabling programmes - addressing key barriers to enable and achieve economic growth

2.6 We have identified enabling sectors through the Growth Deal to tackle key economic barriers and address structural issues that have impacted on productivity and jobs. Delivery in these sectors will create the appropriate conditions for businesses to invest in the region and for the labour market to take advantage of new employment opportunities. A strategic approach will be taken with our investments, ensuring that they are well-targeted in order to enable economic and employment growth across the region.

2.7 The projects within the Growth Deal to address key barriers to growth sit within two key programmes:
- Land and Property
- Digital

2.1 Two additional programmes, Skills and Employment and Strategic Transport sit outside the Growth Deal. The programmes remain key to delivering the wider vision for North Wales. The Economic Ambition Board is working with the Regional Skills Partnership and through its Transport Sub-Board to identify and secure alternative funding sources to deliver these programmes.

Figure 1. The Growth Deal Programmes

2.1 All of the programmes and projects within them contribute to achieving the three key spending objectives (outlined in paragraph 2.2). They also generate a set of additional benefits that have been classed as direct, indirect and wider benefits. (Illustrated in Figure 2)

2.2 North Wales Growth Deal – Spending Objectives

<table>
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<tr>
<th>Objective 1</th>
<th>Jobs</th>
<th>To create between 3,400 and 4,200 net new jobs in North Wales through the Growth Deal by 2036.</th>
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<tbody>
<tr>
<td>Objective 2</td>
<td>GVA</td>
<td>To support a net additional GVA uplift of between £2.0 billion and £2.4 billion for the North Wales Economy through the Growth Deal by 2036.</td>
</tr>
<tr>
<td>Objective 3</td>
<td>Investment</td>
<td>To deliver a total investment of up to £1.1 billion in the North Wales Economy through the Growth Deal by 2036.</td>
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</table>
3. SUMMARY OF KEY ACTIVITIES DELIVERED

3.1 This section summarises the key milestones, and outcomes delivered in chronological order from January 2020:

January to March 2020

3.2 The portfolio management office, led by Alwen Williams, Portfolio Director was established in January 2020. Alongside Alwen Williams, joined Hedd Vaughan-Evans as Operations Manager; Henry Aron as Low Carbon Energy Programme Manager; and Stuart Whitfield as Digital Programme Manager. During the team’s first few months in post, the team set up the Portfolio Office and associated working processes at the Conwy Business Centre, Llandudno Junction.

3.3 A number of introductory meetings with partners took place, including Welsh Government’s regional team in North Wales, key officials from the Office of the Secretary of State for Wales and the Ministry of Housing, Community and Local Government.

3.4 Since 2019 the Executive Group led on developing an application to the European Social Fund (ESF) under Priority 5: Public Services Reform and Regional Working. The final case was submitted to the Wales European Funding Office (WEFO) in January to secure £5.8m, set out plans to grow the Portfolio Management Office to grow to 18 full-time posts supporting delivery of the Growth Deal.

3.5 During March the Parliamentary Under-Secretary of State, Minister David TC Davies MP, along with UK Government officials visited us in North Wales, he met with the Leaders, the Business Delivery Group and the Portfolio Management Office Team. It was an opportunity to share some of the detail about our programmes and projects early in the Minister’s tenure.

3.6 Members of the Portfolio Management team attended the HM Treasury’s Better Business Case foundation training during March to prepare for pulling together the Growth Deal business cases for submission later in the year.

3.7 The Portfolio Management Office conducted the first in a series of project baseline reviews to see each project outline validated and/or updated in collaboration with project sponsors.
initial review allowed for an assessment of project maturity and readiness, key risks and opportunities and to prepare a highlight report for the board. The latest in these series of reports, presented 5th February 2021 is included in Appendix 2.

April to June 2020

3.8 With the first Covid-19 lockdown in place, the Portfolio Management Office continued with their work to review and assess all projects in terms of their readiness and risks, but also now factoring in a consideration of how/if the pandemic will change the investment potential for each project and awareness of all risks involved.

3.9 A new member of the team joined in April and the PMO welcomed David Mathews into the team, taking up the role of Land and Property Programme Manager.

3.10 April also saw the initiation of several virtual meetings including the Economic Ambition Board and the Business Delivery Group.

3.11 The Portfolio Management Office (PMO) training on Better Business Cases continued in a virtual classroom during April, with a further two members of the PMO team being successfully accredited.

3.12 In May an offer letter was received from the Wales European Funding Office (WEFO) confirming that a fund of £5.8m had been secured to enable the Portfolio Management team to grow to support the delivery of the Growth Deal.

3.13 In anticipation of a successful outcome on the WEFO bid, work had commenced to ensure that recruitment could commence as quickly as possible.

3.14 During June the NWEAB endorsed the principle of adopting a programme and project management approach to the delivery of the Growth Deal. This initiated the establishment of 5 Programme Boards to oversee the operational delivery of the programmes. The Board appointed Programme SRO’s, Deputy SRO’s and a Lead Member for each Programme.

3.15 The first meeting of the Digital Programme Board convened during June.

July to September 2020

3.16 The Portfolio Management Office progressed the development of detailed business cases for each programme as well as a portfolio business case to achieve the final deal.

3.17 Further members of the team completed and passed the ‘Foundation Better Business Case’ training.

3.18 With the team focussing on understanding how to present the best business cases, the team were lucky to attend 4 workshops with Joe Flanagan, co-author of the HM Treasury Green Book guidance ‘Better Business Cases’, to seek his feedback and guidance on our programmes, and learning how to present the business cases with impact to Treasury.

3.19 During July programme business case workshops continued, with Case for Change Workshops and Economic Case Workshops for each of the programmes, in line with the best practice guidance for Better Business Cases.

3.20 During the last week of August a Welsh Government Portfolio Gateway review took place. The Portfolio Management Office received a report and 11 recommendations to deliver upon.

3.21 Recruitment activity took place in July and August to fill six key positions in the Portfolio Management Office.

3.22 The first meeting of the Energy Programme Board convened during September.
October to December 2020

3.23 A successful recruitment campaign was undertaken with the following officers appointed to the team - Robyn Lovelock as Programme Manager, Nia Medi Williams as Operations Manager, Elgan Roberts as Energy Project Manager, Erin Gwenlli Thomas as Communications and Engagement Officer and Angharad Evans as Programme Support Officer.

3.24 During October the first meeting of the Agri-food and Tourism Programme Board convened. This followed with the first meeting of the Innovation in High Value Programme Board meeting during November.


3.26 During December a celebratory event for the Local Full Fibre Network (LFFN) was hosted online. It was a great opportunity for users and beneficiaries of the LFFN connectivity to share, first hand, the difference it’s made to them.

3.27 The focus during the autumn was on achieving the Final Deal Agreement. The Process started with a set of final deal documents, including the Portfolio Business Case (Appendix 2) and Overarching Business Plan (Appendix 3) being endorsed by the Economic Ambition Board, following their presentation and recommendation through each partner’s democratic process or board.

3.28 Following the Economic Ambition Board’s endorsement the final deal documentation were submitted to the Welsh Treasury for the Accounting Officer Review. This was a five week process with officials reviewing and scrutinising the documents.

3.29 The final deal documents were then presented for approval by the joint Government Board on the 9th of December, following with advice prepared for Ministerial approval.

3.30 The Final Deal Agreement was signed during a virtual ceremony on the 17th of December 2021. The Final Deal is the contract between the UK Government, Welsh Government and the Economic Ambition Board for the Delivery of the Growth Deal and was secured on the basis of a Portfolio Business Case and five Programme Business Cases securing the total investment of £240m (£120m by UK Government and £120m by Welsh Government).

3.31 Additional key documentation was required to achieve the Final Deal, and these were all developed by the Portfolio Management Office including a Financial Plan; Implementation Plan; Communications Protocol; Monitoring and Evaluation Plan; Integrated Assurance and Approvals Plan.

3.32 Alongside the Final Deal Agreement the partners adopted Governance Agreement 2 the partnership agreement codifying the relationship and commitment of the parties, their responsibilities and accountability as well as establishing the supporting governance framework.

January/February 2021

3.33 During January 2021, the Portfolio Management Office issued three briefs on Sell2Wales to support project development relating to the Smart Local Energy project, the Transport Decarbonisation project and the Llysfasf Net Zero Farm project.

3.34 During January the Baseline Review was updated to confirm the timetable for Outline Business Cases during 2021 calendar year, the timetable is available in 5.1.

3.35 The Land and Property Programme Board met for the first time during January.

3.36 The PMO welcomed Kirrie Moore to the team as Digital Project Manager during January.
The Business Delivery Group is a sub-group of the Economic Ambition Board. The group provide independent advice, support and guidance to the Board, as well as work collaboratively with the Portfolio Management Office (PMO) to deliver the Growth Deal. The Business Delivery Group have received a series of presentations on each of the Growth Deal projects and programmes, providing challenge and feedback for the PMO.

During the year and continuing the work started in 2019, the Business Delivery Group received a series of presentations from each of the Growth Deal projects, the process was valuable to receive feedback and challenge on the projects.

Askar Sheibani is the interim Chair of the Business Delivery Group, which under Governance Agreement 2, and following the signing of the final deal agreement is now referred to as the Business Delivery Board. Work is underway, with Askar and the board members, to recruit new members for the board and to strengthen the partnership with the private sector further during the year ahead. When membership of the board is concluded, the members, in consultation with the Chair of the Economic Ambition Board and Portfolio Director will elect their Chair, who will serve a term of 2 years.

Askar Sheibani, Comtek Network Systems and Interim Chair of the Business Delivery Board, quotes

“North Wales has a unique and powerful coalition of private and public sector leaders who, through the North Wales Economic Ambition Board and the Business Delivery Group have been working as united partners to make sure that the Growth Deal leverages a substantial return on investment.

Members on the Business Delivery Group predominately entrepreneurs, have an independent voice with well-established track records within their sectors and industries which is recognised internationally. Members have influential and extensive business networks in Wales, UK and beyond and very importantly, they have a real passion for North Wales, which is where the majority call home.

To the East we’re fortunate to be situated close to two major cities; Liverpool and Manchester, home to two international airports connecting us to the global market, whilst London is just a couple of hours away by train. To the West, the port of Holyhead facilitates our trade via seafreight and opens up the path to international tourism and Ireland. Every inch of North Wales has a great history, rich culture, fantastic castles and beaches, unique tourist attractions, amazing wildlife and, irrefutably, the most breath-taking natural landscapes on planet Earth.

The Growth Deal programmes are concentrated on areas of the economy in which we have long-established experience and strong expertise; such as Advanced Manufacturing, Renewable Energy and Tourism. As an example, Morlais, the tidal power project on Anglesey has the potential to make North Wales one of the world leaders in tidal energy. There are very few places in the world that are suitable and the investment could put North Wales in the top three biggest tidal power generators in the world.

The Growth Deal also invests in the regions digital infrastructure. This is essential and underpins economic growth. Accessible and reliable high-speed fibre broadband and 5G capability is throughout the whole of North Wales is essential.

Throughout history, North Wales has demonstrated its resilience to combat all past economic shocks and come out battle-hardened and stronger. This recent pandemic has created a devastating social and economic earthquake.
I firmly believe that, North Wales, with a credible economic plan, investment in skills and education, and with determined, well-resourced local leadership, has a great opportunity and the potential to re-establish itself as a powerful economy in Wales, which will be greatly supported by the Growth deal investment over the next 15 years and beyond”.

3.40 The Growth Deal is a partnership between the public and private sectors. The private sector has been strongly represented by the North Wales Mersey Dee Business Council, who, as a founding member of the North Wales Economic Ambition Board, have worked in close collaboration with partners and regional public and private sector stakeholders to shape and influence the Growth Deal proposition. Representing various member organisations including the Chamber of Commerce, Confederation of British Industry (CBI) and the Federation of Small Businesses (FSB), their active involvement in shaping the deal has been invaluable. As of August 3rd 2020, due to challenges caused by Covid-19, the Business Council withdrew membership. The Business Council remain a key stakeholder and will be an integral, more strategic and less operational, partner moving forward.

Jim Jones, Managing Director of North Wales Tourism and Chair of the North Wales Mersey Dee Business Council and Ashley Rogers, Commercial Director, North Wales Mersey Dee Business Council quote

“The North Wales Growth Deal is a crucial package of capital investments for our region and will bring a substantial boost to the North Wales economy at a time when major market changes such as Brexit and global events including the Covid-19 pandemic, continue to impact our Communities and Economy. The North Wales Mersey Dee Business Council as the regional umbrella body for the private sector in North Wales has from the inception of the developing Growth Deal in partnership with the NWEAB, worked exceptionally hard to ensure that the investments proposed in the Deal are distributed across the region and our sectors to provide the maximum benefit to our businesses.

A Growth Deal that delivers on supporting business and productivity growth for both our home grown SME’s and the International businesses based in North Wales in our key sectors e.g. Manufacturing, Tourism & Hospitality, Agriculture and Energy, has the potential to make a once in a lifetime positive impact for us all. It is imperative though that the proposed projects and programmes not only provide the catalyst for growth but with the fundamental tenet that they do so whilst contributing to the region’s journey towards a Net Zero Carbon and Circular economy. We look forward to continuing meaningful engagement with the NWEAB on this key investment package.”
4. PRIORITIES AND WORK IN PROGRESS

4.1 The Portfolio Management Office have appointed Tinint as a digital partner to refresh its digital contents and brand for the North Wales Economic Ambition Board and the Growth Deal. A refreshed look and feel will symbolise the transition to programme delivery. With work already underway the new brand and website will launch later in the year.

4.2 During January 2020 the Executive Group agreed to define how the Welsh Government, and the North Wales Economic Ambition Board, and as required other partners, would work in partnership to develop and then deliver against a single common North Wales Regional Economic Framework. Due to Covid-19 this work has been on hold. The Economy Recovery Group have now commissioned a core Group to lead on the development of the Regional Economic Framework during the course of 2021.

4.3 Discussions are ongoing with Welsh Government on the Grant Offer Letter and Common Terms Agreement to enable the first funding drawdown before the end of March 2021.

4.4 Work is underway, in collaboration with Welsh Government, to design and develop an Investment Prospectus for North Wales. This will be a digital brochure that captures the essence and key opportunities for investment across the region within and beyond the Growth Deal.

4.5 A recruitment campaign is ongoing to appoint the final eight posts to the Portfolio Management Office. We aim to have a full team in place by spring 2021. The term of ESF funding is until the end of June 2023.

4.6 Progress is being made with developing the Growth Deal projects. Welsh Government Gateway Reviews have been booked for the first three projects – Morlais (February), Enterprise Engineering and Optics (March) and Glynllifon Rural Economy Hub (April). It is anticipated that the first project Outline Business Cases will be presented to the Economic Ambition Board in May and June 2021. (See 5.1)

4.7 The team will continue to working through the nine recommendations from the Accounting Officers Review. The recommendations are available in pages 5 and 6 of Appendix 2.
5. ROADMAP FOR PROJECT BUSINESS CASE DEVELOPMENT AND DELIVERY

5.1 Outlined below is the project OBC pipeline for 2021:

5.2 Outlined below is the Programme Delivery plan:
6. **KEY RISKS AND ISSUES**

6.1 A comprehensive review of key risks and issues was conducted and presented to the Economic Ambition Board on the 5th February 2021. Please refer to Appendix 2.

7. **COVID-19 RECOVERY**

7.1 Covid-19 has had an immense economic impact on North Wales as in other parts of the UK and globally. The Economic Ambition Board works closely with the six local authorities, UK and Welsh Governments and private sector representatives to co-ordinate the regional response to economic recovery. The longer term effects of Covid-19 on the regional economy at this stage is still unknown.

7.2 The Growth Deal is designed to address structural, long-term barriers to economic growth. However, the Board is fully aware that in the short-term a range of actions will be needed to facilitate recovery and alignment between those short term measures and the Growth Deal is key.

7.3 The Growth Deal on its own cannot address all the challenges facing the North Wales economy, particularly in light of Covid-19. However, such a significant injection of capital investment into the North Wales economy through the Growth Deal will be a significant boost to the construction and related sectors at a time when there is likely to be spare capacity in the economy.

7.4 As a response to COVID-19 the team set up a tactical response group to assess the emerging impact of COVID-19 on businesses and agree the key actions needed to address these. The group met weekly and included representatives from the Local Authorities, WLGA, Welsh Government, UK Government and the North Wales Mersey Dee Business Council.

7.5 During early May we issued a joint press release to highlight the collaboration across North Wales and between the Economic Ambition Board, the Regional Skills Partnership, Welsh Government, and the DWP to help broker the connection between job seekers and available vacancies in the region.

7.6 During May the Economic Ambition Board hosted a webinar for businesses which attracted over a hundred and fifty participants and gave the opportunity for businesses impacted by the pandemic to ask their questions directly to BEIS Minister - Nadhim Zahawi, the Parliamentary Under-Secretary of State for Wales - David T.C Davies, and Minister for Economy, Transport and North Wales - Ken Skates. Many questions were answered during the hour long session and all other questions received written answers following the call. The feedback was positive with many businesses commenting that they valued the collaborative approach by both Governments.

7.7 A Regional Economy Recovery Group was established to work jointly on economic recovery.

7.8 Over the summer, a business impact survey was commissioned. The survey received over 1,800 responses and provided a breakdown of data back to local authority level and across industries and sectors.

7.9 The Economic Ambition Board and Welsh Government jointly commissioned research on the impact of Covid-19 on the economy in North Wales. This research, conducted by Hatch Regeneris, is due to be presented at a strategic session with the Economic Ambition Board members on the 25 February.

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8. CONCLUSIONS

8.1 The report is intended to demonstrate progress and momentum during the last twelve months, which has seen North Wales enter into a historic agreement with both Governments.

8.2 The report is a summary of activity with additional detail and information supported by Appendices.

8.3 We will be happy to address the Committee’s questions at the session on the 3rd March.
9. APPENDICES

Appendix 1  - Programme infographics

**RHALEN BWYD AMAETH A THWRISTIAETH**

**AIM**
Adlewch economi llwyfar mey cynnalhwyng, blynygo a gyhoeddus o ffeurias y thrwythol, gan niwedu y gyntaf ac gyflwyno am gyflaedd a ffynder. disgwyl hannerchedd a thirwedd

**PROYECTS**
- Prosiect Canolbledu Economi Gwledig Glyndŵr
- Canolfan Carbon Neutral Llyfnell
- Rheginawr TALIANT Twristiaeth

**BUDDSOODDI**
Buddsooddi Cyfrifiann Twf: £24.5m
Buddsooddi Sector Briefing: £4.4m
Buddsooddi Sector Gwyddelic: £22.4m
Cyfanswm: £41.3m

**SPENDING OBJECTIVES**
- Creu ariannu i 280 priodau by 2026
- Yn ymsefydlu by 2026
- Deddu i 200 bysgyfannau a ddarganfoddd ac amgylchyno
- Cymunedol ddiwydiannau a 6,000 o ddisgwyl hynafol
- Unweldwyldwch £2,500 o boeddau
- Gyfrifau cheatn coed

**RHAGLEN DIGIDOL**

**DIGITAL PROGRAMME**

**AIM**
Delwch ymchwil a chynllunio amserlau digidol a ddylid ei amgen i blodau y gal a diflannu gyflwyno gweithiau, cynnal gyflwyno a gweldig ddadl, ddogi a potensial sectorau a saforio amserlai am dafodol a thrawdgu ecmosion ar ddywynno. Cymharo ni ddisgwyl a 12 gyflwyn o hyffys y rhagleni eiddo a gytun wrth buddsooddi hynaf.

**PROYECTS**
- Campusw Cymru
- Canolfan Prosiect Signal Digidol
- Coridor Cymru
- Cylchgron: Ychydig Gannau Olaf
- Yn dy ffinio i saforio diwydiannau

**BUDDSOODDI**
Buddsooddi Cyfrifiann Twf: £27m
Buddsooddi Sector Briefing: £2.6m
Buddsooddi Sector Gwyddelic: £3.3m
Cyfanswm: £41.7m

**SPENDING OBJECTIVES**
- Creu ariannu i 360 o swyddi i 2026
- Ymgyfaint £10.5m
- Cyflawni marchedd gyflwyno gadaeth a chystadleuodd ffenestr 28 safor
- Ymgyfaint digidol a gyflwyno mewn rhannau a barddwl a odelgymaes y grwp
- Yn ymsefydlu trwy ddarganfoddd yng Ngosplan Gymru
- Sesta'r odd ychydig gyflwyno mewn Ganolfannau Gyflwyno

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Appendix 2 - Portfolio Highlight Report

The Portfolio Highlight Report was presented to the Economic Ambition Board on the 5th February 2021. The Portfolio Highlight Report provides an update on progress since signing the deal, an overview of the current position of each programme and project within the deal and an updated timetable for delivery.

The report focuses in particular on the timetable for the consideration of Outline Business Cases by the North Wales Economic Ambition Board.

Consideration of the Portfolio Highlight Report by the North Wales Economic Ambition Board and submission to Welsh Government and UK Government is a requirement to enable the drawdown of the first tranche of funding.

Future reports on Growth Deal progress will be through a formal quarterly report. The first report will cover Quarter 4 2020-21.

North Wales Portfolio Highlight Report

Appendix 3 - Portfolio Business Case

The Portfolio Business Case was assured ahead of the Final Deal Agreement being reached, through the Welsh Government’s Accounting Officer Review process.

Portfolio Business Case

Appendix 4 – Overarching Business Plan

The Overarching Business Plan was presented to and supported by all partners of the North Wales Economic Ambition Board as part of the process to reach the Final Deal Agreement.

Overarching Business Plan