

Complete Agenda



north wales economic ambition board
bwrdd uchelgais economaidd gogledd cymru

Meeting

NORTH WALES ECONOMIC AMBITION BOARD

Date and Time

1.00 pm, FRIDAY, 11TH DECEMBER, 2020

Location

Virtual Meeting - Zoom

Contact Point

Eirian Roberts

01286 679018

eirianroberts3@gwynedd.llyw.cymru

(DISTRIBUTED 04/12/20)

NORTH WALES ECONOMIC AMBITION BOARD

MEMBERSHIP OF THE JOINT COMMITTEE

Voting Members

Councillors

Hugh Evans	Denbighshire County Council
Llinos Medi Huws	Isle of Anglesey County Council
Mark Pritchard	Wrexham County Borough Council
Ian B. Roberts	Flintshire County Council
Dyfrig L. Siencyn	Gwynedd Council
Sam Rowlands	Conwy County Borough Council

Advisers - Non-voting

Dafydd Evans	Grwp Llandrillo Menai
Maria Hinfelaar	Glyndwr University
Yana Williams	Coleg Cambria
Askar Sheibani	Business Delivery Board
Professor Iwan Davies	Bangor University

Chief Officers - Non-voting

Annwen Morgan	Isle of Anglesey County Council
Iwan Davies	Conwy County Borough Council
Colin Everett	Flintshire County Council
Judith Greenhalgh	Denbighshire County Council
Ian Bancroft	Wrexham County Borough Council
Dilwyn Williams	Gwynedd Council

Officers in Attendance

Dafydd L. Edwards	Section 151 Officer
Iwan G. Evans	Monitoring Officer
Alwen Williams	Portfolio Director
Hedd Vaughan Evans	Operations Manager
Nia Medi Williams	Senior Executive Officer

A G E N D A

1. APOLOGIES

To receive any apologies for absence.

2. DECLARATION OF PERSONAL INTEREST

To receive any declarations of Personal Interest

3. URGENT BUSINESS

To note any items that are a matter of urgency in the view of the Chair for consideration.

4. MINUTES OF THE PREVIOUS MEETING

4 - 7

The Chair shall propose that the minutes of the meeting held on 23rd October, 2020 be signed as a true record.

5. FINAL DEAL - SUPPLEMENTARY DOCUMENTS

8 - 79

Alwen Williams to update on the Final Deal process and present the supplementary documents required to reach Final Deal Agreement for the North Wales Growth Deal with the UK Government and Welsh Government.

NORTH WALES ECONOMIC AMBITION BOARD 23/10/2020

Present:

Voting Members - Councillors:- Hugh Evans (Denbighshire Council), Llinos Medi Huws (Isle of Anglesey County Council), Ian B.Roberts (Flintshire Council), Sam Rowlands (Conwy County Borough Council) and Dyfrig L.Siencyn (Gwynedd Council) (Chair).

Advisors – Dafydd Evans (Grŵp Llandrillo Menai), Maria Hinfelaar (Glyndŵr University), and Askar Sheibani (Business Delivery Board).

Chief Officers - Annwen Morgan (Isle of Anglesey County Council), Iwan Davies (Conwy County Borough Council), Colin Everett (Flintshire Council), Judith Greenhalgh (Denbighshire Council), Linda Roberts (Wrexham County Borough Council) and Dilwyn Williams (Gwynedd Council).

Officers in attendance –

Host Authority:

- Dafydd Edwards (Statutory Finance Officer - Host Authority), Iwan Evans (Monitoring Officer - Host Authority), Sian Pugh (Group Accountant - Corporate and Projects) and Annes Sion (Democracy Team Leader).

Programme Office:

Alwen Williams (Programme Director), Hedd Vaughan-Evans (Operations Manager), Nia Medi Williams (Senior Operations Officer), Henry Aron (Energy Programme Manager), Robyn Lovelock (Programme Manager), David Mathews (Land and Property Programme Manager), Stuart Whitfield (Digital Programme Manager), Erin Thomas (Communication and Engagement Officer), Angharad Evans (Programme Support Officer) and Lynn Slaven (Secretary to the Director).

Local Authorities and Partners:

Gary Ferguson (Flintshire Council), Gary Williams (Denbighshire Council), Gareth Owens (Flintshire Council), Lynn Ball (Isle of Anglesey Council), Jane Richardson (Chair of the Executive Officers Group), Graham Boase (Denbighshire Council), Andrew Farrow (Flintshire Council) and James Goodman (Bangor University)

1. ELECTION OF CHAIR

Cllr Dyfrig Siencyn was elected chair for 2020/21.

2. ELECTION OF VICE-CHAIR

Cllr Mark Pritchard was elected vice-chair for 2020/21.

3. APOLOGIES

An apology was received from Councillor Mark Pritchard (Wrexham County Borough Council) and Ian Bancroft (Wrexham County Borough Council).

4. DECLARATION OF PERSONAL INTEREST

There were no declarations of personal interest.

5. URGENT ITEMS

There were no urgent items.

6. MINUTES OF THE MEETING HELD ON 31 JULY 2020

The Chair signed the minutes of the previous meeting of the NWEAB held on 31 July, 2020 as a true record.

7. FINAL GROWTH DEAL

The report was submitted by Alwen Williams, Programme Director.

RESOLVED

- To approve the submission of the Portfolio Business Case and the 5 Programme Business Cases to UK and Welsh Governments for Final Deal Agreement on the North Wales Growth Deal.
- To agree that each of the Partners individually approve the Overarching Business Plan that sets out the arrangements for delivering the North Wales Growth Deal as the basis for completing the Final Deal Agreement and acceptance of the Grant Funding Letter with the UK and Welsh Governments.
- To agree that each of the Partners individually approve and enter into Governance Agreement 2 and specifically adopt the delegations and Terms of Reference in “Governance Agreement 2: Appendix 1” thereof as the basis for entering into the Final Deal Agreement and acceptance of the Grant Funding letter with the UK and Welsh Governments.
- To approve the method used to calculate the cost of borrowing notionally required to facilitate the negative cash flow for the Growth Deal, and the corresponding annual partner contributions required to meet this cost and the established core and supplementary contributions as set out in GA2 (and in paragraphs 5.5 - 5.7 of the report).
- To agree that the Programme Director in consultation with the Chair and Vice Chair of the NWEAB, the Accountable Body Monitoring Officer and the Accountable Body Section 151 Officer be granted delegated authority to agree minor changes to the documents as necessary to complete the agreement.
- To approve the renaming of the of Programme Office to the Portfolio Management Office in line with best practice and as a consequence, change the job title of the Programme Director to Portfolio Director.

REASONS FOR THE DECISION

In 2016 the North Wales Economic Ambition Board adopted a Growth Vision for the Economy of North Wales. Based on the Growth Vision Strategy, a Growth Deal was prepared and agreed by all the partners working with both the UK and Welsh Government and the private sector in October 2018.

In November 2019 the NWEAB and the Welsh and UK Governments agreed the Heads of Terms, for Final Deal Agreement to be completed in 2020.

The NWEAB are committed to achieving the Final Deal Agreement with both Governments before the end of December 2020.

DISCUSSION

The report was submitted and it was noted that this report was a milestone in the journey of the NWEAB. Attention was drawn to the recommendations that were highlighted at the beginning of the report. The timeframe was highlighted and it was noted that much had happened within the past ten months.

It was noted that the Programme Office had been working hard on the relevant documents, and that the Final Deal would be secured based on a Portfolio Business Case and Five Programme Business Cases. It was noted that the Portfolio Business Case highlighted the main objectives, provided a summary of the funding proposal for the North Wales Growth Deal, to be included in the Final Deal. It was emphasised that the business cases were live documents that would be reviewed regularly. Attention was drawn to each business case individually.

The Overarching Business Plan was outlined, emphasising that it set out the arrangements for implementing the North Wales Growth Deal, including an overview of the programmes and projects in order to secure the approval of all partners to the Funding requirements to implement the deal. The programme team was thanked for bringing the total of the projects to £240million which was in line with the Governments' grant level. The Income and Expenditure were outlined, noting that the expenditure profile would be over approximately six years, with the governments' funding contributions being equal over 15 years, therefore there would be a negative cash flow. However, it was noted that the host authority would facilitate this for the partners and would have made reasonable presumptions before spreading the cost equally over the 15 years of the deal, in order to offer an achievable annual cost. It was added that this would commit the partners to the Growth Deal for 15 years.

Attention was drawn to Governance Agreement 2 which would take the partnership to the implementation plan for the Growth Deal. It was noted that continuing with the governance model adopted in GA1, namely a Joint-committee supported by a host authority and providing for the Partners' commitments and responsibilities to the partnership. It was added that it also defined the relationship between the Board and its constituent Partner organisations, delegation restrictions and accountability.

In relation to the Final Deal, it was noted that it was a deal created jointly between the NWEAB and both Governments. It was emphasised that it was currently in draft form and that it would continue to be adapted over the next weeks. The next steps were highlighted, namely to seek democratic approval from the six Local Authorities and Partners. It was noted during the period that the AOR Process would be held over a period of five weeks with the Governments and the timeframe was outlined, with the final report published at the end of November. It was emphasised that it was an extremely detailed process.

During the discussion the following matters were raised:

- It was stressed that the Team was ready and confident that the two Governments would be ready and would keep to their promises. It was noted that if the agreement was in place by the end of 2020 that it could be signed at the start of 2021. It was noted that if it would not be completed that the contribution could be provided in September 2021 but that this would cause a domino effect and that the best deal was required.
- It was stressed that the team was confident that once the money would be received that work on the business plans would commence immediately.

- Members congratulated the team for their hard work and it was emphasised that it was exciting and that it highlighted the drive behind the Growth Deal. It was stressed that the long period had brought results and that they were hopeful for success before the end of the year.
- A question was asked in relation to the NWEAB's scrutiny level in terms of Governance. It was noted that there would be a high level of scrutiny and that the region's focus would be on completing the final deal agreement.
- Thanks were expressed for the work and it was stressed that the challenge now would be to do the work and prove ourselves.

8. QUARTER 2 FINANCIAL REVIEW

The report was submitted by Dafydd Edwards, Statutory Finance Officer - Host Authority.

RESOLVED

To receive and note the Joint-committee's Second Quarter Review for 2020/21.

REASONS FOR THE DECISION

It was noted that details of the actual expenditure and income for the second quarter of the 2020/21 financial year needed to be provided to the NWEAB together with a projected full year out-turn against the annual budget.

In order to work effectively, the Joint-committee must be aware of its expenditure situation and the spending projections against its annual budget.

DISCUSSION

The report was submitted noting that the financial situation was acceptable. It was noted that there was £78k of underspend noting that this was mainly as a result of delay before appointing to some posts as a result of the pandemic. Nevertheless, it was noted that it was acceptable and that the NWEAB was not in any financial difficulties.

Observations arising from the discussion:

- The staff of the Finance department were thanked for their hard work.
- Awareness of a healthy budget was noted.

The meeting commenced at 1.00pm and concluded at 3.15pm.



REPORT TO THE NORTH WALES ECONOMIC AMBITION BOARD

11 December, 2020

TITLE: *Final Deal Supplementary Documents*
AUTHOR: *Alwen Williams, Portfolio Director*
Hedd Vaughan-Evans, Operations Manager

1. PURPOSE OF THE REPORT

- 1.1. The purpose of this report is to update on the Final Deal process and present the supplementary documents required to reach Final Deal Agreement for the North Wales Growth Deal with the UK Government and Welsh Government.
- 1.2. These supplementary documents include the following:
 - Risk Register
 - Monitoring and Evaluation Plan
 - Benefits Realisation Strategy
 - Change Management Strategy

2. DECISION SOUGHT

- 2.1. Adopt the supplementary documents namely the Risk Register, Monitoring and Evaluation Plan, Benefits Realisation Strategy and Change Management Strategy for the North Wales Growth Deal.

3. REASONS FOR THE DECISION

- 3.1. The NWEAB are committed to achieving the Final Deal Agreement with both Governments before the end of December 2020.
- 3.2. The Portfolio Management Office have developed the supplementary documentation required to submit to both Governments to reach Final Deal Agreement. The contents of these documents are outlined within this report, and copies of the documents attached as appendices.
- 3.3. The Portfolio Management Office need effective management arrangements in place to ensure the successful delivery of the North Wales Growth Deal.

4. BACKGROUND AND RELEVANT CONSIDERATIONS

- 4.1. The NWEAB approved the key documents namely the Overarching Business Plan, Portfolio Business Case, Draft Final Deal Agreement and Governance Agreement 2 for submission to UK and Welsh Government on 23/10/2020.

- 4.2. These documents have been subject to the Welsh Government's Accounting Officer Review and the Portfolio Management Office have received the report concluding the Accounting Officer Review process. The report is constructive and provides nine recommendations for the team. It has been shared with the Permanent Secretary, as Principal Accounting Officer for the Welsh Government, and Sioned Evans in her role as joint chair of the Welsh Cities and Growth Deals Implementation Board.
- 4.3. The documents for the Final Deal are currently in the process of being approved by each partner through the relevant process.
- 4.4. The Final Deal Agreement, which is a political declaration, is scheduled to be signed on 17/12/2020 in a virtual ceremonial event. Full details and briefing notes will be shared in advance with all partners.
- 4.5. To agree the Final Deal with both Governments, the NWEAB have prepared the required supplementary documents, namely the Risk Register, Monitoring and Evaluation Plan, Benefits Realisation Strategy and Change Management Strategy.
- 4.6. A summary of the documents for approval are included below:
- 4.7. Risk Register**
- 4.7.1 The NWEAB adopted a Risk Management framework for the Portfolio Management Office on 31/07/2020.
- 4.7.2 The Portfolio Management Office have developed a Risk Register in line with the new framework.
- 4.7.3 The risk register is focused on the delivery of the Growth Deal and includes 17 portfolio risks.
- 4.7.4 A copy of the Risk Register is available in **Appendix 1**.
- 4.8. Monitoring and Evaluation Plan**
- 4.8.1 The Monitoring and Evaluation Plan has been developed by the Portfolio Management Office using guidance reference material (the Magenta Book), WEFO, Wales Audit Office, National Audit Office and examples of best practice elsewhere.
- 4.8.2 Robust arrangements for monitoring and evaluation at project, programme and portfolio level are required to assess whether activity is delivering value for money and to ensure that lessons are learnt for future investment decisions. The evaluation component defines success and how performance will be assessed and the monitoring component defines the arrangements for tracking the key performance indicators.
- 4.8.3 Effective monitoring will also support risk and issue management through the Risk and Issue Management Strategy and support the governance of the Growth Deal at all levels.
- 4.8.4 The Monitoring and Evaluation Plan has been established very early in the Growth Deal lifecycle but will be reviewed annually to ensure it remains relevant and accounts for changes across the hierarchy of delivery (Portfolio, Programme, and Project). Project level management information will supplement the Monitoring and Evaluation Plan as project business cases are developed. In the course of the successive development of projects the Monitoring and Evaluation Plan will mature into a substantial point of reference for the key benefits being targeted by the diverse investments of the Growth Deal.

4.8.5 Beyond the Monitoring and Evaluation Plan each project will have its own benefits realisation plan which will identify the relevant performance indicators relevant to project specific spending objectives.

4.8.6 The Monitoring and Evaluation Plan is available in **Appendix 2**.

4.9. Benefits Realisation Strategy

4.9.1 The Benefits Realisation Strategy has been developed by the Portfolio Management Office using guidance reference material including the 'Guide for Effective Benefits Management in Major Projects from HM Infrastructure and Projects Authority, HM Government Magenta Book, WEFO, Wales Audit Office, Welsh Government 'Preparing for the commencement of the Socio-economic Duty' guidance document and examples of best practice elsewhere.

4.9.2 The Benefits Realisation Strategy sets out the overarching approach to managing benefits within the North Wales Growth Deal by outlining the approach the NWEAB will take to:

- Realise the benefits anticipated by delivery of the Growth Deal as set out in the Portfolio and Programme Business Cases;
- Agree the economic, social and other impacts that may be generated as a result within the Region, Wales and elsewhere in the UK.
- Determine potential negative impacts arising from delivery of the Growth Deal and how the NWEAB will mitigate for and manage these.

4.9.3 The Benefits Realisation Strategy is included in **Appendix 3**.

4.10. Change Management Strategy

4.10.1 The Change Management Strategy has been developed by the Portfolio Management Office.

4.10.2 With a complex portfolio consisting of 5 programmes and 14 transformational projects over a 15-year period, change is inevitable. The approach and tools set out in this strategy will enable potential changes to be recorded, assessed and managed in a controlled manner to support the delivery of the Growth Deal.

4.10.3 The primary objectives of this strategy is to set out the approach to:

- recording change requests;
- managing change from initiation through to closure;
- assessing the potential impact and priority of change requests;
- ensuring change requests are considered at the appropriate level – portfolio, programme or project;
- determining the course of action – approve or reject change;
- communicating the decision and impact of change to the North Wales Economic Ambition Board (NWEAB) and its partners.

4.10.4 The Change Management Strategy is included in **Appendix 4**.

5. FINANCIAL IMPLICATIONS

5.1. None.

6. LEGAL IMPLICATIONS

6.1. None.

7. STAFFING IMPLICATIONS

7.1. None.

8. IMPACT ON EQUALITIES

8.1. None.

9. CONSULTATIONS UNDERTAKEN

9.1. On 20th of November, 2020 the contents of this report and the documentation was supported by the Executive Officers Group.

9.2. Draft documents have been shared with both Governments for comment.

APPENDICES:

Appendix 1	Risk Register
Appendix 2	Monitoring and Evaluation Plan
Appendix 3	Benefits Realisation Strategy
Appendix 4	Change Management Strategy

STATUTORY OFFICERS RESPONSE:

i. Monitoring Officer – Host Authority:

“I will present any observations in relation to propriety at the meeting.”

ii. Statutory Finance Officer (the Host Authority’s Section 151 Officer):

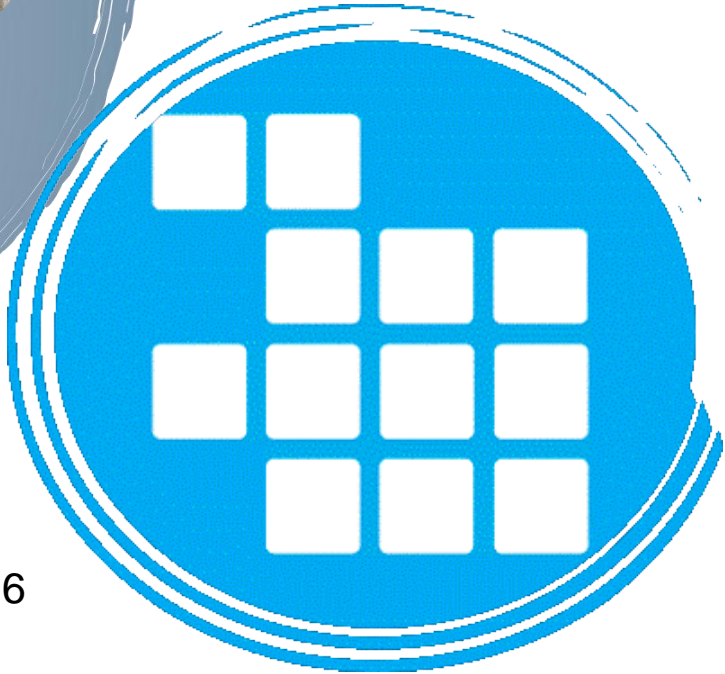
“Nothing to add from a financial propriety perspective.”

DRAFT NORTH WALES GROWTH DEAL PORTFOLIO RISK REGISTER

Risk ID	Date Raised	Risk Category	Risk Name	Risk Owner	Description of the Risk	Current Gross Risk Rating			Trend	Mitigating Actions	Action Due Dates	Action owner	Residual Risk Rating			Trend	Status (Open / Closed)	Commentary	Date of last update
						P	I	Score					P	I	Score				
R001	21/10/2020	Programme and Project Delivery	Capacity	Portfolio Director	Resources are required at portfolio, programme and project level to ensure the successful delivery of the Growth Deal portfolio. Insufficient resourcing could have a significant impact on the successful delivery of the deal	3	5	15	↔	Revenue funding to support the PMO provided through NWEAB partner contributions, ESF funding and an amount equivalent to the 'top slice' of the annual government grant at 1.5% Any additional Portfolio Management Office costs directly attributable to the delivery of the projects will be accounted for within project business cases PMO to explore options for increasing technical capacity to support procurement PMO to utilise external technical support when necessary	N/A N/A 31/12/20 As required	NWEAB PMO PMO PMO	2	4	8	↔	Open		21/10/2020
R002	21/10/2020	Programme and Project Delivery	Delay	Portfolio Management Office	Delays in the delivery of any of the projects could have an impact on the overall Growth Deal portfolio, particularly the realisation of benefits.	4	4	16	↔	Monthly highlight reports to Programme Board with escalation routes to NWEAB Programme and project RAID logs in place to record risks and manage issues Project business cases and implementation plans to clearly set out risks to project delivery and mitigations	Monthly N/A N/A	PMO PMO/Project Sponsor Project Sponsor	3	4	12	↔	Open		21/10/2020
R003	21/10/2020	Financial	Affordability	Portfolio Management Office	There is a risk that the projects contained within the North Wales Growth Deal proposal will increase in cost .	4	4	16	↔	Project Business Cases will set out detailed project level financial, commercial and risk management measures to manage costs Robust performance, risk and financial reporting arrangements will be established for all projects Once Project Business Cases are approved, any additional costs incurred will be the responsibility of the Project Sponsor.	N/A N/A 12/20	PMO/Project Sponsor PMO PMO	3	3	9	↔	Open		21/10/2020
R004	21/10/2020	Programme and Project Delivery	COVID-19	Portfolio Director	The COVID-19 pandemic still poses a risk to the delivery of the portfolio. The economic impact of lockdown restrictions has still yet to be fully realised which could impact local businesses, local authorities and education providers alike. Future lockdown restrictions could also delay the Growth Deal	4	4	16	↔	Programme Director is the regional lead for economic recovery Project Business Cases will consider the implications of COVID-19 Where COVID-19 could have a clear impact upon the viability / need for a project, the project will be subject to full review ahead of business case development	N/A N/A	PMO, SROs PMO, SROs, NWEAB	4	4	16	↔	Open		21/10/2020
R005	21/10/2020	Programme and Project Delivery	Brexit	Portfolio Director	At present, there remains uncertainty on the outcome of the Brexit negotiations. The Welsh economy could be hit in the short term in the event of a no-deal, which would impact on some of our sectors through tariffs and supply chain disruption	3	4	12	↔	Project Business Cases will consider the implications of Brexit. Where Brexit could have a clear impact upon the viability / need for a project, the project will be subject to full review ahead of business case development	N/A	PMO, SROs	3	4	12	↔	Open		21/10/2020
R006	21/10/2020	Environmental	Climate Change and Biodiversity	Portfolio Director	There is a risk the projects contained within the North Wales Growth Deal will be impacted by factors related to climate change and biodiversity loss, with infrastructure, public water supply, land management, ecosystems and agriculture identified at greatest risk	3	3	9	↔	Natural capital to be considered as part of the consenting process where necessary Where necessary, project business cases to include natural capital assessments as per Green Book guidance	N/A N/A	Lead partners, NWEAB PMO, SROs	2	3	6	↔	Open		21/10/2020
R007	21/10/2020	Financial	Private Sector Investment	Portfolio Management Office	Significant private sector investment is required to deliver the portfolio. There is a risk that the level of private sector investment required will not be attained	4	5	20	↔	Continued engagement with Project Sponsors and private sector partners Development of robust project business cases and contractual agreements for Growth Deal funding Agreed process for consideration of new projects if required	N/A	PMO, SROs	4	4	16	↔	Open		21/10/2020
R008	21/10/2020	Financial	Public Sector Investment	Portfolio Management Office	Significant public sector investment is required to deliver the portfolio. There is a risk that the level of public sector investment required will not be attained	4	5	20	↔	Robust project business cases will be developed for each project in line with 5 Case Business Model and will need to set out contribution to portfolio targets, including investment	N/A	PMO, SROs	3	5	15	↔	Open		21/10/2020
R009	21/10/2020	Regulatory	Planning and Statutory Consents	Portfolio Management Office	As a capital investment programme there is a risk that if Growth Deal projects do not receive the necessary statutory consents and planning approval the projects will not be delivered and the benefits not realised	4	5	20	↔	Robust project business cases will set out the consenting requirements for each project and the risks to project delivery	N/A	PMO, SROs	3	5	15	↔	Open		21/10/2020
R010	21/10/2020	Reputational and Social Impact	Spending Objectives	Portfolio Director	NWGD fails to deliver against the Portfolio Spending Objective targets - notably job creation, GVA and investment	3	4	12	↔	Robust business cases will be developed for each programme and project in line with 5 Case Business Model and will need to set out contribution to portfolio spending objective targets	N/A	PMO, SROs	2	3	6	↔	Open		21/10/2020

Risk ID	Date Raised	Risk Category	Risk Name	Risk Owner	Description of the Risk	Current Gross Risk Rating			Trend	Mitigating Actions	Action Due Dates	Action owner	Residual Risk Rating			Trend	Status (Open / Closed)	Commentary	Date of last update
						P	I	Score					P	I	Score				
R013	21/10/2020	Reputational and Social Impact	Political Change	Portfolio Director	Political changes could impact support for the Portfolio's programmes / projects	4	4	16	↔	Frequent engagement with UK, Welsh Government and local government politicians. GA2 and Final Deal agreement to confirm commitments of all parties.	N/A 31/12/20	NWEAB NWEAB	4	2	8	↔	Open		21/10/2020
R014	22/10/2020	Financial	Fraud	Portfolio Director	Portfolio could be subject to fraudulent claims resulting in misuse of public funds	4	4	16	↔	Projects to have robust financial monitoring processes in place PMO to review claims submitted before passing them onto accountable body for payment Code of conduct and conflicts of interest policy incorporated as part of Governance Agreement 2	N/A N/A 31/12/20	PMO PMO Monitoring Officer	2	4	8	↔	Open		22/10/2020
R015	22/10/2020	Reputational and Social Impact	Benefits Realisation	Portfolio Management Office	The portfolio could fail to deliver the benefits set out within business cases	4	4	16	↔	Each programme and project will be responsible for benefits management through a Benefits Realisation Plan. Monthly highlight reports to Programme Board to monitor benefits realisation Procurement Strategy to be adopted with focus on community benefits and social value	N/A Monthly N/A	PMO, SROs PMO PMO/Project Sponsor	3	3	9	↔	Open		22/10/2020
R016	22/10/2020	Programme and Project Delivery	Assurance	Operations Manager	Failure to adhere to the IAAP and demonstrate appropriate assurance results in suspension of government payments	3	5	15	↔	Continued engagement with Welsh Government Assurance Hub to refine the Integrated Assurance and Approval Plan (IAAP) Detailed portfolio, programme and project IAAP to be agreed with government through the AOR process and updated quarterly PMO assurance lead to coordinate delivery of assurance in accordance with the IAAP	31/12/20 31/12/20 N/A	PMO PMO PMO	2	4	8	↔	Open		22/10/2020
R017	22/10/2020	Financial	Financial Management	s151 Officer	Failure to put in place appropriate financial arrangements for the delivery of the deal, draw-down of grant and the allocation of funds	3	4	12	↔	NWEAB will utilise existing financial processes of Gwynedd Council as Host Authority Project Business Cases will set out detailed project level financial, commercial and risk management measures to manage finances Robust performance, risk and financial reporting arrangements will be established for all projects	N/A N/A 12/20	PMO, SROs PMO PMO	2	3	6	↔	Open		22/10/2020
								0											

NORTH WALES GROWTH DEAL DRAFT MONITORING AND EVALUATION PLAN



Contents

1.	Introduction	3
2.	The North Wales Growth Deal	3
3.	Monitoring and Evaluating Portfolio Performance.....	5
4.	Benefits Management.....	11
5.	Gateway Reviews	11
6.	Independent Evaluations	12
7.	Risk Management	12
8.	Impact Assessments.....	13
9.	Financial Monitoring and Evaluation	14
10.	Regional and External Scrutiny	14
11.	Roles, Responsibilities and Reporting.....	16
	APPENDICES	18

Introduction

- 1.1 The Monitoring and Evaluation Plan (MEP) describes the arrangements to monitor and evaluate the outputs and impacts of the North Wales Growth Deal.
- 1.2 The Portfolio Management Office (PMO) will own the plan on behalf of the North Wales Economic Ambition Board (NWEAB). Responsibility for delivering against the plan will sit with the PMO and Project Sponsors.
- 1.3 Robust arrangements for monitoring and evaluation at project, programme and portfolio level are required to assess whether activity is delivering value for money and to ensure that lessons are learnt for future investment decisions. The evaluation component defines success and how performance will be assessed and the monitoring component defines the arrangements for tracking the key performance indicators.
- 1.4 Effective monitoring will also support risk and issue management through the Risk and Issue Management Strategy and support the governance of the Growth Deal at all levels.
- 1.5 The Monitoring and Evaluation Plan has been established very early in the Growth Deal lifecycle but will be reviewed annually to ensure it remains relevant and accounts for changes across the hierarchy of delivery (Portfolio, Programme, Project). Project level management information will supplement the MEP as project business cases are developed. In the course of the successive development of projects the MEP will mature into a substantial point of reference for the key benefits being targeted by the diverse investments of the Growth Deal.
- 1.6 Beyond the MEP each project will have its own benefits realisation plan which will identify the relevant performance indicators relevant to project specific spending objectives.
- 1.7 The MEP has been developed using guidance reference material (the Magenta Book¹), WEFO² Wales Audit Office, National Audit Office and examples of best practice elsewhere.

The North Wales Growth Deal

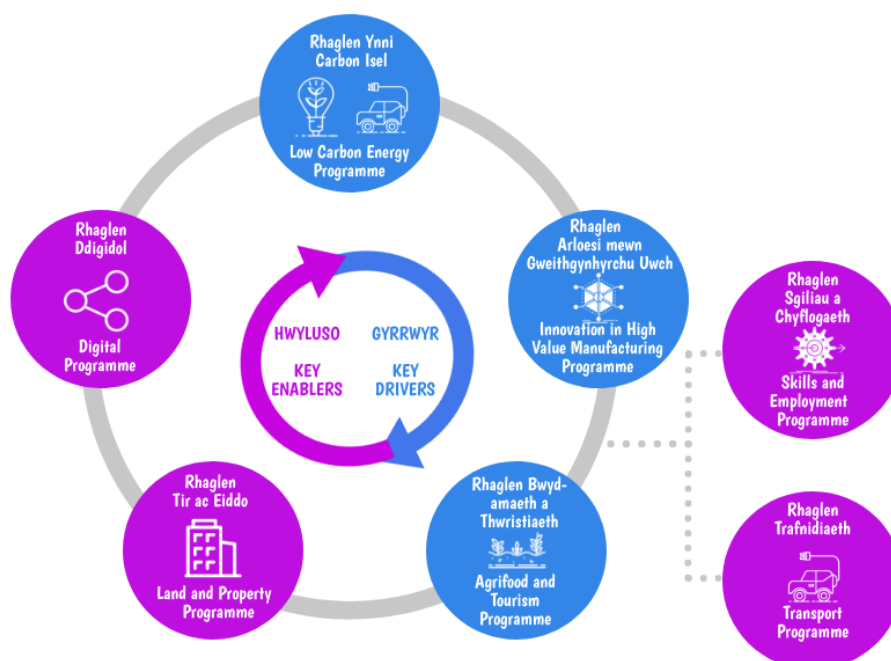
- 2.2 The North Wales Economic Ambition Board was established in 2012 as a partnership between the six Local Authority areas of North Wales comprising the Councils of Gwynedd, Anglesey, Conwy, Denbighshire, Wrexham and Flintshire. The Board also includes Bangor University, Glyndwr University, Coleg Cambria and Grwp Llandrillo-Menai. The North Wales Growth Deal is a partnership between the North Wales Economic Ambition Board representing the public sector and the private sector.

¹https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/879438/HMT_Magenta_Book.pdf

² <https://gov.wales/sites/default/files/publications/2019-09/eu-structural-funds-monitoring-and-evaluating-projects-guidance.pdf>

- 2.3 The aim of the North Wales Growth Deal (hereafter referred to as the Growth Deal) 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 Future Generations Act.
- 2.4 The North Wales Growth Deal consists of five programmes which over a fifteen year term will collectively contribute to supporting the following three key portfolio spending objectives:
- uplift the region's GVA value by £2.0bn - £2.4bn
 - the creation of between 3,400 - 4,200 net new jobs
 - deliver a total investment of £1.1 billion
- 2.5 The five programmes have their own distinct spending objectives that focus on delivering specific benefits as well as contribute directly to the three key objectives as outlined in paragraph 1.10. Spending objectives for each of the projects within the five programmes will be agreed as part of the project business case development. These will also contribute to the three key portfolio objectives as well deliver wider benefits associated with the sector specific nature of the investments.
- 2.6 Investment will be targeted at strategically important sectors via a portfolio of the five programmes in two categories;
- (i) those increasing the value of high growth sectors
 - Low carbon energy programme
 - Innovation in high value manufacturing programme
 - Agrifood and tourism programme
 - (ii) those addressing key barriers to growth
 - Land and property programme
 - Digital programme

Figure 1.1 The Growth Deal Programmes



Source: North Wales Economic Ambition Board

- 2.7 Two further enabling programmes sit outside the scope of the North Wales Growth Deal to be funded from other sources:
- Skills and Employment
 - Strategic Transport
- 2.8 The programmes remain key to delivering the wider vision for North Wales and 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.

Monitoring and Evaluating Portfolio Performance

- 3.1 The MEP describes how portfolio performance will be tracked through regular reporting, periodic assessment of delivery and the approach to evaluating benefits.
- 3.2 A Portfolio Logic Model (Figure 1) sets out the metrics against which Portfolio impacts will be reported and evaluated. A logic model is a graphic which represents the theory of how an intervention produces its outcomes. It represents, in a simplified way, a hypothesis or ‘theory of change’ about how an intervention works. Underpinning this are programme logic models (Appendix 1) which account for the programmes’ contributions to the Portfolio SMART spending objectives (Figure 2) and present additional programme-specific project spending objectives.

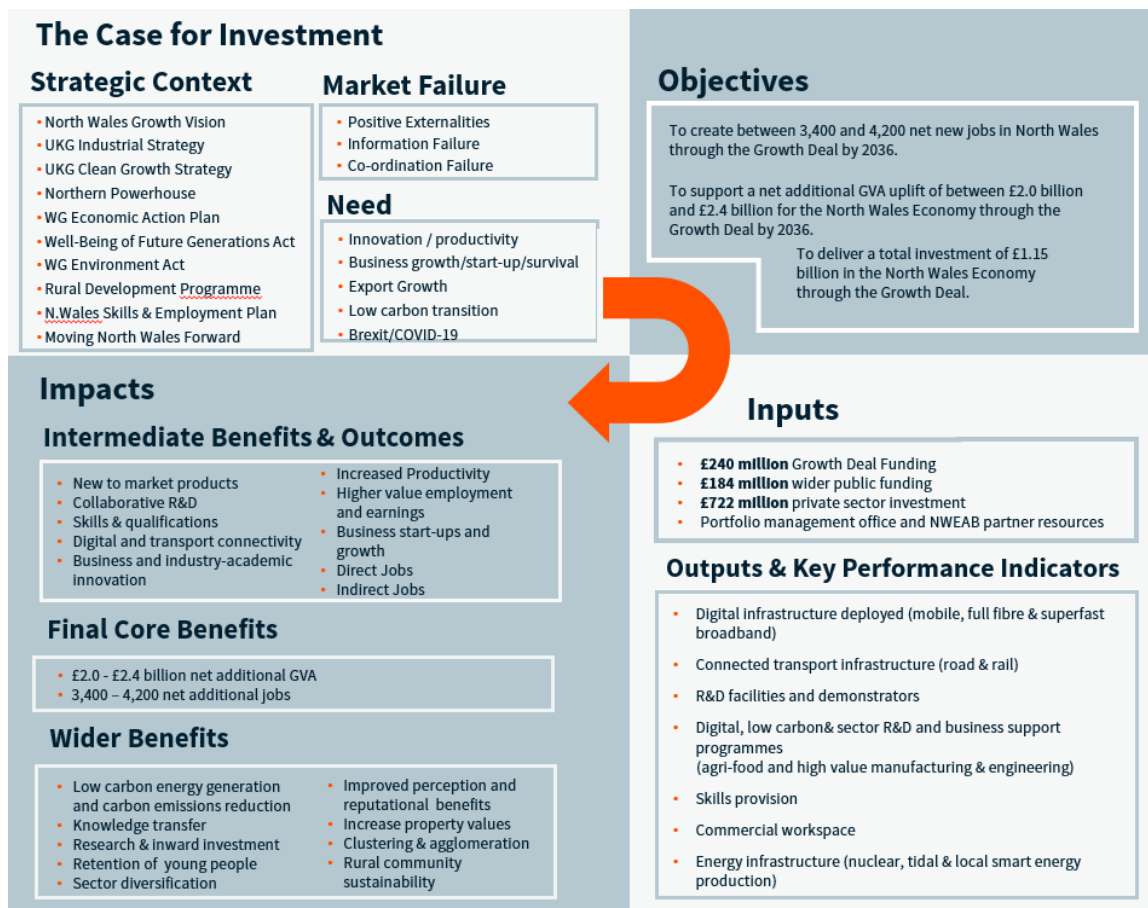


Figure 1 Portfolio Logic Model

Spending Objective 1 Jobs	To create between 3,400 and 4,200 net new jobs in North Wales through the Growth Deal by 2036.
Spending Objective 2 GVA	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.
Spending Objective 3 Investment	To deliver a total investment of £1.1 billion in the North Wales Economy through the Growth Deal by 2036.

Figure 2 North Wales Growth Deal Portfolio Spending Objectives

- 3.3 In addition to the portfolio metrics, each programme has an agreed set of spending objectives which will be monitored and reported against. These are set out in Appendix 2 Programme spending objectives (Appendix 2).
- 3.4 The following indicators have also been identified by the North Wales Economic Ambition Board to track the wider impact of the North Wales Growth Deal.

Table 1.1 Strategic Outcomes and Indicators

	2013	2014	2015	2016	2017	2018	Future Direction
Growth in Regional Prosperity							
GVA growth (GVA £m)	12,344	12,519	13,033	13,439	13,673	14,239	?
North Wales GVA per head as % of UK (- London +SE)	86%	83%	85%	85%	83%	84%	?
Dispersed GVA growth across the 6 Counties of North Wales	8.5%	5.9%	8.5%	11.1%	10.1%	5.0%	?
GVA growth in high value economic sectors (manufacturing, information and communications and technical activities)	-0.4%	0.0%	5.4%	6.3%	-7.7%	6.5%	?
Creation of Better Quality Jobs							
Employment Growth	0.4%	1.9%	2.3%	-2.1%	1.2%	3.0%	?
Dispersal of Employment Growth across the 6 Counties of North Wales	14.1%	10.0%	17.6%	13.8%	14.4%	9.8%	?
Employment Growth in high value economic sectors	7.1%	7.0%	0.0%	-8.8%	14.4%	-0.2%	?
A more Skilled Workforce within the Region							
Increase in proportion of the population with qualifications (NQF 4)	33.5%	35.2%	36.2%	34.9%	36.3%	36.3%	?
Increase in higher level apprenticeships as a proportion of total employment	610	735	1,045	710	800	610	?
Increase in apprenticeships 16-24 as a proportion of total employment	6,225	4,255	5,075	5,050	6,250	5,150	?
Improvements in Standards of Living across the Region							
Reduce the proportion of workless households	17.8%	19.2%	17.3%	16.6%	15.1%	16.0%	?

	2013	2014	2015	2016	2017	2018	Future Direction
Improve affordability (median house prices / median income)	6.7	6.8	6.7	6.8	7.4	7.4	?
Increase in median household income (£)	1.8%	1.3%	5.1%	0.5%	-3.2%	1.0%	?

3.5 Project business cases will set out specific key performance indicators which will be monitored through the PMO and the relevant programme board.

Performance Reporting Hierachy

3.6 Performance monitoring will take place at the portfolio, programme and project level as appropriate. Responsibility for monitoring starts at the project level to track project outputs and impact. Programmes will have oversight of project performance information and the portfolio with have oversight of programme performance information, with a clear process for escalation. Project specific performance indicators and outputs will be confirmed in the development of project business cases which will be delivered in the initial years of the Growth Deal term. The reporting and monitoring hierarchy for project, programme and portfolio performance is illustrated in Figure 3.

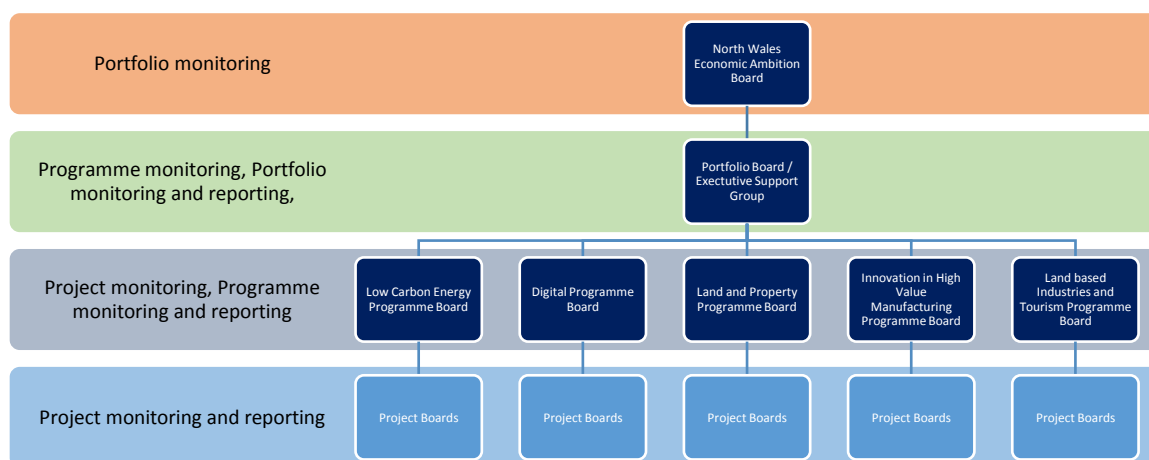


Figure 3 Performance reporting hierarchy

Performance Reporting Process

3.7 Performance will be monitored on a monthly, quaterly and annual basis.

3.8 Programme and project performance will be monitored on a monthly basis through the relevant programme and project boards with formal quarterly reports submitted to the Portfolio Board (the Executive Support Group), the North Wales Economic Ambition Board, UK and Welsh Government.

3.9 A performance dashboard (Appendix 5) is used by programme managers to provide a consistent format of performance reporting for programme boards. RAG (Red, Amber, Green) status is assigned to programmes and projects by the Portfolio Director, acting on advice from the programme boards. Figure 4 summarises the guidelines used to determine the appropriate RAG status and required actions.

RAG Status	Projects/Programme Status	Action Required
Green	On track for completion within desired timescales	No management action required
Amber	Project may be at risk of not meeting deadlines if issues are not addressed	Management action is in place by the Portfolio Management Office and/or senior management to address issues
Red	Project is at risk of missing a scheduled completion date	Immediate action is required by senior management and relevant Boards as appropriate to address issues

Figure 4 Guidelines used to determine RAG status and required actions

- 3.10 Continuous monitoring of project performance will support management of risks and ensure that constraints and issues are considered as part of the performance assessment. The project performance monitoring protocols will provide agreed thresholds for exceptional business case reviews outside of the basic schedule determined in the project business case (minimum annually).
- 3.11 Projects will report monthly via the relevant Programme Board with quarterly updates to the Portfolio Board and North Wales Economic Ambition Board. The Programme Board having considered the performance dashboard will advise the Portfolio Director if any concerns should be escalated to the Portfolio Board and North Wales Economic Ambition Board outside the normal reporting cycle.
- 3.12 Project sponsors will be responsible for collecting and submitting their monitoring data to the Portfolio Director in accordance with a series of pre-agreed timescales. This will enable the Portfolio Director to analyse and collate data for submission to the Portfolio Board and the North Wales Economic Ambition Board. Once the relevant progress reports have been considered by the North Wales Economic Ambition Board, these will be reported to both Governments on a quarterly basis, via the Portfolio Management Office.
- 3.13 To assess how the Growth Deal is aligning towards the Growth Vision and the strategic outcomes for the region, the Portfolio Director will produce an Annual Report. The report will be presented to UK and Welsh Government and the North Wales Economic Ambition Board annually. Monitoring and evaluation reporting will also be provided to the Accountable Body, Gwynedd Council.

3.14 All programme level reporting in relation to the Growth Deal and its associated projects will follow a clear process as set out in Figure 5

3.15 Summary of progress reporting outputs:

- Monthly Performance Dashboard
- Quarterly Report
- Annual Performance Report

3.16 The process is illustrated in the diagram below:

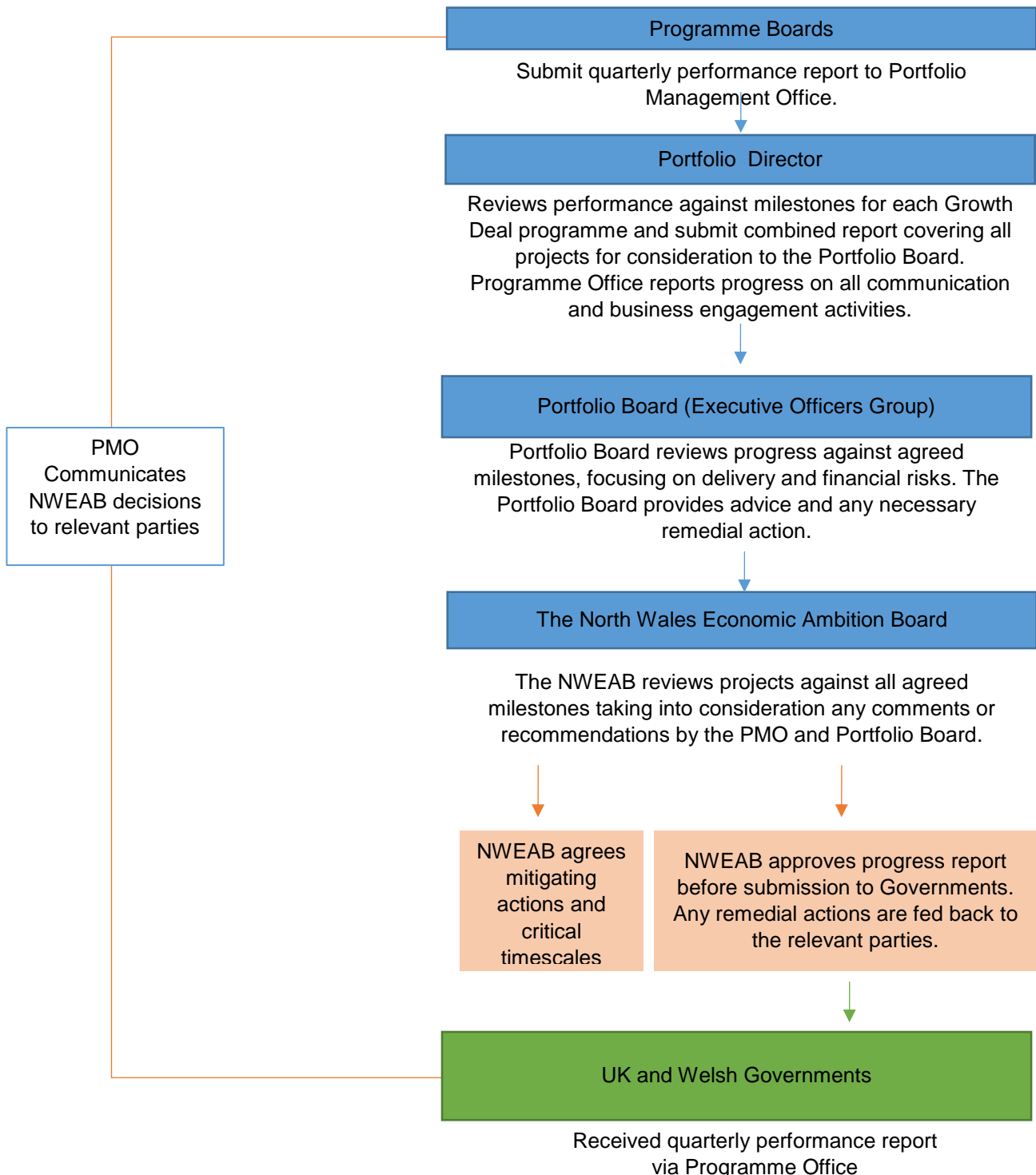


Figure 5 Performance monitoring process for Growth Deal projects

Benefits Management

- 4.1 The benefits associated with the Growth Deal have been identified and appraised during the development of the Portfolio and Programme Business Case stages. The process identifies the benefits with key stakeholders, identifying owners of each benefit, prioritising and categorising the benefits and establishing baselines. The business case contains the benefits, outcomes, timescales, costs and risks against which continuing viability is tested based on the strategic, economic, financial, commercial and management cases of the HM Treasury five business case model. The Business Case is developed in three iterations: The Strategic Outline Case (SOC), Outline Business Case (OBC) and Full Business Case (FBC) which mature in detail as the project matures.
- 4.2 The milestones to review benefits will be a suitable and agreed time at project level which allows time for the embedding of associated outputs and capabilities when benefits can be realistically and meaningfully measured. These can be aligned to the external stage gate review process or at suitable milestones set by the project and detailed in the Integrated Assurance and Approval Plan (IAAP).
- 4.3 A Benefits Realisation Plan (BRP) has been developed for the Portfolio. The BRP is a document that profiles all the benefits and how they are forecast to be realised from baseline to target, including baseline and measurement information, identified benefit risks and benefit realisation milestones. The BRP sets out the overarching approach to managing benefits within the North Wales Growth Deal by addressing:
- How the North Wales Economic Ambition Board (NWEAB) will realise the benefits anticipated by delivery of the Growth Deal as set out in the Portfolio and Programme Business Cases; and,
 - How the NWEAB will mitigate for and manage any potential and emerging negative impacts arising from delivery of the Growth Deal as set out in the Portfolio and Programme Business Cases
 - What economic, social and other impacts may be generated as a result within the Region, Wales and elsewhere in the UK.
- 4.4 The Plan will be delivered by the Portfolio Management Office and project delivery partners. The Benefits Realisation Plan has been developed using guidance reference material including the 'Guide for Effective Benefits Management in Major Projects from HM Infrastructure and Projects Authority, HM Government Magenta Book, WEFO Wales Audit Office, Welsh Government 'Preparing for the commencement of the Socio-economic Duty' guidance document and examples of best practice elsewhere.

Gateway Reviews

- 5.1 The North Wales Economic Ambition Board has developed an Integrated Assurance and Approvals Plan (IAAP) in line with Welsh Government guidelines and sets out the assurance activities that will be undertaken at portfolio, programme and project level

for the North Wales Growth Deal. The North Wales Growth Deal will utilise the pre-defined Gateway 0-5 and flexible Project Assessment Reviews (PAR) as appropriate and proportionate.

- 5.2 A major portfolio review and economic impact assessment will be undertaken every 3-5 years, with programme reviews taking place in each year between the major reviews.
- 5.3 While the number and nature of gateway reviews will differ per project, as a minimum, each project will undertake at least one pre-delivery gateway review (G1-3) and all project will undertake a Gateway 5 (Benefits Realisation) review.
- 5.4 Recommendations from each Gateway Review will be actioned with progress tracked and reported on through the Programme Boards and Portfolio Board.

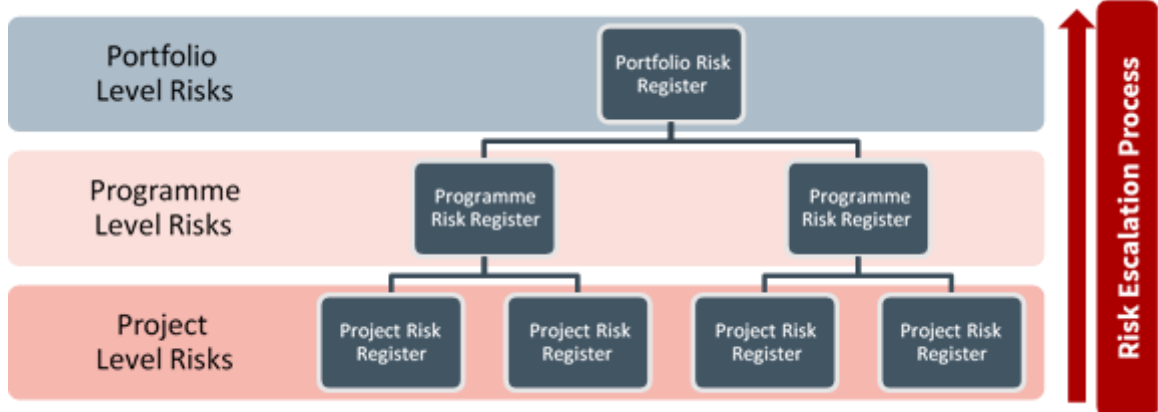
Independant Evaluations

- 6.1 Independent economic impact evaluations will be undertaken every 3-5 years.
- 6.2 The evaluations will be coordinated and aligned with the Regional Recovery Framework, established to respond to Covid-19. The evaluations will also be broader than the Growth deal in their remit and will consider the impact of different influences and investment on the economy of North Wales as set out in the Regional Economic Framework (REF). The REF, developed jointly, with and owned by Welsh Government and the Chief regional Officer's team sets out ongoing commitments, such as the Growth Deal and outlines a clear narrative for economic priorities to deliver long term growth whilst also enabling a flexible approach to respond to near term changes and recovery efforts. This approach ensures there is a consistent methodology and framework for measuring the impact of different initiatives across the region.
- 6.3 Specific terms of reference for each impact evaluation will be agreed in advance with UK and Welsh Government, however, for Growth Deal initiatives, all reviews would be expected to cover:
 - A review of the 'fitness of purpose' of the objectives and deliverables
 - Interviews with project or programme team members
 - Interviews with key stakeholders relating to the project or programme
 - Analysis of performance monitoring data and reports
 - Comparator data to further assess performance and benefits realisation externally from which learning can be gathered

Risk Management

- 7.1 The North Wales Economic Ambition Board has an agreed Risk and Issues Management Strategy with risks managed at portfolio, programme and project levels

as appropriate and reported through the normal reporting process set out in section 3 of the M&E Plan. A clear risk escalation process has been established.



Source: NWAEB

Impact Assessments

- 8.1 As a Portfolio which provides an opportunity to address persistent challenges such as climate change, poverty, inequality, employment and skills in a transformational and preventative way, the Growth Deal is in keeping with the approach and ambitions of the Well-being of Future Generations (Wales) Act 2015. Given the breadth of the Growth Deal, it also has a significant impact across the seven well-being goals for Wales and will be monitored and assessed accordingly across these goals. The five ways of working (long-term; prevention; integration; collaboration; and involvement) as outlined in the Act, will also be used across the programme to ensure that the sustainable development principle is applied to all that is undertaken.
- 8.2 The Equality Act 2010 introduced the Public Sector Equality Duty (PSED). This requires public bodies in Wales to assess the likely impact of proposed and reviewed policies and practices on our ability to comply with the PSED and publish reports of assessments where a substantial impact is detected.
- 8.3 **Equality Impact Assessments** are a tool to help the Growth Deal ensure that the policies, practices and decisions are fair, meeting the needs to the public and businesses to ensure that they are not inadvertently discriminating against any protected group as identified in the Equality Act 2010. An Equalities Impact Assessment (EIA) has been carried out on the portfolio and will be updated annually. All projects will undertake an EIA before approval.
- 8.4 **A Welsh Language Impact Assessment** has been produced for the Growth Deal and the Portfolio Management Office is developing a **Welsh Language Policy**. The policy will outline how the PMO intends to go about taking advantage of every opportunity to promote the use of Welsh language in the wider region in the course of delivering the Growth Deal and wider Growth Vision. A Welsh Language Impact Assessment has been carried out on the portfolio and will be updated annually. All projects will undertake an Welsh Language Impact Assessment before approval.

8.5 **A Future Generations and Cross Cutting Themes Impact Assessment** has been carried out for the portfolio and will be updated annually. All projects will undertake a Future Generations Impact Assessment before approval. This covers the well being goals:

- i. A prosperous Wales
- ii. A resilient Wales
- iii. A healthier Wales
- iv. A more equal Wales
- v. A Wales of cohesive communities
- vi. A Wales of vibrant culture and thriving Welsh language
- vii. A globally responsible Wales

And the cross-cutting themes

- viii. Equal Opportunities
- ix. Sustainable development
- x. Tackling poverty
- xi. Welsh language and culture

Financial Monitoring and Evaluation

- 9.1 The total Growth Deal package is estimated up to value of £1.1 billion. The North Wales Growth Deal finances will be monitored by the Finance Department of Gwynedd Council as the Accountable Body for the Growth Deal with input from the Portfolio Management Office, Portfolio Board and the NWEAB. Regularly financial reports will be provided to the NWEAB, Welsh Government and UK Government.
- 9.2 The financial monitoring processes will be agreed with UK and Welsh Government and be in line with best practice.
- 9.3 Project Sponsors will be required to submit claims for project funding in line with the arrangements set out in each project business case. The Portfolio Management Office will check and certify all claims before passing these onto the Accountable Body. All funding claims will be accompanied by a progress report including an assessment of risk and progress against agreed targets.
- 9.4 The Accountable Body may impose additional monitoring requirements on Project Sponsors where it deems them appropriate. Project Sponsors will be obliged to comply with any additional reporting requirements requested by UK and Welsh Government.
- 9.5 The Portfolio Management Office with input from the Accountable Body's Finance Department will produce quarterly financial updates on project expenditure including actual and forecast spend to support with the cashflow management of the portfolio.

Regional and External Scrutiny

- 10.1 The Portfolio Management Office supports and co-ordinates activity across the programmes acting as an information hub and ensuring a consistent approach to reporting, control of risk and issues. It also acts as a valuable assurance function,

providing advice and challenge to programmes and projects. Each programme is assigned a Programme Manager from within the PMO.

- 10.2 The Portfolio Management Office will work on a risk-based approach to support and intervene when projects are deviating from the agreed timescales, budgets or deliverables. Escalation of risks and issues will be accessed and communicated through the project Senior Responsible Owners (SRO), Portfolio Director and Programme SROs (see Roles, Responsibilities and Reporting) prior to being presented to the formal governance groups.

Internal Audit

- 10.3 Gwynedd County Council as Accountable Body shall be responsible for providing internal audit services to the NWEAB and audit reports in relation to the NWEAB shall be considered in accordance with its usual rules and practices. Internal Audit will undertake their work in accordance as far as is practicable with the Public Sector Internal Audit Standards and the Local Government Application Note for the United Kingdom Public Sector Internal Audit Standards. For the avoidance of doubt an annual internal audit report shall be submitted by the Accountable Body Audit Manager to the Joint Committee.

Government

- 10.4 The Welsh Government and UK Government can commission an independent review of the Growth Deal if the arrangements and progress are not in accordance with the timeframes and deliverables outside of an agreed tolerance. These assessments will provide both the Welsh and UK Government Ministers with an assessment of the deliverability of the Growth Deal.
- 10.5 The Integrated Assurance and Approvals Plan (IAAP) sets out the assurance activities that will be undertaken at portfolio, programme and project level for the North Wales Growth Deal. This utilises the pre-defined Gateway 0-5 and flexible Project Assessment Reviews (PAR) as appropriate and proportionate.
- 10.6 This IAAP has been developed in line with the Welsh Government's Integrated Assurance Strategy and is a live document. It will be periodically reviewed and updated and if appropriate, after each assurance review, change in scope/risk potential of the Programme/Project. The IAAP will be maintained until the Programme/Project is closed and delivery responsibility passes to the operational business.
- 10.7 The governance, assurance and audit milestones are based upon timescales included within the current portfolio and programme implementation plans and will be updated should timetables change.
- 10.8 The Welsh Government Integrated Assurance Hub (IAH) have provided support in the completion of the IAAP and tailoring it to suit the specific needs of the North Wales Growth Deal portfolio.

External Regulators

- 10.9 The Wales Audit Office as external auditor to the North Wales Economic Ambition Board reviews and comments on the financial aspects of corporate governance which

includes the legality of financial transactions, financial standing, systems of Internal Financial Control and standards of financial conduct and fraud and corruption.

Roles, Responsibilities and Reporting

11.1 The performance reporting hierarchy (Figure 3) illustrates the full range of performance reporting and monitoring responsibilities. The wider portfolio arrangements are presented in a RACI matrix (Responsible, Accountable, Consulted, Informed) (Figure 6).

		ROLES															
		North Wales Economic Ambition Board	Portfolio Board / Executive Support Group	Business Delivery Group	Portfolio Director	Portfolio Office Support	Senior Responsible Owner	Programme Manager	Programme Board	Senior Responsible Owner	Project Manager	Project Board	Section 151 Officer	Monitoring Officer	Internal Audit	Welsh Government	UK Government
Deliverable or Task	Status	Governance			Portfolio Management Office	Programmes			Projects			Other Stakeholder					
Portfolio, Programme and Project Progress and Performance																	
Monthly highlight report		I	C	I	A	C	A	R	C	A	R	C	C	C	I	I	I
Quarterly monitoring		C	C	I	A	C	A	R	C	A	R	C	C	C	I	I	I
Annual performance monitoring		A	C	I	R	C	A	R	C	A	R	C	C	C	I	I	I
Portfolio, Programme and Project Benefits realisation																	
Strategy		C	I	C	R	C	A	R	C	A	R	C	C	C	I	I	I
Plan		I	C	C	R	C	A	R	C	A	R	C	C	C	I	I	I
Profiles		I	C	C	I	C	A	R	C	A	R	C	C	C	I	I	I
Reports		I	C	I	I	C	A	R	C	A	R	C	C	C	I	I	I
Portfolio, Programme and Project Milestone Evaluations																	
Mid-term evaluation (years 3, 5 and 10)		C	C	C	R	C	A	R	C	A	R	C	C	C	I	I	I
Lessons learned		C	C	I	R	C	A	R	C	A	R	C	C	C	I	I	I
Post implementation review		C	C	C	R	C	A	R	C	A	R	C	C	C	I	I	I

Figure 6 North Wales Growth Deal RACI Matrix

- R - Responsible: person who performs the activity
- A - Accountable: person who is ultimately accountable and has the Yes/No/Veto
- C - Consulted: person that needs to feedback and contribute to the activity
- I - Informed: person that needs to know of the decision or action

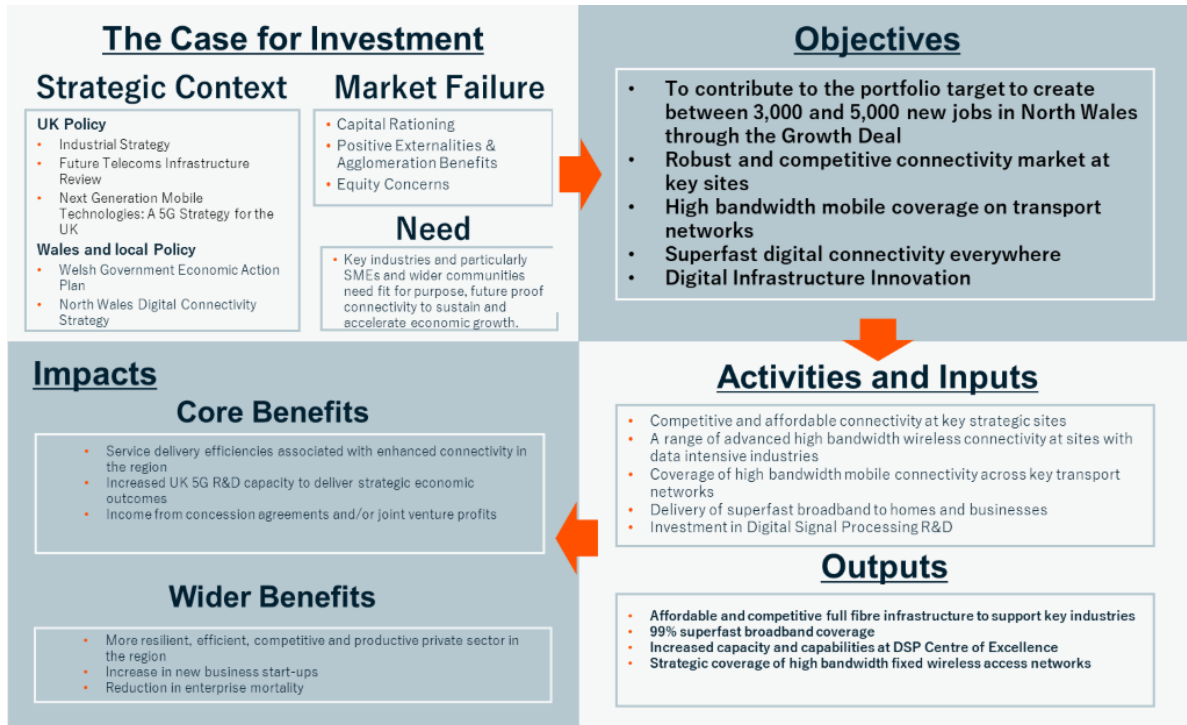
11.2 The Portfolio Director, Senior Responsible Owners (both programme and project) are accountable for the delivery of the Monitoring and Evaluation Plan.

Position	Key roles in the Monitoring & Evaluation Plan
Portfolio Director	<ul style="list-style-type: none"> Accountable to the North Wales Economic Ambition Board in establishing and delivering the Monitoring & Evaluation Plan
Portfolio Management Office	<ul style="list-style-type: none"> Responsible for developing an implementing the Monitoring & Evaluation Plan Record management information including benefits at programme level to report at Portfolio level. Responsible for ensuring the effective reporting of MEP progress to all stakeholders Responsible for coordinating monitoring reviews and evaluations
Programme Senior Responsible Owner	<ul style="list-style-type: none"> Accountable to Portfolio Board and Portfolio Management Office for ensuring the programme is following the Monitoring & Evaluation Plan.
Programme Manager	<ul style="list-style-type: none"> Responsible for Programme Benefits Realisation and Milestone Evaluation
Project Senior Responsible Owner	<ul style="list-style-type: none"> Accountable to Programme Board and Portfolio Management Office for ensuring the programme is following the Monitoring & Evaluation Plan.
Project Manager	<ul style="list-style-type: none"> Responsible for for Project Benefits Realisation and Milestone Evaluation

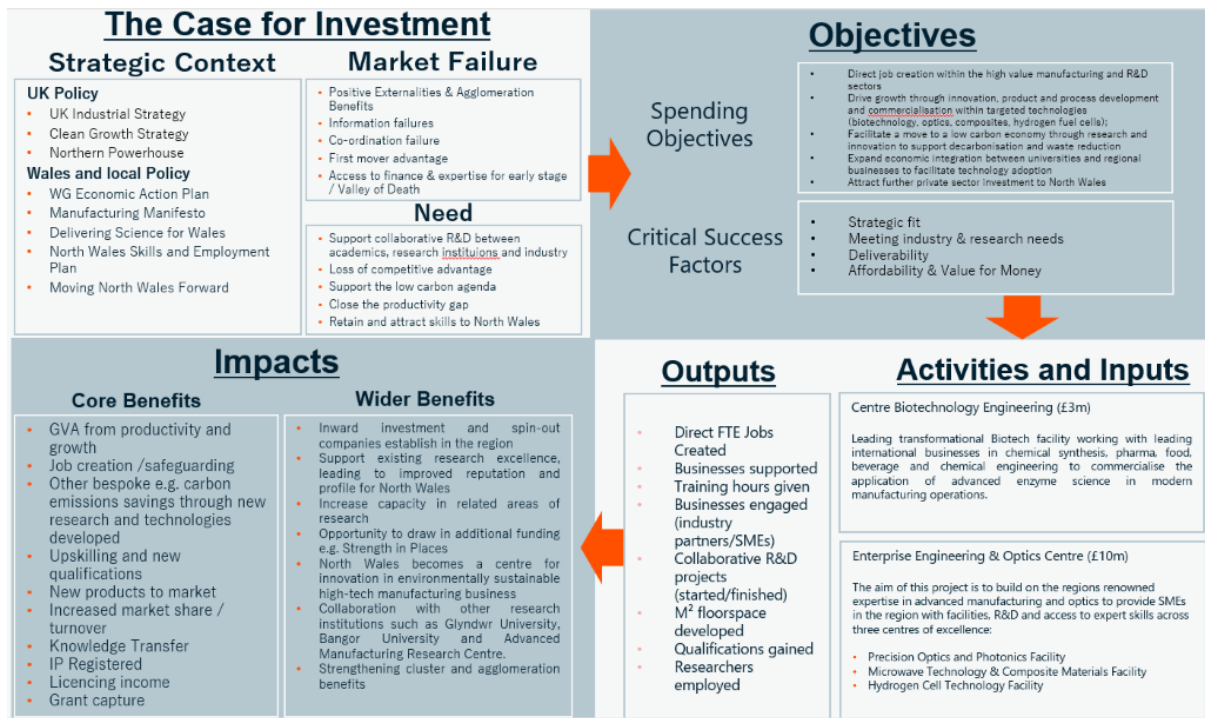
APPENDICIES

Appendix 1 Programme Logic Models

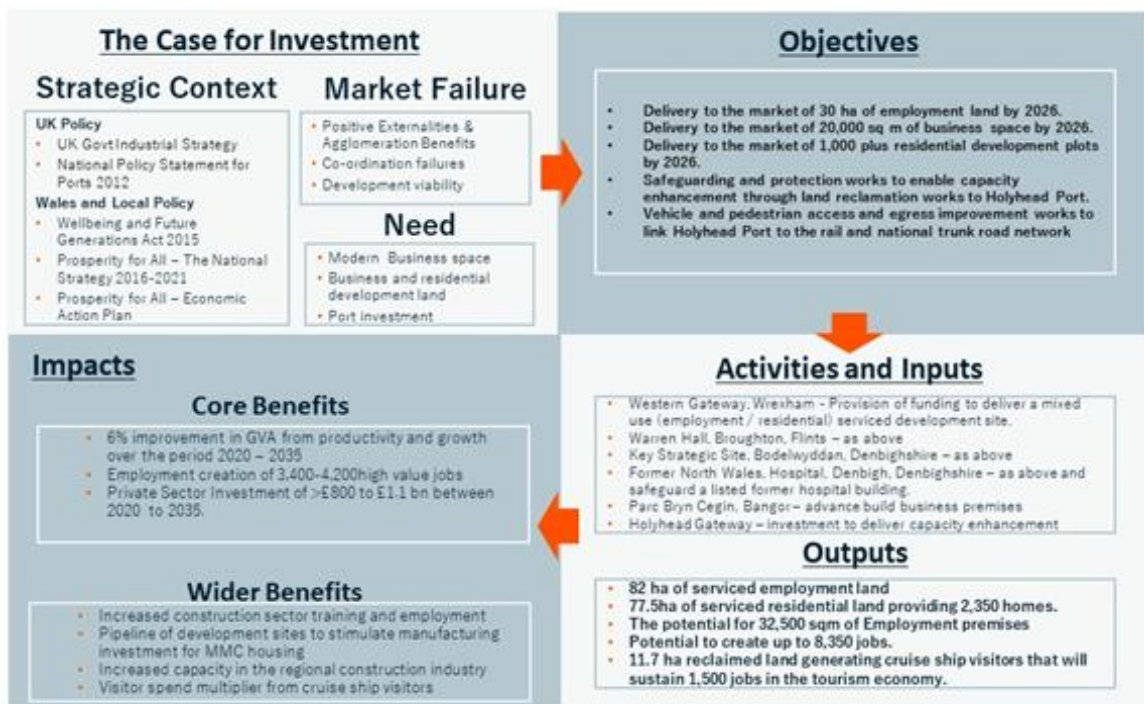
Digital Logic Model



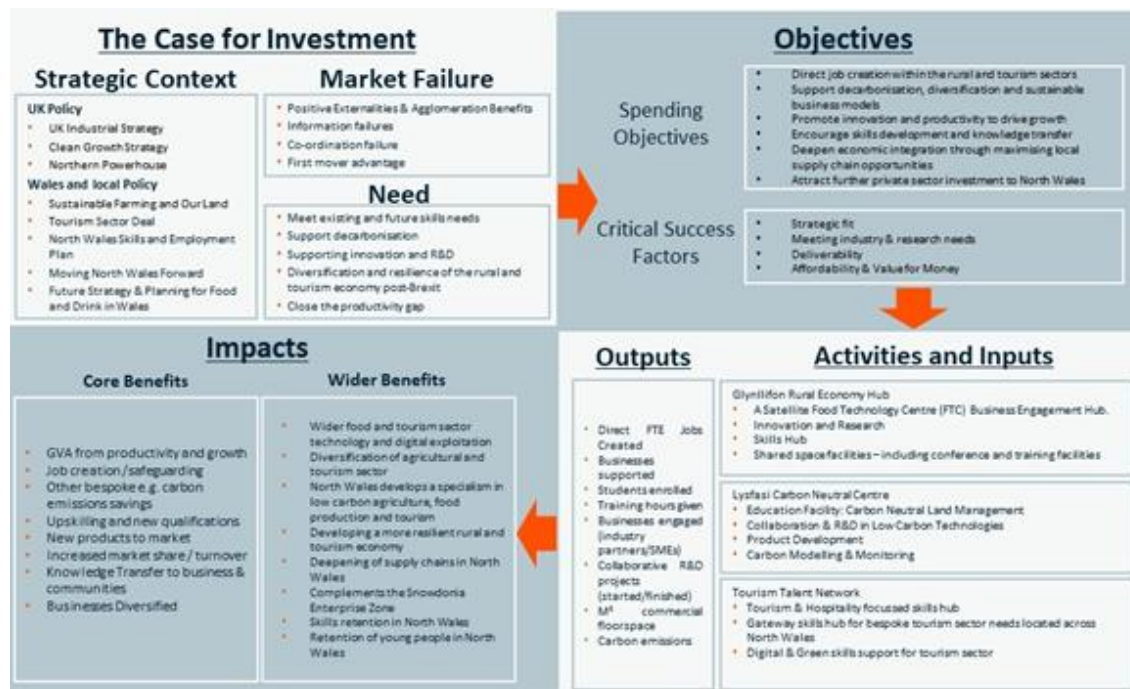
Innovation in High Value Manufacturing Logic Model



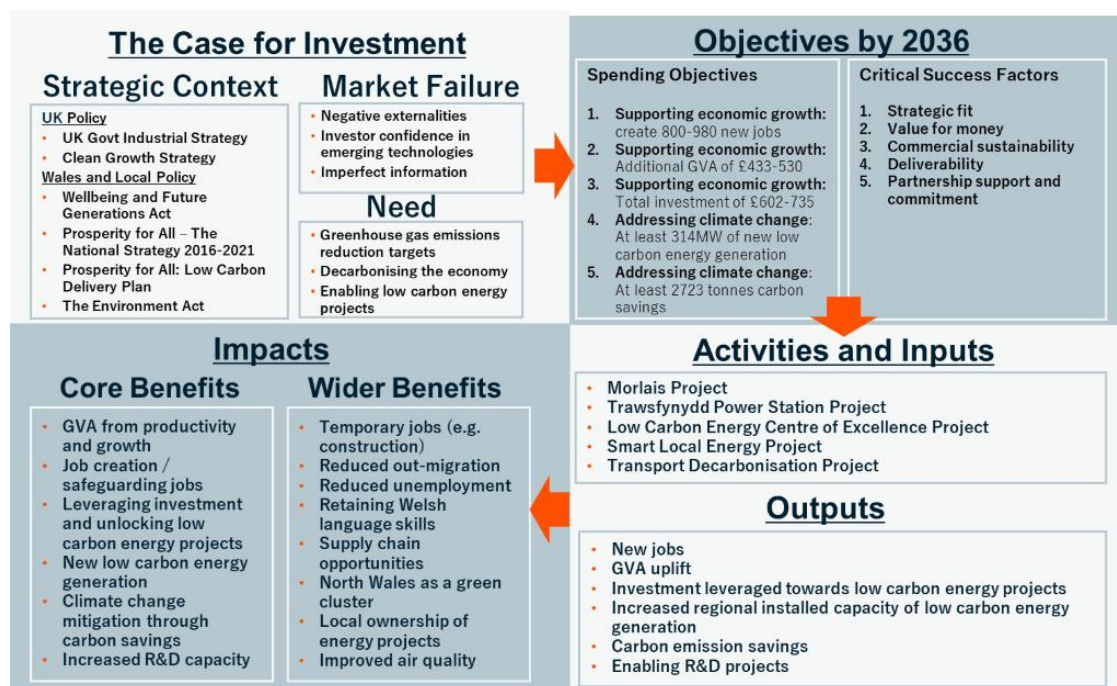
Land and Property Logic Model



Agri-food and Tourism Logic Model



Low Carbon Logic Model



Appendix 2 Programme spending objectives

Low Carbon Energy Programme	
Spending Objective 1 Job Creation	To create between 800-980 new jobs in North Wales through the programme by 2036
Spending Objective 2 GVA	To create net additional GVA of £433-530m through the programme by 2036
Spending Objective 3 Investment	To deliver a total investment of £602-£735m through the programme by 2036
Spending Objective 4 Low Carbon Energy Generation	To enable the deployment of at least 314MW of new installed low carbon energy generation capacity through the programme by 2036
Spending Objective 5 Carbon Savings	To enable carbon savings of at least 2723 Tonnes CO ₂ e through the programme by 2036

Agri-Food and Tourism Programme	
Spending Objective 1 Job Creation	To create between 310 - 380 new jobs in North Wales through the programme by 2036
Spending Objective 2 GVA	To create net additional GVA of £230million - £281million through the programme by 2036
Spending Objective 3 Investment	To deliver a total investment of between £37million and £45million through the programme by 2036
Spending Objective 4 - Decarbonisation and sustainable business models	Educate businesses on the benefits of decarbonisation, diversification and sustainable business models. Create the conditions to enable business to reduce their carbon footprint and respond to emerging opportunities from the low carbon economy. 300-400 businesses diversifying from traditional core operation or adopting new technology/practices within the first five years of the programme.
Spending Objective 5 - innovation and productivity	To provide up to 4,000 – 6,000m ² of incubator, R&D and training floorspace to help encourage innovation, promote upskilling and support business growth within the agri-food and tourism sector.
Spending Objective 6 – Skills and knowledge transfer	Provide specialist skills and training provision, alongside collaboration opportunities for businesses, education providers and research institutions. Provide additional training to 2,500 people/businesses operating in the agri-food and tourism sectors over 5 years.

Spending Objective 7 - Local supply chain opportunities	Increase the % of supply contracts delivered through the programme with businesses located in North Wales – baseline to be agreed.
---------------------------------------------------------	------------------------------------------------------------------------------------------------------------------------------------

Land and Premises Programme	
Spending Objective 1 Job Creation	To create between 1,870 and 2,280 new jobs in North Wales through the programme by 2036
Spending Objective 2 GVA	To create net additional GVA of £1.06bn and £1.29bn through the programme by 2036
Spending Objective 3 Investment	To deliver a total investment of between £320m and £390m through the programme by 2036
Spending Objective 4 Employment Sites and Premises	To deliver 30 ha land and 20,000 sq. m of employment I premises between 2021 and 2026
Spending Objective 5 Residential Sites	To deliver 1,000 plus residential development plots between 2021 and 2026.
Spending Objective 6 Holyhead Gateway	Land reclamation, safeguarding and life extension works to the breakwater, access improvements and port capacity enhancements

Innovation in High Value Manufacturing Programme	
Spending Objective 1 Job Creation	To create between 145 -180 new jobs in North Wales through the programme by 2036
Spending Objective 2 GVA	To create net additional GVA of £94m - £114m through the programme by 2036
Spending Objective 3 Investment	To deliver a total investment of £36 - 43m between through the programme by 2036
Spending Objective 4 Facilitate a move to a low carbon economy through research and innovation to support decarbonisation and waste reduction	Work in collaboration with 55 UK and international industry partners or SMEs to help develop low carbon technologies or waste reduction (TRL ¹ 1-5)
Spending Objective 5 Expand economic integration between regional universities and regional businesses to facilitate technology adoption	To support and facilitate three collaborative R&D projects per annum to develop and new technologies (TRL 1-5)

Spending Objective 6 Encourage skills development and knowledge transfer	Provide training and upskilling to 100 people/businesses in the targeted technologies (biotechnology, optics, composites, hydrogen fuel cells) over the first 5 years
Spending Objective 7 Drive growth through product / process development and commercialisation within targeted technologies (biotechnology, optics, composites, hydrogen fuel cells)	Number of enterprises supported to take new products using targeted technologies from the laboratory to the market/firm (TRL 6-9). Targets to be agreed during Project Business Case development.

Digital Programme	
Spending Objective 1 Job Creation	To create between 315-380 new jobs in North Wales through the programme by 2036
Spending Objective 2 GVA	To create net additional GVA of £130m - £158m through the programme by 2036
Spending Objective 3 Investment	To deliver a total investment of between £37m and 46m through the programme by 2036
Spending Objective 4 Robust and competitive connectivity market at key sites	To introduce robust and competitive connectivity market at 28 strategic key sites in step with or in advance of UK Government 2025 target for gigabit capability coverage.
Spending Objective 5 High bandwidth mobile coverage on transport networks	To introduce high bandwidth mobile coverage on transport networks with deployment in step with or in advance of UK Government 2027 target for 5G coverage. Delivery of coverage across A55, A483 and A5.
Spending Objective 6 Superfast digital connectivity everywhere	To ensure all inhabited premises in the region have Superfast broadband connectivity in the short term (by 2023) with gigabit upgrade capability built in as far as possible.
Spending Objective 7 Digital infrastructure innovation	To ensure that the region is empowered to participate in innovation and commercialisation of new digital infrastructure technology to achieve and consolidate a long term role in a strategically important industry

Appendix 3 Project Indicator Monitoring Schedule basic template

Project Indicator	Reporting period (mm/yy to mm/yy)	Reporting Frequency	Project Target

Appendix 4 Baseline position for monitoring indicators basic template

Programme Objectives and outcomes	Key Indicators	Baseline	Data Source	Assessment method
Objective 1				
Outcome 1				

Appendix 5 Programme Performance Dashboard template

[Programme Name] Performance Dashboard [Month Year]



Insert programme : Highlight Report

Programme Objectives

- What the programme is there to deliver and the vision that unifies all projects.
- When making decisions/prioritising around scope, timescales, (etc) we should be able to see a clear link



Insert name
Programme Manager –
insert programme

Delivery Confidence		Last Month RAG	Current Month RAG	Next Month RAG	What would improve the RAG status when amber or red
		Timeline			
	Budget				RAG against - How does the planned budget compare to the actual spend or forecast spend?
	Risk				RAG against - How serious is the risk profile against profile delivery?

RAG Key

- High risk/impact
- Med risk/impact
- Low risk/impact
- On track

Progress Update

- Concise bullet points describing progress and key successes since the last reporting period

Decisions/Approvals Required

- Depending on programme/ audience:
 - Any required action, decision or sign-off from the audience
 - Updates on key board decisions/ sign-offs

Insert programme : Highlight Report



Benefits (Top 5)	Last % RAG	Current % RAG
Populate with top 3 to 5 programme benefits and use the RAG status to show whether anything has happened to put these benefits at risk over the last month.		

Key Programme Milestones and Deliverables			
Milestone and Deliverables For current & next calendar quarter	Baseline Date	Forecast Date	Status
insert milestones	mm/yy	mm/yy	

Risks and Issues				
ID	Top 3 Risks	Residual Severity (1-25)	Trend ↑ ↓	Mitigation
	Insert up to 3 of the top programme risks			

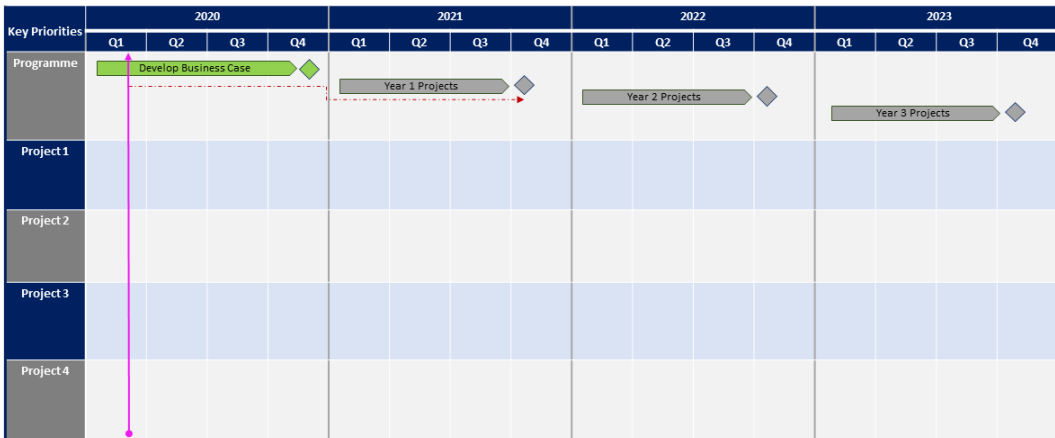
ID	Top 3 Issues	Severity (1-5)	Trend ↑ ↓	Planned Action
	Insert up to 3 of the top programme issues			

Insert programme: Plan on a Page

Key changes:

Key

- Delayed (Red diamond)
- At risk (Yellow diamond)
- Complete (Blue diamond)
- Issue being managed (Yellow diamond with border)
- On track (Green diamond)
- Indicative date (prior to baseline plan) (Grey diamond)
- Critical Path (Red dashed line)
- Current month (Pink vertical line)



Project 1: Delivery Highlight Report

Bwrdd Uchelgais Economi Gogledd Cymru
North Wales Economic Ambition Board



Project Status	Pre-delivery	Delivery	Benefits Realisation
	✓		

Project Objectives	<ul style="list-style-type: none"> What the project is there to deliver. When making decisions/ prioritising around scope, timescales, (etc) we should be able to see a clear link
--------------------	------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------

Project Maturity RAG	Overall assessment of project maturity/delivery readiness
----------------------	-----------------------------------------------------------



Progress Update
<ul style="list-style-type: none"> Concise bullet points describing progress and key successes since the last reporting period

Risks and Issues				
ID	Top Risks / Issues	Residual Severity (1-25)	Trend ±1	Mitigation
	Insert the key risks and issues this month			

Key Programme Milestones and Deliverables			
Milestone and Deliverables For current & next calendar quarter	Baseline Date	Forecast Date	Status
Insert milestones	mm/yy	mm/yy	

Decisions/Approvals Required
<ul style="list-style-type: none"> Depending on programme/ audience: <ul style="list-style-type: none"> Any required action, decision or sign-off from the audience Updates on key board decisions/ sign-offs

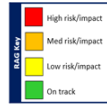
Project 1: Delivery Highlight Report

Bwrdd Uchelgais Economi Gogledd Cymru
North Wales Economic Ambition Board



Project Status	Pre-delivery	Delivery	Benefits Realisation
		✓	

Project Objectives	<ul style="list-style-type: none"> What the project is there to deliver. When making decisions/ prioritising around scope, timescales, (etc) we should be able to see a clear link
--------------------	------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------



Delivery Confidence		Last Month RAG	Current Month RAG	Next Month RAG	What would improve the RAG status when amber or red
	Timeline				RAG against - Have we delivered everything that we should have delivered in the last, current and next period
	Budget				RAG against - How does the planned budget compare to the actual spend or forecast spend?
	Risk				RAG against - How serious is the risk profile against profile delivery?

Progress Update
<ul style="list-style-type: none"> Concise bullet points describing progress and key successes since the last reporting period

Budget				
Timeline	Plan	Actual	Total Forecast	Forecast Variance
20/21	£	£	£	£
21/22	£	£	£	£
22/23	£	£	£	£
23/24	£	£	£	£
Total	£	£	£	£

Decisions/Approvals Required
<ul style="list-style-type: none"> Depending on programme/ audience: <ul style="list-style-type: none"> Any required action, decision or sign-off from the audience Updates on key board decisions/ sign-offs

Project 1: Delivery Highlight Report



Project Status	Pre-delivery	Delivery	Benefits Realisation
		✓	

Benefits (Top 5)	Last % RAG	Current % RAG
Populate with top 3 to 5 benefits and use the RAG status to show whether anything has happened to put these benefits at risk over the last month.		

Key Programme Milestones and Deliverables			
Milestone and Deliverables For current & next calendar quarter	Baseline Date	Forecast Date	Status
insert milestones	mm/yy	mm/yy	

Risks and Issues				
ID	Top 3 Risks	Residual Severity (1-25)	Trend ↓ ↑	Mitigation
	Insert up to 3 of the key risks			

ID	Top 3 Issues	Severity (1-5)	Trend ↓ ↑	Planned Action
	Insert up to 3 of the key issues			

Project 1: Delivery Highlight Report



Project Status	Pre-delivery	Delivery	Benefits Realisation
			✓

Project Objectives	<ul style="list-style-type: none"> What the project is there to deliver. When making decisions/prioritising around scope, timescales, (etc) we should be able to see a clear link
--------------------	-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------

RAG Key

- High risk/impact
- Med risk/impact
- Low risk/impact
- On track

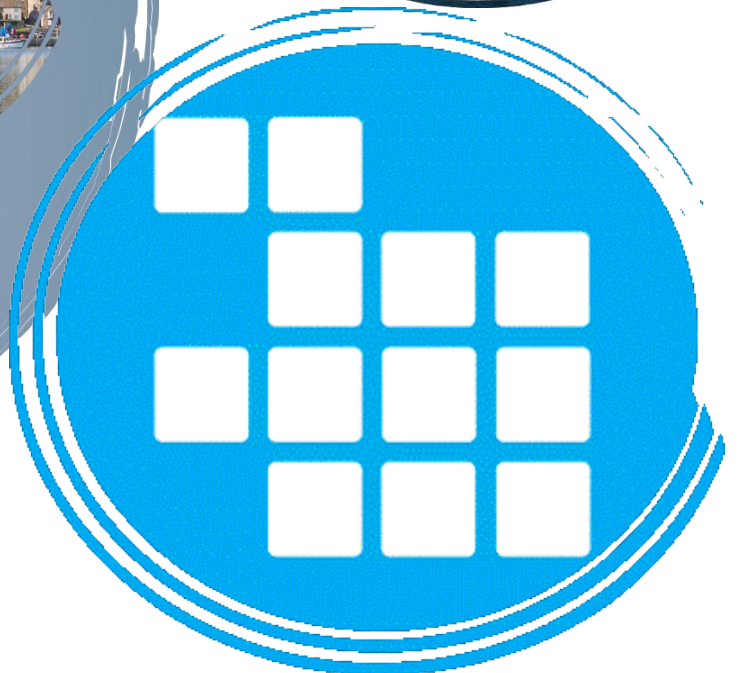
Benefits (Top 5)	Last % RAG	Current % RAG
Populate with top 3 to 5 programme benefits and use the RAG status to show whether anything has happened to put these benefits at risk over the last month.		

Risks and Issues				
ID	Top Risks / Issues	Residual Severity (1-25)	Trend ↓ ↑	Mitigation
	Insert the key risks and issues associated with benefits realisation			

Progress Update
<ul style="list-style-type: none"> Concise bullet points describing progress and key successes since the last reporting period

Decisions/Approvals Required
<ul style="list-style-type: none"> Depending on programme/ audience: <ul style="list-style-type: none"> Any required action, decision or sign-off from the audience Updates on key board decisions/ sign-offs

DRAFT BENEFITS REALISATION STRATEGY



NORTH WALES GROWTH DEAL
BENEFITS REALISATION STRATEGY

Version Control			
Version	Date of change	Editor	Details

INTRODUCTION

About this document

- 1.0. Explicit in the aim of the Growth Deal is the ambition of inclusive growth, growth that delivers a more vibrant, sustainable and resilient economy in North Wales in line with the Wellbeing of Future Generations (Wales) Act 2015 and the Prosperity for All Economic Action Plan.¹
- 1.1. This Draft Benefits Realisation Strategy (“the Strategy”) sets out the overarching approach to managing benefits within the North Wales Growth Deal by outlining the approach the North Wales Economic Ambition Board (NWEAB) will take to:
 - Realise the benefits anticipated by delivery of the Growth Deal as set out in the Portfolio and Programme Business Cases;
 - Agree the economic, social and other impacts that may be generated as a result within the Region, Wales and elsewhere in the UK.
 - Determine potential negative impacts arising from delivery of the Growth Deal and how the NWEAB will mitigate for and manage these.
- 1.2. The Strategy will be delivered by the Portfolio Management Office (PMO) and Project Sponsors.
- 1.3. The Benefits Realisation Strategy has been developed using guidance reference material including the ‘Guide for Effective Benefits Management in Major Projects from HM Infrastructure and Projects Authority², HM Government Magenta Book,³ WEFO⁴ Wales Audit Office, Welsh Government ‘Preparing for the commencement of the Socio-economic Duty’ guidance document⁵ and examples of best practice elsewhere.

The Growth Deal

- 1.4. The NWEAB was established in 2012 and covers the six Local Authority administrative areas of the region of North Wales and University of Bangor, Glyndwr University, Coleg Cambria and Grŵp Llandrillo Menai. The private sector has also shaped the deal through the North Wales Mersey Dee Business Council and the Business Delivery Group.
- 1.5. The Growth Deal builds on the Growth Vision for North Wales, adopted in 2016:

“a confident, cohesive region with sustainable economic growth, capitalising on the success of high value economic sectors and our connection to the economies of the Northern Powerhouse & Ireland.”

¹ <https://gov.wales/sites/default/files/publications/2019-02/prosperity-for-all-economic-action-plan.pdf>

²

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/671452/Guide_for_Effective_Benefits_Management_in_Major_Projects.pdf

³ <https://www.gov.uk/government/publications/the-magenta-book>

⁴ <https://gov.wales/sites/default/files/publications/2019-09/eu-structural-funds-monitoring-and-evaluating-projects-guidance.pdf>

⁵ <https://gov.wales/sites/default/files/publications/2020-07/preparing-for-the-commencement-of-the-socio-economic-duty.pdf>

- 1.6. The focus of the Growth Deal 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 deliver inclusive growth.
- 1.7. Investment will be targeted at strategically important industrial sectors via a portfolio of the five programmes in two categories;
- (i) those increasing the value of high growth sectors
 - Low carbon energy programme
 - Innovation in high value manufacturing programme
 - Agrifood and tourism programme
 - (ii) those addressing key barriers to growth
 - Land and property programme
 - Digital programme
- 1.8. The breakdown of the investment is set out in Table 1.1

Figure 1.1 Capital Expenditure Breakdown

Project	Growth Deal Investment (£m)	Other Public Sector Investment (£)	Private Sector Investment (£)	Total Capital Investment (£)
Digital Programme	37.0	3.1	1.5	41.7
Low Carbon Energy Programme	86.4	140.4	441.7	668.5
Land and Property Programme	79.1	1.9	274.4	355.4
Innovation in High Value Manufacturing	13.0	26.5	0.0	39.4
Agri-food and Tourism Programme	24.5	12.4	4.4	41.4
GROWTH DEAL TOTAL	240.0	184.3	722.0	1,146.4

- 1.9. As set out in Table 1.2, these five programmes will collectively contribute to delivering the following benefits to the region over a fifteen year term:
- The creation of between 3,400 - 4,200 net new jobs
 - An uplift in the region's GVA of between £2.0 billion and £2.4 billion for the North Wales economy
 - Total investment of £1.1 billion.

Table 1.2 Net Additional Economic Benefits (GVA is cumulative to 2036 and expressed in 2020/21 prices, undiscounted; jobs are annual at steady state)

	GVA (£m)	Jobs Created (FTEs)
Low carbon energy	430 - 530	800 - 980
Innovation in high value manufacturing	90 - 110	150 - 180
Agri-food and tourism	230 - 280	310 - 380
Land and property	1,060 - 1,290	1,870 - 2,280
Digital	150 - 190	310 - 380

Total, North Wales Growth Deal	1,970 – 2,410	3,440 – 4,210
--------------------------------	---------------	---------------

Source: Hatch calculations based on project level data. Rounded to the nearest £10m/10 FTEs. Ranges apply a ± 10% margin of error.

Rest of this Strategy

1.10. The rest of this Strategy sets out:

- Programme outcomes (section four). Summarising the challenges the Growth Deal aims to address through inclusive growth and other identified objectives;
- Target audiences and reporting (section three). Outlining those anticipated to be the main users of the benefit realisation monitoring and evaluation findings, and how and when they will be engaged;
- Programme theory of change (section five). Articulating the case for investment (inputs), the activities required to deliver the investment. It shows where benefits will be realised (outputs) and who the intended beneficiaries are. Finally, it illustrates the possible relationships between inputs, activities, outputs, and the key impacts targeted by the Growth deal in the medium and long term;
- Measurement approaches (section six) propose key performance indicator (KPI) selection and data collection implied by the above, and the consequent monitoring and evaluation approaches that will be adopted to assess outputs and impacts;
- Change control reporting protocols (section seven) to ensure there are the necessary governance arrangements to implement this Strategy and derive strategic benefits from the monitoring, evaluation and management of programme activities;

1.11. This Benefits Realisation Strategy should be read alongside the following key documents

- The Growth Deal Monitoring and Evaluation Plan (MEP)
- Growth Deal Impact Assessments focusing on Equality, the Future Generations Act and Welsh Language
- The Integrated Assurance and Approval Plan (IAAP).

1.12. Further work will be undertaken as project business cases are development to build agreement across the Growth Deal partners around key terms included in this document,⁶ alignment between this strategy and Wales' national development framework outcomes and international Sustainable Development Goals (SDGs), and alignment of processes between NWEAB and Project Sponsors.

⁶ With reference to key documents such as

TARGET AUDIENCES AND REPORTING

Who will be engaged and why

- 2.0. Audiences who will wish to use or have an interest in the outputs of the Benefits Realisation Strategy and respective monitoring and evaluation approaches proposed include:
- **The general public** to understand the impacts of the Deal, how best they and their communities might directly engage with and benefit from relevant programmes and projects as well as what progress has been made to securing Growth Deal objectives;
 - **Growth Deal investors** across both UK and Welsh Governments to provide a basis from which to determine, against agreed baseline information, the extent to which the anticipated impacts of the deal are, or are likely to, be delivered and what changes to future activities might enhance these impacts or mitigate unforeseen external factors;
 - **North Wales Economic Ambition Board Executive Board** which advises the activity of the Growth Deal Portfolio Management Office (PMO) and engages with all of the above in performance monitoring;
 - **The Growth Deal programme boards** established to advise and oversee the implementation, ongoing operation, monitoring and management of specific themes, projects and programmes.
 - **Key partner organisations or bodies** such as the Regional Skills Partnership, the Business Advisory Group and others wishing to engage with, support and influence positive outcomes from the Growth Deal.

Reporting Principles

- 2.1. In reporting outputs and impacts to the audiences above the NWEAB and its project sponsors are committed to:
- Adhering to the overarching principles of Government best practice in project and programme delivery;
 - Selecting appropriate monitoring and evaluation approaches to best measure progress in meeting the inclusive growth objectives and impacts associated with the deal;
 - Regularly updating this strategy and associated reporting protocols; and,
 - Adopting other new measures that will help assess and support the better management of deal activities and impacts
- 2.2. In addition, the NWEAB has adopted the following principles based on experience of other growth deals:
- Delivery objectives and associated performance indicators will consistently be aligned to the Growth Deal's stated output and impact objectives, as set out in the portfolio and programme documents;

- Monitoring and evaluation will be used to confirm that: the benefits associated with these outputs can be realised; risks of non-delivery can, where appropriate, be managed; and, unjustified work can be terminated;
- Governance, management frameworks and monitoring and evaluation approaches are proportionate and appropriate to the work and levels of prevailing risk associated with each programme and related project delivery;
- Accountabilities and responsibilities are defined, mutually consistent and traceable across all levels of management as summarised in the previous section and set out in the Growth Deal document;
- Monitoring and evaluation approaches, resources and good practice will be shared among programme leads to minimise the costs associated with monitoring and evaluation, while also aiming to maximise future benefits particularly across programme interdependencies. This will include:
 - Adopting common data sets, definitions and reporting cycles to allow comparisons to be drawn between projects and programmes at both a theme and, where appropriate, programme level; and,
 - Using existing data sources and streamlining any new data collection as much as possible.
- The suitability of selected indicators will be subject to ongoing review in the light of alternative data sources / approaches to measurement becoming available; and,
- Outcomes and enabling outputs will be effectively consulted and scrutinised on an ongoing basis, by relevant stakeholders, representative bodies and agencies.

Reporting

2.3. Aside from the ongoing weekly, monthly and other progress reporting already undertaken by the PMO the monitoring and evaluation of the outputs, outcomes and intermediate impacts of the deal will form part of the regularly reporting cycles within the formal management and oversight of the Growth Deal performance, namely:

- **Quarterly Reporting** - each Programme Board will produce a quarterly risk and performance monitoring report against the milestones set out in relevant business cases. A quarterly performance meeting will then take place between the PMO and Governments covering project progress by exception, financial monitoring, and performance including monitoring and evaluation. An overall programme risk register and performance monitoring report with any recommendations then be considered by the NWEAB Board.
- **Annual Reporting** - based on the above, and in order to assess how much impact the Growth Deal is having on agreed inclusive economic growth outcomes, the PMO will include aggregate output, impact data, and relevant case study material – together with updates and amendments to this Strategy - in an annual report on all Growth Deal activities. Data will be shared and cross referenced with data gathered by the North Wales Public Service Boards.

- **Economic Impact 3-5 years** – an external commissioned evaluation of the North Wales economy to assess the overall change in the value of the economy (GVA) productivity (GDP) jobs and unemployment etc.

PROGRAMME OUTCOMES

Growth Deal Context

3.0. As set out above, the Growth Deal builds on the Growth Vision for North Wales:

“a confident, cohesive region with sustainable economic growth, capitalising on the success of high value economic sectors and our connection to the economies of the Northern Powerhouse & Ireland.”

- 3.1. The aim of the Growth Deal 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 deliver **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 and the Prosperity for All Economic Action Plan.
- 3.2. Regional baseline indicators set out below describe substantial inequality across the North Wales region and in comparison to similar areas of the UK, and it is essential that the Growth Deal therefore delivers on its commitment to inclusive growth. The following sections set out the challenges of tackling inclusive growth through the Growth Deal Programmes, and the objectives, supporting approaches, management and governance structures the NWEAB will engage to help address these challenges.

Inclusive Growth Challenges

- 3.3. The following challenges were identified within the Growth Vision for North Wales Proposition Document based on comparison of data across the North Wales region and comparison against other regions within Wales and the UK:
- Despite the increase in GVA in the region, there is a wide variation in GVA per head between West and East of the region. The GVA in North Wales remains persistently lower than the UK average.
 - Although employment and unemployment levels are improving, growth in ‘high value’ sectors in the economy has been volatile during the last five years. This presents a challenge if we are to improve productivity and competitiveness of the region.
 - Some parts of the region are reliant on traditionally low paid sectors/employment. Over reliance on public sector in some areas can have a negative impact, especially given the current financial climate.
 - Even though the region has seen an improvement in employment and unemployment, the economic inactivity rates have not improved and are above the UK average.
 - Average household earnings are below Wales and UK averages, with some Local Authorities in the West among the lowest in Wales and the UK.
 - 94.5 percent of enterprises in North Wales are classed as zero to micro sized band (0-9 employees). This indicates a reliance on micro businesses in region.

- There is a dearth of larger enterprises especially in the North West counties and challenges around growing business beyond micro, small and medium sizes.
- Inadequate Digital Connectivity across the region continues to present challenges to enterprise and individuals, with infrastructure lagging behind the rest of the UK in terms of coverage and capacity.
- Transport links and physical infrastructure limit movement and ready access to major employment hubs.
- Levels of housing completions across the region are at an all-time low, and house building is failing to keep pace with demand.
- Skills levels – current workforce does not possess the higher skills or the correct skills required for the growing economy. There is a poor take up of STEM/digital subjects.
- There is an ageing population in the region and a net outward migration of talent. Investing in skills that match the needs of the region’s new employment opportunities is fundamental to our future economic health.

3.4. Looking towards implementation in Wales of the Socio Economic Duty in March 2021, the NWEAB identified a range of Inclusive Growth Ambitions to address these challenges that could:

- Inform and be adopted by individual programmes and projects as an opportunity for ambition and a basis against which to monitor and demonstrate outcomes;
- Incentivise, support and enhance linkages and collaboration across programmes and projects (to deliver additional benefits); and,
- Support overall Growth Deal governance and management decision making and reporting, and monitoring and evaluation approaches.

Inclusive Growth Ambitions

3.5. Inclusive Growth Ambitions will be developed through discussions with Growth Deal partners to address the challenges above. These will be developed and confirmed during the development of project business cases. Examples of possible ambitions are set out below:

- Remove housing, digital and transport barriers to growth through interventions to increase housing stock and enhancing online and transport connectivity across the Region;
- Deliver social, economic and environmental benefits through procurement in line with principles that increase the value achieved from Growth Deal investments;
- Target employability and skills interventions by widening access and addressing skills shortages to boost the flow of individuals from disadvantaged groups into good career opportunities;
- Accelerate Inclusive Growth to unlock new talent pools for business, promoting fair work, and equipping disadvantaged citizens with the skills they need to succeed;
- Monitor and improve Growth Deal outcomes for women, people with disabilities, those facing age barriers and individuals from ethnic minority communities; and,
- Record and, where possible, enhance the additional benefits of Partnership working that would not necessarily have occurred in the absence of the Deal .

Examples of how these Ambitions will be realised in practice through the Growth Deal programmes are set out below:

Inclusive Growth Ambitions	Example
----------------------------	---------

A	Remove housing, digital and transport barriers to growth through interventions to increase housing stock and enhancing online and transport connectivity across the Region;	Deliver 1,000 plus residential development plots between 2021 and 2026 Ensure all inhabited premises in the region have Superfast broadband connectivity in the short term
B	Deliver social, economic and environmental benefits through procurement in line with principles that increase the value achieved from Growth Deal investments;	Strategic engagement with Public Service Boards by NWEAB PMO and Project Sponsors
C	Target employability and skills interventions by widening access and addressing skills shortages to boost the flow of individuals from disadvantaged groups into good career opportunities;	Targeted recruitment for employment opportunities during construction and delivery phases via routes that reach/include disadvantaged groups
D	Accelerate Inclusive Growth to unlock new talent pools for business, promoting fair work, and equipping disadvantaged citizens with the skills they need to succeed;	Provide training and upskilling to people/businesses in high value manufacturing, agri-food and tourism sectors Disaggregate take up of training and development by protected characteristics
E	Monitor and improve Growth Deal outcomes for women, people with disabilities, those facing age barriers and individuals from ethnic minority communities; and,	Jobs created across the portfolio will be disaggregated by by protected characteristics and job satisfaction
F	Record and, where possible, enhance the additional benefits of Partnership working that would not necessarily have occurred in the absence of the Deal.	Project Sponsors adopting these principles for wider regional working engagement Support and facilitate collaborations and regional supply chain strengthening

THEORY OF CHANGE

Outputs and Impacts

- 4.0. As indicated in the introduction to this Strategy a distinction is drawn between:
- Outputs: i.e. whether the themes are meeting their delivery Strategies and Growth Deal spending objectives; and,
 - Impacts: what economic, social and other benefits (or negative impacts) may have been generated as a result?
- 4.1. This distinction is also explicitly made in the Growth Deal:
- Outputs are described in quantitative terms over the lifetime of the Portfolio such as: 3,400 – 4,200 new jobs; leverage of £1.1 billion investment; and, deliver 1,000 plus residential development plots between 2021 and 2026; and,
 - Impacts are outlined primarily in terms of meeting inclusive growth objectives through the delivery of these outputs e.g. “The NWEAB will promote and champion the

delivery of social value and community benefits through procurement activity and test key policies such as the socio economic duty and the social partnerships bill”

Theory of change

- 4.2. A “Theory of Change” provides an initial basis against which to map out the potential relationships between programme inputs, activities, outputs, outcomes and impacts. Consequently a Theory of Change provides a framework against which to consider what it may be important to subsequently test, monitor and evaluate. These build on the logic models set out in the portfolio and programme business cases, but in addition seek to make explicit the assumptions that underpin the logic model regarding how the Growth Deal investments will drive inclusive growth.
- 4.3. The NWEAB PMO has drafted provisional theories of change for each of the Growth Deal’s programmes as set out in Appendix A. These will be developed further with Programme Boards and built into an overarching Theory of Change for the portfolio.
- 4.4. In developing these provisional theories of change, the PMO has focused on the linkages between:
 - The **inputs and activities** identified within programmes comprising the Growth Deal portfolio;
 - Main **beneficiary groups** in terms of sectors and residents across North Wales and beyond that will be impacted by these activities;
 - Short term **direct outputs** that will result within these sectors and resident groups on completion and opening of each project
 - A range of **intermediate** medium-term impact indicators of relevance to each programme that will seek to capture, against agreed baselines, direct benefits across Growth Deal beneficiary groups; and,
 - A **minimum number** of long term impacts that focus, at a Regional level, upon the sustainable benefits of the Deal in terms of:
 - Economic growth, including sustainable employment growth and increases in investment and associated returns;
 - How the above is aligned to and supports the delivery of the five inclusive growth ambitions and related “positive actions” in regard to identified protected characteristics groups; and,
 - A **minimum number** of possible negative impacts that focus, at a Regional level, on risks to the sustainable benefits of the Growth Deal in terms of impacts on carbon emissions, biodiversity and negative economic feedback impacts.
- 4.5. A set of programme pro formas will also be developed to present the following information. See the draft template in Appendix B.
 - Programme approaches to measuring identified outputs, impacts and benefits
 - Method for testing net additionality i.e. whether impacts identified are likely to be a result of Growth Deal interventions versus the Business as Usual option
 - Baseline information: e.g. jobs, GVA and programme variables
 - Key impact indicators: which represent the benefits of projects and will be used in conjunction with the baseline information to monitor progress and inform future impact evaluations.
 - Data sources: Sources of the initial baseline and subsequent impact indicator information

- Tracking timetable; programme specific, proportionate period of monitoring of impact indicators.
- Impact Approach; in terms of the type of methods that could be adopted to evaluate the net impacts generated by theme activities and outcomes

Strategic Added Value

4.6. Finally, while the above assumes a degree of linkage across and between programmes, there is no explicit recognition of the additionality of Growth Deal working relationships and outcomes. To address this the PMO anticipates - as outlined in Table Four - annually providing both Governments with qualitative examples of such benefits across five dimensions suggested below.

Potential Strategic Added Value Elements of the North Wales Growth Deal

Definition	Examples
Strategic leadership & catalyst: Articulating and communicating regional development needs, opportunities and solutions to partners and stakeholders in the region and elsewhere.	Creating confidence in the prospects for inclusive economic growth and in the capacity of partners and stakeholders to realise the potential for growth and improved Growth Deal performance.
Strategic influence: Carrying out or stimulating activity that defines the distinctive roles of partners, builds commitment to shared strategic objectives and encourages them to allocate their funds accordingly.	Generating cross-regional partnerships of mutual benefit to the growth prospects of each participating area. Achieving alignment and interlocking of the priorities and investment strategies of the North Wales Growth Deal and other partnerships.
Leverage: Providing financial and other incentives to mobilise partner and stakeholder resources – equipment, people as well as funding.	Levered funding and other resources from partners and stakeholders in support of Growth Deal objectives.
Synergy: Using organisational capacity, knowledge and expertise to improve information exchange and knowledge transfer and coordination and/or integration of the design and delivery of interventions between partners.	Reduced duplication of service provision from regional partners – e.g. in business development support. Scaling up of programmes and projects to beneficial levels that achieve scale economies and provide for critical mass in securing benefits.
Engagement: Setting up the mechanisms and incentives for more effective and deliberative engagement of stakeholders in the design and delivery of Regional and sub-Regional priorities and programmes.	Introducing quality and innovation in Growth Deal interventions through the transfer of good practice, the development and use of benchmarks and the adoption of new processes.

MEASUREMENT APPROACHES

5.0. Given these draft Theories of Change, the PMO developed a series of Pro Formas which identify: **specific theme approaches** to monitoring and evaluation in relation to identified outputs, potential impacts and positive equality actions; and, a **general approach** to monitoring and evaluating **Community Benefits and Social Innovation** realisation given the

cross cutting nature of both objectives and extensive variation in the benefits that could emerge.

5.1. Envisaged as key summary document - as well as an “informal contract” that Programme partners will consistently adopt in their approaches to monitoring and evaluation - each Pro Forma details:

- **Baseline information in regard to theme beneficiaries** e.g. reference unemployment rates, return on investment anticipated from a research project, gender, ethnicity, disability of employees, existing transport use patterns etc.;
- **Key impact indicators;** which best represent the likely benefits of theme activities and could be used - and compared to the above baselines - to monitor progress and consequently be utilised in any future impact evaluation;
- **Data Source(s);** either existing or new data points that would directly or indirectly best capture the above indicators;
- **Monitoring Cycle;** when it is best practical to report progress given the different short, medium and long term time horizons relating to different themes and activities not only between construction and operation but also different annual reporting timescales and outcome/impact effects; and,
- **Impact Approach;** in terms of the type of method(s) that could be adopted to evaluate the net impacts generated by theme activities and outcomes.

Change Management

5.2. A Change and Issues Management Strategy has been developed for the Growth Deal Portfolio. The strategy defines what change is, how change is assessed and managed.

5.3. Two main types of change are described:

- **Transformational or Strategic Change** – this is change which transforms the way a programme or project is delivered necessitating the putting in place of new structures, systems, procedures and, potentially, the review of a project and the benefits it is intended to deliver.
- **Incremental or Tactical Change** – is change which is capable of being accommodated within a programme or project.

5.4. To understand the implications of these an understanding is needed of the benefit flows that have been delivered against baseline as well as projections about future benefit levels. If change management is to be effective benefits must be measurable and link outputs to strategic goals.

Change Control

5.5. The Change Management Strategy covers the following:

- Types of Change
- Defining a Change
- Change Categories
- Assessing Change
- Change in Portfolio, Programme and Projects
- Measuring Change

- Managing Change
- Change Management Escalation Process
- Change Impact from Project to Programmes
- Change Impact from Programmes to Portfolio
- Change Escalation Protocol
- What is the process for Change Escalation?
- New Projects Procedure

5.6. Major change decisions in projects are escalated from project level to programme board level, or, when required, to the Portfolio Board for discussion. Recommendations are then presented to the North Wales Economic Ambition Board (if required) for decision.

5.7. Examples of major changes may relate to cost, scope and time, for instance projects expenditure is either below forecast (underspend) or costs rise beyond expected tolerances (overspend). Both circumstances present challenges to either increasing or decreasing project scope and benefits.

5.8. A high-level assessment of the areas likely to be impacted by a change is recommended initially. The analysis of the assessment of the possible change should then be broken down into impact in specific areas and these might include the following

- Risk – How complex is the change to the programme or project and what is the impact on risk?
- Market Demand –Has the change impacted demand for the output?
- Funding – Will the change will affect funding issues. Is there sufficient funding or budget allocation to implement the change and deliver the programme or project?
- Resources – Who and what will it involve?
- Benefits – Will the change impact on the benefits to be delivered?
- Availability/capacity – Has the Programme or Project got the capacity to implement the change from within existing resources?

5.9. The use of a Red, Amber, Green (RAG) assessment for the impact of a possible change to a Programme or Project is a useful tool to help assess whether it needs to be escalated within the Portfolio Management Office. The indicative RAG assessment for the impact of change can be measured against the following main criteria to assess the course of action.

Green: RAG Assessment
<ul style="list-style-type: none"> • Resourcing - No additional resourcing implications • Time – No impact on project timetable • Budget - Within allocated budget • Risks – no additional risk • <i>Benefits - No reduction in benefits</i>
Amber: RAG Assessment
<ul style="list-style-type: none"> • Resourcing - additional resources required can be met from within existing delivery teams • Time – project delay likely but within acceptable tolerance • Budget – Forecast expenditure increase/decrease within agreed tolerances • Risks - additional risks but can be mitigated within budget • <i>Benefits - potential reduction or increase in benefits</i>
Red: RAG Assessment

- Resourcing - significant resource implications
- Time – significant delays expected
- Budget - Forecast expenditure increase/decrease to exceed agreed tolerances
- Risks - significant risks that cannot be mitigated within budget
- *Benefits - target benefit unlikely to be achieved*

5.10. When assessing the potential impact of change requests, it is also vital to consider the impact of not making the change.

Determine the course of action – approve or reject change

5.11. Once a change request has been assessed, there are three possible actions to take:

- Approve the request;
- Reject the request;
- Request further information.

5.12. Depending on the nature of the change and the potential impact, decisions on changes will be taken at different levels within the portfolio with a clear escalation pathway through from project to programme to portfolio level.

Change Management Escalation Process

In the event that the impact of change cannot be approved or rejected at the project level, the following escalation process should be followed.

Project > Programme

- Potential project changes of significant concern or impact will be escalated to the Programme Board for consideration.

Programme > Portfolio

- Potential project or programme changes of significant concern or impact will be escalated to the Portfolio Board for consideration.

Portfolio > NWEAB

- Significant changes, particularly those with a significant financial implication would be escalated to the NWEAB for a final decision.

Appendix A - Draft Theories of Change by Programme

Innovation in High Value Manufacturing

Page 60

Input	Activities	Beneficiaries	Short Term Outputs	Medium Term Impacts	Longer Term Impacts	Possible Negative Impacts
<p>Centre for Environmental Biotechnology (CEB):</p> <ul style="list-style-type: none"> • Growth Deal Ask £3m • Total infrastructure cost £9.6m <p>Enterprise Engineering & Optics Centre (EEOC)</p> <ul style="list-style-type: none"> • Growth Deal Ask £9.9m • Total infrastructure cost £29.8 	<p>Short term</p> <ul style="list-style-type: none"> • Project Business Case Approval • Design Phase and Planning Approval (if required) • Procurement • Start on Site Construction <p>Longer term To be confirmed during project business case development</p>	Construction industry and its supply chain	Construction and Supply Chain jobs & apprenticeships	Skills in the high value manufacturing sector are better aligned to the needs of business	<p>Manufacturing sector resilient and driving further innovation</p> <p>More equality of employment opportunity in these sectors for all residents, regardless of gender, age, disability, race etc</p> <p>Reduced outmigration</p> <p>Reduced carbon emissions and biodiversity loss</p>	<p>Increases in carbon emissions and biodiversity loss during construction</p> <p>Increases in scope 1 - 3 carbon emissions during project implementation</p> <p>Risk of residents being outpriced for homes due to visitors' second homes</p>
		Universities	Better qualified, more diverse workforce	Greater innovation in high value manufacturing driving further opportunities		
		SMEs in manufacturing supply chains	Improved opportunities for innovation and collaboration	Resident employment levels in these sectors maintained or improved, particularly among young people		
		North Wales and NW England citizens	New researchers employed	Quality of jobs for residents in these sectors maintained or improved		
Wales and UK citizens	Increased employment and training opportunities for citizens of all backgrounds	Improved access to sustainable materials and technology				

Theme	Input	Activities	Beneficiaries	Short Term Outputs	Medium Term Impacts	Longer Term Impacts	Possible Negative Impacts
Agri-Food & Tourism	<p>Project 1: Glynllifon Rural Economy Hub</p> <ul style="list-style-type: none"> • £10m Growth Deal • Total Cost - £13m <p>Project 2: Llysfasi Carbon Neutral Centre</p> <ul style="list-style-type: none"> • £10m Growth Deal • Total Cost - £15.4m <p>Project 3: Tourism Talent Network</p> <ul style="list-style-type: none"> • £4.5m Growth Deal • Total Cost - £12.9m 	<p>Short term</p> <ul style="list-style-type: none"> • Project Business Case Approval • Design Phase and Planning Approval (if required) • Procurement • Start on Site Construction 	<p>Construction industry and its supply chain</p> <p>Owners of agri-food and tourism businesses</p> <p>Employees of agri-food and tourism businesses</p>	<p>Construction and Supply Chain jobs & apprenticeships</p> <p>Better qualified, more diverse workforce</p> <p>Increased employment and training opportunities, including for those with protected characteristics and those wanting to work in Welsh</p>	<p>Skills in the agri-food and tourism sector are better aligned to the needs of business</p> <p>Greater innovation across agri-food & tourism sectors driving further opportunities</p> <p>Resident employment levels in these sectors maintained or improved</p>	<p>Agri-food & tourism sectors resilient</p> <p>More equality of employment opportunity in these sectors for all residents, regardless of gender, age, disability, race etc</p>	<p>Increases in carbon emissions and biodiversity loss during construction</p> <p>Increases in scope 1 - 3 carbon emissions during project implementation</p>
		<p>Longer term</p> <p>To be confirmed during project business case development</p>	<p>North Wales citizens</p>	<p>Strengthened North Wales supply chains</p>	<p>Quality of jobs for residents in these sectors maintained or improved</p>	<p>Reduced outmigration</p>	<p>Risk of residents being outpriced for homes due to visitors' second homes</p>
			<p>North Wales visitors</p>	<p>Improved visitor experience</p>	<p>Visitor numbers are sustained or increase</p>		

Theme	Input	Activities	Beneficiaries	Short Term Outputs	Medium Term Impacts	Longer Term Impacts	Possible Negative Impacts
Low Carbon Energy	Project 1: Morlais <ul style="list-style-type: none"> • Growth Deal Ask £9m • Total infrastructure cost £36m 	Short Term Project Business Case Approval • Design Phase and Planning Approval (if required) • Procurement • Start on Site Construction Longer term To be confirmed during project business case development Low carbon energy generation.	UK & Welsh Government Local economy Local businesses Employees Wider society & local communities Education providers Universities	New jobs GVA uplift Investment in energy projects Low carbon energy generation Enabling R&D projects through new infrastructure & facilities Carbon savings Decarbonising transport networks	Direct & indirect job creation	Climate change mitigation Reduced unemployment Retaining Welsh language skills within the region Inward investment and agglomeration benefits Local ownership of energy projects Improved air quality & health benefits	Increases in carbon emissions and biodiversity loss during construction Increased fuel bills
	Project 2: Low Carbon Energy Centre of Excellence <ul style="list-style-type: none"> • Growth Deal Ask £21m • Total infrastructure cost £97.7m 				Temporary construction jobs & supporting the regional construction sector		
	Project 3: Trawsfynydd Power Station <ul style="list-style-type: none"> • Growth Deal Ask £20m • Total infrastructure cost £400m 				Reduced out-migration Reduced unemployment Supporting and encouraging spin-out companies		
	Project 4: Smart Local Energy Project <ul style="list-style-type: none"> • Growth Deal Ask £25m • Total infrastructure cost £106.2m 				Increasing productivity, innovation and commercialisation through R&D		
	Project 5: Transport Decarbonisation <ul style="list-style-type: none"> • Growth Deal Ask £11.4m • Total infrastructure cost £28.6m 				Supporting the growth of the North Wales supply chains Increased research capacity and improved research excellence reputation for North Wales		

Theme	Input	Activities	Beneficiaries	Short Term Outputs	Medium Term Impacts	Longer Term Impacts	Possible Negative Impacts
Land and Property	Sites and Premises 1. Western Gateway, Wrexham NWGD ask £9.1m Total Investment £32.4m 2. Warren Hall, Broughton NWGD ask £15m Total Investment £70m 3. KSS, Bodelwyddan NWGD ask £10m Total Investment £82m 4. FNWH, Denbigh NWGD ask £4m Total Investment £74m 5. Parc Bryn Cegin, Bangor NWGD ask £6m 6. Holyhead Gateway NWGD ask £35m Total investment £80m	Short term <ul style="list-style-type: none"> Project Business Case Approval, cost certainty market demand private sector funding commitment Design Phase and Planning Approval (if required) Procurement Start on Site Construction 	Construction industry and its supply chain Funders Employees and their families Professional Firms	Construction industry and its supply chain Business certainty driving investment and recruitment Better qualified, more diverse workforce	New entrants to the market Greater certainty driving increased investment Multiplier impact into the wider economy	Investment Certainty and reduced risk lead to increased investment Manufacturing and supply chain benefit Public services	Increases in carbon emissions and biodiversity loss during construction Congestion and traffic generation - Increases in scope 1 - 3 carbon emissions during project implementation
		Practical completion	SMEs in manufacturing supply chains	Improved opportunities for innovation and collaboration	Heath and wellbeing improvements Community Cohesion Improved public services New entrants to the market	Improved facilities for employment housing and recreation and leisure Reduced outmigration of young and talented	Displacement of construction activity from other areas or projects Failure to meet employment, GVA and investment targets Loss of bio diversity and habitat
		Longer term Property developers Investors and funders Professional Firms Financial Services Property Maintenance firms Tenants and business employees	Local Government, education and training providers services Statutory Undertakers capacity enhancements	Infrastructure enhancement	Quality of jobs for residents in these sectors maintained or improved	Increase in community cohesion and vitality	Risk of residents being outpriced for homes due to visitors' second homes Timescales to deliver schemes and manage expectations
		Suppliers and contractors to businesses Households and associated spend multiplier	Health and Social care benefits	Training programmes and providers Increased employment and training opportunities for citizens of all backgrounds	Improved access to sustainable materials and technology Housing Need reductions Port capacity improvements Increased visitor numbers and spend multiplier carbon emissions reductions Increased investment	Reduced carbon emissions and biodiversity loss Skills and training improvements. Reduced deprivation. Health and well being improvements Regional manufacturing and supply chain capacity	Delivery risk associated with development viability risks in meeting zero carbon emission spec properties

Theme	Input	Activities	Beneficiaries	Short Term Outputs	Medium Term Impacts	Longer Term Impacts	Possible Negative Impacts
Digital	<p>Project 1: Full fibre at Key sites</p> <ul style="list-style-type: none"> • £6.8m Growth Deal • Total Cost - £7.2m <p>Project 2: Connected Campuses</p> <ul style="list-style-type: none"> • £21m Growth Deal • Total Cost - £21m <p>Project 3: Connected Corridor</p> <ul style="list-style-type: none"> • £2.2m Growth Deal • Total Cost - £2.2m <p>Project 4: Last Few %</p> <ul style="list-style-type: none"> • £4m Growth Deal • Total Cost - £4m <p>Project 5: DSP Centre of Excellence</p> <ul style="list-style-type: none"> • £3m Growth Deal • Total Cost - £7.3m 	<p>Short term</p> <ul style="list-style-type: none"> • Project Business Case Approval • Feasibility and Design Phase • Procurement • Start on Site Construction <p>Longer term</p> <p>To be confirmed during project business case development</p>	<p>Telecoms industry and its supply chain</p> <p>SMEs including in key industries; logistics and transport, manufacturing, digital, tourism</p> <p>Public sector</p> <p>North Wales citizens</p> <p>North Wales visitors</p>	<p>Affordable and competitive full fibre infrastructure to support key industries</p> <p>99% superfast broadband coverage</p> <p>Increased capacity and capabilities at DSP Centre of Excellence</p> <p>Strategic coverage of high bandwidth fixed wireless access networks</p>	<p>Increase in new business start-ups</p> <p>More resilient, efficient, competitive and productive private sector in the region</p> <p>Reduction in enterprise mortality</p>	<p>Economic sustainability with businesses able to commercially exploit connectivity and new business models</p> <p>Wider employment opportunities and better paid jobs in modern growth industries</p> <p>Repositioning of the region as a diverse economy no longer based on agriculture, tourism, retail and the public sector</p> <p>Diversification of economy as connectivity allows for widest range of industries to locate and grow in the region</p>	<p>Existing businesses may need to be able to adapt to greater competition</p> <p>Greater connectivity may present cultural changes locally and regionally and established industrial sectors may not retain prominence / strong identity in the region.</p>

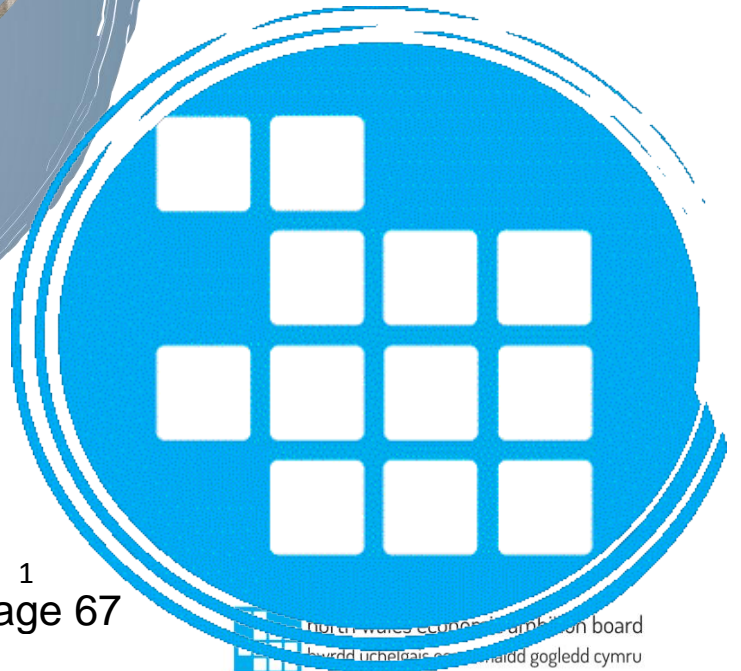
Appendix B - Draft Template

To be populated as project business cases are developed

Spending objective / Benefit	Baseline information	Impact indicators	Impact approach
1	i)		
	ii)		
	iii)		
2	i)		
	ii)		
	iii)		
3...			

Page 65

DRAFT CHANGE MANAGEMENT STRATEGY



Owner: Portfolio Management Office
Author: C D Mathews
Date of next review: TBC

Version History:

Version	Date	Section	Reviewer	Description of Amendment
1.0	22/10/2020	All	CDM	<ul style="list-style-type: none"> • Draft v1
2.0	22/10/20	All	HVE	<ul style="list-style-type: none"> • Revised draft v2
3.0				<ul style="list-style-type: none"> •
4.0				<ul style="list-style-type: none"> •
5.0				<ul style="list-style-type: none"> •

Table of Contents

Purpose.....	4
Types of Change	4
Change Categories	4
Change Management Process	6
Step 1: Defining a Change.....	6
Step 2: Assessing Change.....	6
Step 3: Determine the course of action – approve or reject change	7
Change Management Escalation Process	8
Change Escalation Protocol	8
Process for dealing with escalation	8
Portfolio Changes - Process for Considering New Projects.....	9
Appendices	11
Appendix: A Change Request Form	11
Appendix B: Example Change Register	13
Appendix C - Change Management Accountability.....	15

Purpose

This Change Management Strategy sets out the North Wales Economic Ambition Board's approach to managing change during the delivery of the North Wales Growth Deal.

With a complex portfolio consisting of 5 programmes and 14 transformational projects over a 15-year period, change is inevitable. The approach and tools set out in this strategy will enable potential changes to be recorded, assessed and managed in a controlled manner to support the delivery of the Growth Deal.

This strategy sits alongside the Risk and Issues Management Strategy as key tools for the management of risks, issues and change.

The primary objectives of this strategy is to set out the approach to:

- recording change requests
- managing change from initiation through to closure
- assessing the potential impact and priority of change requests
- ensuring change requests are considered at the appropriate level – portfolio, programme or project
- determining the course of action – approve or reject change
- communicating the decision and impact of change to the North Wales Economic Ambition Board (NWEAB) and its partners.

Types of Change

As a principle, change should be managed at an appropriate level within the portfolio. Potential change is considered in the portfolio, programme and project management process right from the outset. The size and scope of the project will dictate the best way of managing potential change however not all change is capable of being assessed.

There are three categories of change within the North Wales Growth Deal:

- **Portfolio level changes** – significant changes that will impact the overall portfolio including impacting on finances, spending objectives and benefits.
- **Programme level changes** – changes that will impact the programme, but not the wider portfolio.

Project level changes – changes that will impact the project, but not the wider programme or Change Categories

Change can be classified into differing categories the main ones being regulatory, environmental, financial, reputational and social, programme and project delivery and health and safety. These are

broad categories and cover most scenarios although not all change, by its very nature, can be foreseen and its impact mitigated.

Examples of the change that can occur within these categories are given below.

Categories of Change	Examples that could impact on the Growth Deal
Regulatory Change	<ul style="list-style-type: none"> - State aid rules - Planning and other Local Government Policy - Planning consents and other regulatory approvals - Customs and Border controls - Political Change and commitment - Building regulations and construction materials. - Unforeseen and other regulatory change
Environmental Change	<ul style="list-style-type: none"> - Energy Efficiency, Pollution, Carbon Emissions - Climate Change; flooding and environmental impact. - Land use policy - Land and Property interests and owners - Planning policy
Financial Change	<ul style="list-style-type: none"> - Financial performance and management - Financial procedural rules - Cost increase - Procurement rules and case law - Contract standing orders - Fraud and criminal activity - Due diligence and change in delivery mechanisms - Business failure - Timescales
Reputational and Social Change	<ul style="list-style-type: none"> - Legal challenges/judicial review - Political and Elected Member support - Local/General election leading to political and policy change - Community Leadership - Project failure - External regulatory reports - Democratic Governance/Management - UK and Welsh Government Policy change - Political and Partner commitment - Communications, consultation and engagement
Change in Market Demand and Programme and Project Delivery	<ul style="list-style-type: none"> - Economic change - Market demand and business need - Primary services and infrastructure capacity - Ecology and biodiversity needs - External Regulatory requirements - Change in Programme and Project Scope - Contractor and consultancy capacity - Delivery capacity - Business failure - Change in personnel

Categories of Change	Examples that could impact on the Growth Deal
	<ul style="list-style-type: none"> - Business Confidence - Supply chain capacity and material availability - Timescales - Unforeseen events

Change Management Process

Step 1: Defining a Change

When defining change, it needs to be clear what the change is and why the change is proposed. Change requests forms should be used and provide sufficient detail and rationale to make an informed decision. If insufficient detail is provided, the change request should be refined appropriately so that its impact can be assessed.

Changes should be captured on a change request form (Appendix A).

Step 2: Assessing Change

When a change has been identified, and a change request submitted, the next step is to consider its impact on the programme or project. Consideration can then be given to the proposed change and its impact on the delivery of the programme or project, its finances, benefits and cost-effective delivery. This sequential process should be as follows:

- Identify, define and assess the change.
- Assess the current status of a programme or project.
- Undertake an assessment of the possible impact of an identified change on the programme or project and its effective delivery as originally scoped including on its benefits realisation and its funding.
- A high-level assessment of the areas likely to be impacted by a change is recommended. The analysis of the assessment of the possible change should then be broken down into impact in specific areas and these might include the following
 - Risk – how complex is the change to the programme or project and what is the impact on risk?
 - Market Demand – has the change affected demand for the output?
 - Funding – will the change affect funding issues. Is there sufficient funding or budget allocation to implement the change and deliver the programme or project?
 - Resources – who and what will it involve?
 - Benefits – will the change impact on the benefits to be delivered?
 - Availability/capacity – has the Programme or Project got the capacity to implement the change from within existing resources?

The use of a Red, Amber, Green (RAG) assessment for the impact of a possible change to a programme or project is a useful tool to help assess whether it needs to be escalated within the Portfolio Management Office. The indicative RAG assessment for the impact of change can be measured against the following main criteria to assess the course of action.

Green: RAG Assessment
<ul style="list-style-type: none"> • Resourcing - no additional resourcing implications • Time – no impact on project timetable • Budget - within allocated budget • Benefits - no reduction in benefits • Risks – no additional risk
Amber: RAG Assessment
<ul style="list-style-type: none"> • Resourcing - additional resources required can be met from within existing delivery teams • Time – project delay likely but within acceptable tolerance • Budget – Forecast expenditure increase/decrease within agreed tolerances • Risks - additional risks but can be mitigated within budget • Benefits - potential reduction or increase in benefits
Red: RAG Assessment
<ul style="list-style-type: none"> • Resourcing - significant resource implications • Time – significant delays expected • Budget - Forecast expenditure increase/decrease to exceed agreed tolerances • Risks - significant risks that cannot be mitigated within budget • Benefits - target benefit unlikely to be achieved.

When assessing the potential impact of change requests, it is also vital to consider the impact of not making the change.

Step 3: Determine the course of action – approve or reject change

Once a change request has been assessed, there are three possible actions to take:

- Approve the request;
- Reject the request;
- Request further information.

Depending on the nature of the change and the potential impact, decisions on changes will be taken at different levels within the portfolio with a clear escalation pathway through from project to programme to portfolio level.

Change Management Escalation Process

In the event that the impact of change cannot be approved or rejected at the project level, the following escalation process should be followed.

Project > Programme

Potential project changes of significant concern or impact will be escalated to the Programme Board for consideration.

Programme > Portfolio

Potential project or programme changes of significant concern or impact will be escalated to the Portfolio Board for consideration.

Portfolio > North Wales Economic Ambition Board

Significant changes, particularly those with a significant financial implication would be escalated to the Economic Ambition Board for a final decision.

Change Escalation Protocol

The impact of a change needs to be escalated when the tolerance level has been breached, this will be informed by completing a change control form recoding the change and an assessment on the programme or project and completing the change register for the programme or project . The impact of the change should be escalated when it cannot be resolved within the programme or project, examples include:

- it affects programme or project delivery
- it indicates an inability to meet programme or project delivery
- it affects significant capacity issues for programme or project delivery
- it affects the North Wales Economic Ambition Board's financial, legal or reputational position
- there may be a compound affect across the other programmes and activities
- there's any doubt as to whether the change should be accepted or rejected

Process for dealing with escalation

- Alerting the programme manager that a change tolerance has been reached
- Completion of a change request form
- Update the change register for the project/programme.
- Reassurance of management process and reviews
- This change management strategy will be reviewed annually and will take into account the programme and project change registers which will be undertaken on a monthly basis.

- The change register (Appendix B) will be maintained by the portfolio management office to ensure that change impacts over time have been captured and included in the programme and project delivery strategy.

Portfolio Changes - Process for Considering New Projects

The Growth Deal is a portfolio spanning 15 years and there is potential that not all the current 14 projects will be delivered if the economic benefits of certain projects cannot be demonstrated through project business cases or if new priorities emerge for the region. It is also possible that further funding sources may be identified or income generated through the Growth Deal for reinvestment in new projects.

Any new or replacement projects will be a matter for the North Wales Economic Ambition Board (NWEAB) to decide upon within the agreed affordability envelope for the partnership and where the projects deliver against the objectives of the Growth Deal and its programmes, specifically the portfolio spending objectives and the programme spending objectives as set out in the agreed portfolio and programme business cases.

Project proposals that sit outside the agreed funding envelope for the partnership and outside the parameters agreed with UK and Welsh Government would need the approval of individual partners and/or both governments.

New or replacement project proposals would be assessed at the relevant programme board before consideration by the portfolio board and the NWEAB. Should the NWEAB endorse a new project for development, a project business case would be developed in accordance with the process set out below.



Criteria for Considering New Projects

Portfolio Assessment Criteria	
Portfolio Spending Objectives	Critical Success Factors
<ol style="list-style-type: none"> 1. To create between 3,400 and 4,200 net new jobs in North Wales through the Growth Deal by 2036. 2. 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. 	<ul style="list-style-type: none"> ▪ projects are spatially targeted across the region ▪ project benefits can apply to the whole region ▪ projects are enablers ▪ projects that supporting growth and attracting private sector investment ▪ projects that promote innovation

3. To deliver a total investment of £1.1 billion in the North Wales Economy through the Growth Deal by 2036.	
--------------------------------------------------------------------------------------------------------------	--

Programme Spending Objectives*

** Programme Spending Objectives will be reviewed annually by the NWEAB and may be amended where there is negative impact on the overall portfolio spending objectives. See Programme Business Cases for details.*

Appendices

Appendix: A Change Request Form

<Programme name> - Request for Change (RFC) Form							
<p>Note: Must be submitted to <Name of Person> for circulation to the Programme Management Group (PMG) who has the authority to accept/escalate changes (where appropriate) to the <Name of Group(s)></p>							
Change Request Number (Allocated by Project Management Office)							
Title of Change							
Change Type (Plan / Scope / Roles)							
Change Requester Name			Change Implementer				
Change Request Date							
Programme Area / Project Ref							
Emergency Request (Yes/No)		Requested Implementation Date and Time					
Urgency		3 - High		2 - Medium		1 – Low	
Change Summary							
Change Description		<ul style="list-style-type: none"> • Description of what is the change being applied for • If the Change is related to a milestone – state the milestone ID and title • What areas of the business does this change impact? • Reasons why the change is being implemented. • If Emergency change why? • Impact of change if not implemented? • Have prior discussions been held regarding this Change? If so, what was the feedback? 					
Cost Implication		<ul style="list-style-type: none"> • Is there a cost implication, if so how much? • Who is paying the cost? 					

Business Justification for Change	<ul style="list-style-type: none"> • <i>Why is the change needed on this date?</i> • <i>Will the change add Process improvement?</i> • <i>Will the change add Performance improvement?</i> • <i>Will the change add Additional functionality?</i>
Change Details	
Change Steps (where applicable)	<ul style="list-style-type: none"> • <i>What are the change steps?</i> • <i>What is the impact of implementing the change (cost, resources, scope, R&R)?</i> • <i>Is there additional training required?</i> • <i>Is there additional testing required?</i>
Acceptance Testing (where applicable)	<ul style="list-style-type: none"> • <i>List the acceptance test procedure?</i> • <i>Is a vendor involved? If yes, was the change tested by the vendor?</i> • <i>Was the change tested by the requester?</i> • <i>Was the change tested by the implementer?</i> • <i>Was the change tested on a test environment?</i> • <i>What are the Post Implementation Review plans?</i>
EVALUATIONS	
Impact	<i>[Prior to the Programme Board, please liaise with the appropriate affected stakeholder(s) internal/external to the Programme to assess the impact of the proposed change on their work area.]</i>
Recommendation	<i>[Based on the impact assessment please note recommendations from the affected stakeholder(s). If the recommendation is to decline, or edit, then please explain why.]</i>

Appendix B: Example Change Register

To be filled by the Change Manager							
Change ID							
RFC Submission Date (PMG Date)							
Urgency/Priority	3 – High		2 – Medium		1 - Low		
Change Type							
Cost of Change							
Resources Needed for Implementation							
Portfolio Management Office (PMO) Outcomes							
Authorization Status	Approve		Reject		Additional information requested		Refer to <Group>
PMO Notes							
Change Implementer							
<Name of Group> Outcomes							
Authorization Status	Approve		Reject		Additional information requested		Refer to <Group>

<Name of Group> Notes						
Change Implementer						
<Name of Group> Outcomes						
Authorization Status	Approve		Reject		Additional information requested	
<Name of Group> Notes						
Change Implementer						

Appendix C - Change Management Accountability

Accountability for Change

The basic requirements of the Change Management are:

- The Portfolio Management Office (PMO) owns and manages the process
- Ownership and understanding of change process is required at every level.
- Responsibilities and approval tolerances must be clearly defined
- Identification evaluation and assessment of change
- Mechanism for escalation and de-escalation.
- Active involvement by Board, Executive Group, Portfolio Management Office, Programme and Project Boards.

The North Wales Economic Ambition Board

The NWEAB is the decision making body for the Growth Deal and may delegate authority to approve changes within agreed tolerances as part of the approval of project business cases.

The Portfolio Board

- Ensuring that the Boards risks are managed effectively
- Setting the appropriate level of tolerable change for the Board
- Setting the Boards Programme and Project delivery Plan, its priorities and objectives with change tolerances identified and assessed

Portfolio Management Office is responsible for:

- Implementing the Change Management Strategy and managing the process;
- Setting up programme change management initiatives/projects/action plans
- Assessing change requests;
- Monitoring the implementation of approved change requests
- Recording all change requests

Project Managers are responsible for:

- Informing the Programme Manager and completing relevant change assessments and requests.
- Maintaining the management of change registers on a regular basis.
- Sharing relevant information with colleagues in other Programme and Project areas.
- Providing feedback on their experience of change management and its implementation and perceptions of its effectiveness to the Portfolio Management Office.



