



REPORT TO THE NORTH WALES ECONOMIC AMBITION BOARD

11 December, 2020

TITLE: *Final Deal Supplementary Documents*
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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.”