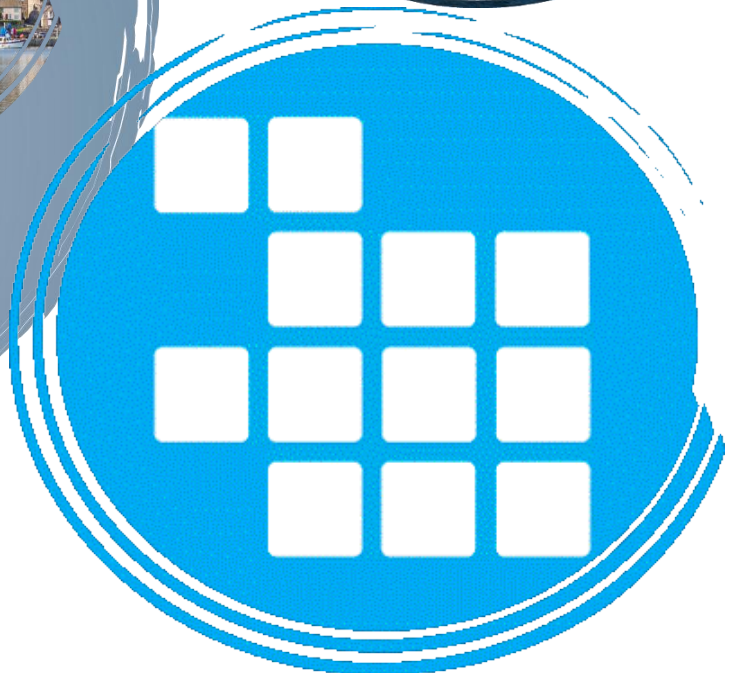


# DRAFT BENEFITS REALISATION STRATEGY



OCTOBER 2020  
VERSION 1.1

NORTH WALES GROWTH DEAL  
BENEFITS REALISATION STRATEGY

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## INTRODUCTION

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### 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.<sup>1</sup>
- 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 Authority<sup>2</sup>, HM Government Magenta Book,<sup>3</sup> WEFO<sup>4</sup> Wales Audit Office, Welsh Government ‘Preparing for the commencement of the Socio-economic Duty’ guidance document<sup>5</sup> 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.”*

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

<sup>2</sup>

[https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/671452/Guide\\_for\\_Effective\\_Benefits\\_Management\\_in\\_Major\\_Projects.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/671452/Guide_for_Effective_Benefits_Management_in_Major_Projects.pdf)

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

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

<sup>5</sup> <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
<b>GROWTH DEAL TOTAL</b>	<b>240.0</b>	<b>184.3</b>	<b>722.0</b>	<b>1,146.4</b>

- 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	<b>1,970 – 2,410</b>	<b>3,440 – 4,210</b>
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**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,<sup>6</sup> 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.

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<sup>6</sup> With reference to key documents such as

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## TARGET AUDIENCES AND REPORTING

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### 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.

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## PROGRAMME OUTCOMES

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### 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
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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

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## THEORY OF CHANGE

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### 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
<b>Strategic leadership &amp; catalyst:</b> 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.
<b>Strategic influence:</b> 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.
<b>Leverage:</b> 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.
<b>Synergy:</b> 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.
<b>Engagement:</b> 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.

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## MEASUREMENT APPROACHES

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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.

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

- 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

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



Theme	Input	Activities	Beneficiaries	Short Term Outputs	Medium Term Impacts	Longer Term Impacts	Possible Negative Impacts
Agri-Food & Tourism	<p><b>Project 1: Glynllifon Rural Economy Hub</b></p> <ul style="list-style-type: none"> <li>• £10m Growth Deal</li> <li>• Total Cost - £13m</li> </ul> <p><b>Project 2: Llysfasi Carbon Neutral Centre</b></p> <ul style="list-style-type: none"> <li>• £10m Growth Deal</li> <li>• Total Cost - £15.4m</li> </ul> <p><b>Project 3: Tourism Talent Network</b></p> <ul style="list-style-type: none"> <li>• £4.5m Growth Deal</li> <li>• Total Cost - £12.9m</li> </ul>	<p><b>Short term</b></p> <ul style="list-style-type: none"> <li>• Project Business Case Approval</li> <li>• Design Phase and Planning Approval (if required)</li> <li>• Procurement</li> <li>• Start on Site Construction</li> </ul>	<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 &amp; 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 &amp; tourism sectors driving further opportunities</p> <p>Resident employment levels in these sectors maintained or improved</p>	<p>Agri-food &amp; 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><b>Longer term</b></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	<b>Project 1: Morlais</b> <ul style="list-style-type: none"> <li>• Growth Deal Ask £9m</li> <li>• Total infrastructure cost £36m</li> </ul>	<b>Short Term</b>  Project Business Case Approval <ul style="list-style-type: none"> <li>• Design Phase and Planning Approval (if required)</li> <li>• Procurement</li> <li>• Start on Site Construction</li> </ul> <b>Longer term</b> 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
	<b>Project 2: Low Carbon Energy Centre of Excellence</b> <ul style="list-style-type: none"> <li>• Growth Deal Ask £21m</li> <li>• Total infrastructure cost £97.7m</li> </ul>				Temporary construction jobs & supporting the regional construction sector		
	<b>Project 3: Trawsfynydd Power Station</b> <ul style="list-style-type: none"> <li>• Growth Deal Ask £20m</li> <li>• Total infrastructure cost £400m</li> </ul>				Reduced out-migration  Reduced unemployment  Supporting and encouraging spin-out companies		
	<b>Project 4: Smart Local Energy Project</b> <ul style="list-style-type: none"> <li>• Growth Deal Ask £25m</li> <li>• Total infrastructure cost £106.2m</li> </ul>				Increasing productivity, innovation and commercialisation through R&D		
	<b>Project 5: Transport Decarbonisation</b> <ul style="list-style-type: none"> <li>• Growth Deal Ask £11.4m</li> <li>• Total infrastructure cost £28.6m</li> </ul>				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	<b>Sites and Premises</b> 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	<b>Short term</b> <ul style="list-style-type: none"> <li>Project Business Case Approval, cost certainty market demand private sector funding commitment</li> <li>Design Phase and Planning Approval (if required)</li> <li>Procurement</li> <li>Start on Site Construction</li> </ul>	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  Employment opportunities for wider society regardless of gender, age, disability, race etc  Improved facilities for employment housing and recreation and leisure  Reduced outmigration of young and talented	Increases in carbon emissions and biodiversity loss during construction  Congestion and traffic generation -  Increases in scope 1 - 3 carbon emissions during project implementation  Displacement of construction activity from other areas or projects  Failure to meet employment, GVA and investment targets  Loss of bio diversity and habitat	
		<b>Longer term</b> 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  Ferry traffic and cruise ship multiplier to local visitor economy  Health and Social care benefits	Local communities, the region and wider society  Local Government, education and training providers services  Statutory Undertakers capacity enhancements  Training programmes and providers Increased employment and training opportunities for citizens of all backgrounds	Incentives for new entrants and existing business expansion  Spend multiplier into local communities  Infrastructure enhancement	Heath and wellbeing improvements Community Cohesion Improved public services New entrants to the market  Quality of jobs for residents in these sectors maintained or improved	Improved employment housing and recreation and leisure  Increase in community cohesion and vitality  Research and development and innovation  Reduced carbon emissions and biodiversity loss  Skills and training improvements. Reduced deprivation. Health and well being improvements  Regional manufacturing and supply chain capacity	Loss of bio diversity and habitat  Risk of residents being outpriced for homes due to visitors' second homes  Timescales to deliver schemes and manage expectations  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"> <li>• £6.8m Growth Deal</li> <li>• Total Cost - £7.2m</li> </ul> <p>Project 2: Connected Campuses</p> <ul style="list-style-type: none"> <li>• £21m Growth Deal</li> <li>• Total Cost - £21m</li> </ul> <p>Project 3: Connected Corridor</p> <ul style="list-style-type: none"> <li>• £2.2m Growth Deal</li> <li>• Total Cost - £2.2m</li> </ul> <p>Project 4: Last Few %</p> <ul style="list-style-type: none"> <li>• £4m Growth Deal</li> <li>• Total Cost - £4m</li> </ul> <p>Project 5: DSP Centre of Excellence</p> <ul style="list-style-type: none"> <li>• £3m Growth Deal</li> <li>• Total Cost - £7.3m</li> </ul>	<p>Short term</p> <ul style="list-style-type: none"> <li>• Project Business Case Approval</li> <li>• Feasibility and Design Phase</li> <li>• Procurement</li> <li>• Start on Site Construction</li> </ul> <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...			