



Llywodraeth Cymru
Welsh Government



UK Government
Llywodraeth y DU

3rd October 2023

Dear Jon,

Further to recent conversations please accept this letter as confirmation that there is no Government requirement (UKG or WG) to directly track and associate GVA with the growth deal portfolio. We acknowledge the impediments for using GVA measurement for quarterly and annual monitoring and the use of alternative, and SMART, economic metrics are advised.

GVA is a macroeconomic measure, and whilst an estimation of GVA contribution can be made at a micro (programme and project) level, through the application of accepted economic appraisal methodology, it is not possible to fully determine GVA impact at portfolio level. It is therefore recommended that PMOs track GVA using ONS data (without the need to derive their own estimates).

The calculation of GVA contribution does however remain valid within the economic appraisal at business case level to demonstrate the rationale for intervention and the estimated impact on programmes and projects.

The Mid Wales Growth Deal Strategic Portfolio Business Case was subject to an Accounting Officer Review, supported by a report issued to the Welsh Government's Permanent Secretary as Principal Accounting Officer. The report contained several high level recommendations, one of which was applicable to all Deals across Wales and related to the use of GVA as a measure. The recommendation encourages PoMOs to consider adding new metrics (*GVA per job or GVA per hour*) to measure GVA uplift as part of their performance measurement frameworks to reflect targeted productivity improvements. The review recommended that adding new GVA metrics would be an improved means of assessing productivity and support a consistent set of measures across the 4 City & Growth Deals.

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