

Sector Development Wales Partnership (Trading as Industry Wales)

Welsh Government Review March 2025

Lead Official: *[information redacted]*

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1. Introduction

1.1 Opening Statement

The Sector Development Wales Partnership (SDWP, trading as Industry Wales) was established as a Company under the Companies Act 2006 in April 2013. It was established in line with the Teckal public procurement exemption. **Annex 1**

Industry Wales (IW) is a private company limited by guarantee and fully accountable to the Welsh Ministers in the role of sole guarantor. Currently, Business and Regions supports financially or has MOUs with the following bodies:

1. IW including funding (and provision) 4 x Forums or advisory groups, Welsh Automotive Forum (WAF), Aerospace Wales, ESTnet- trading as Technology Connected (Tech Connected), Net Zero Industry Wales (NZIW)
2. Medi-Wales (who have now signed an MOU with IW).
3. Marine Energy Wales
4. Cwmni Eginio
5. Life Sciences Hub Wales
6. Construction Excellence Wales

IW has four subsidiary companies shown above, of which it is the sole guarantor. Each of these is a private company limited by guarantee. **Annex 2**

For this Paper, only those forums where the CEO of IW acts as the Accounting Officer and sole guarantor will be in scope (those included in point 1 above). Whilst several of the forums have been in existence for over two decades, this Paper will only consider structural implications and governing principles from the constitution of IW in 2013, whereby Special Resolutions were filed to bring the Forums into the IW structure with their respective Articles of Association updated.

1.2 Funding

In FY24/25 Business & Regions (B&R) committed £1.2m to IW and the Forums as set out below:

- **Industry Wales:** £881k - core funding for the Forum's under its control
- **Welsh Automotive Forum:** Core funding through IW as above
- **Aerospace Wales:** Core funding through IW plus £125k for Space Wales
- **Estnet** (trading as Tech Connected): Core funding through IW plus £175k funding for Tech Week
- **Net Zero Industry Wales:** Core Funding plus £20k

In the same period, a further £1.474m was committed to Medi-Wales (£74k), Marine Energy Wales (£150k), Life Sciences Hub (£1.2m) and Construction Excellence Wales (£50k/year for 3 years – this body is also part funded by B&R, Education and Housing departments). These are outside the scope of this review. It should also be

noted that the Forums have retained some funding in the event of redundancy action.

1.3 UK Industrial Strategy

In Oct 24, the UK Government published its Green Paper: Invest 2035: the UK's modern industrial strategy. It aims to drive economic growth, foster innovation, and enhance global competitiveness over the next 10 years. The strategy focuses on three pillars of investment: infrastructure, skills, and innovation. It also aims to tackle barriers to growth in specific sectors and places.

The industrial strategy will focus on the sectors which offer the highest growth opportunity for the economy and business. Eight growth-driving sectors have been identified:

- Advanced Manufacturing
- Clean Energy Industries
- Creative Industries
- Defence
- Digital and Technologies
- Financial Services
- Life Sciences
- Professional and Business Services

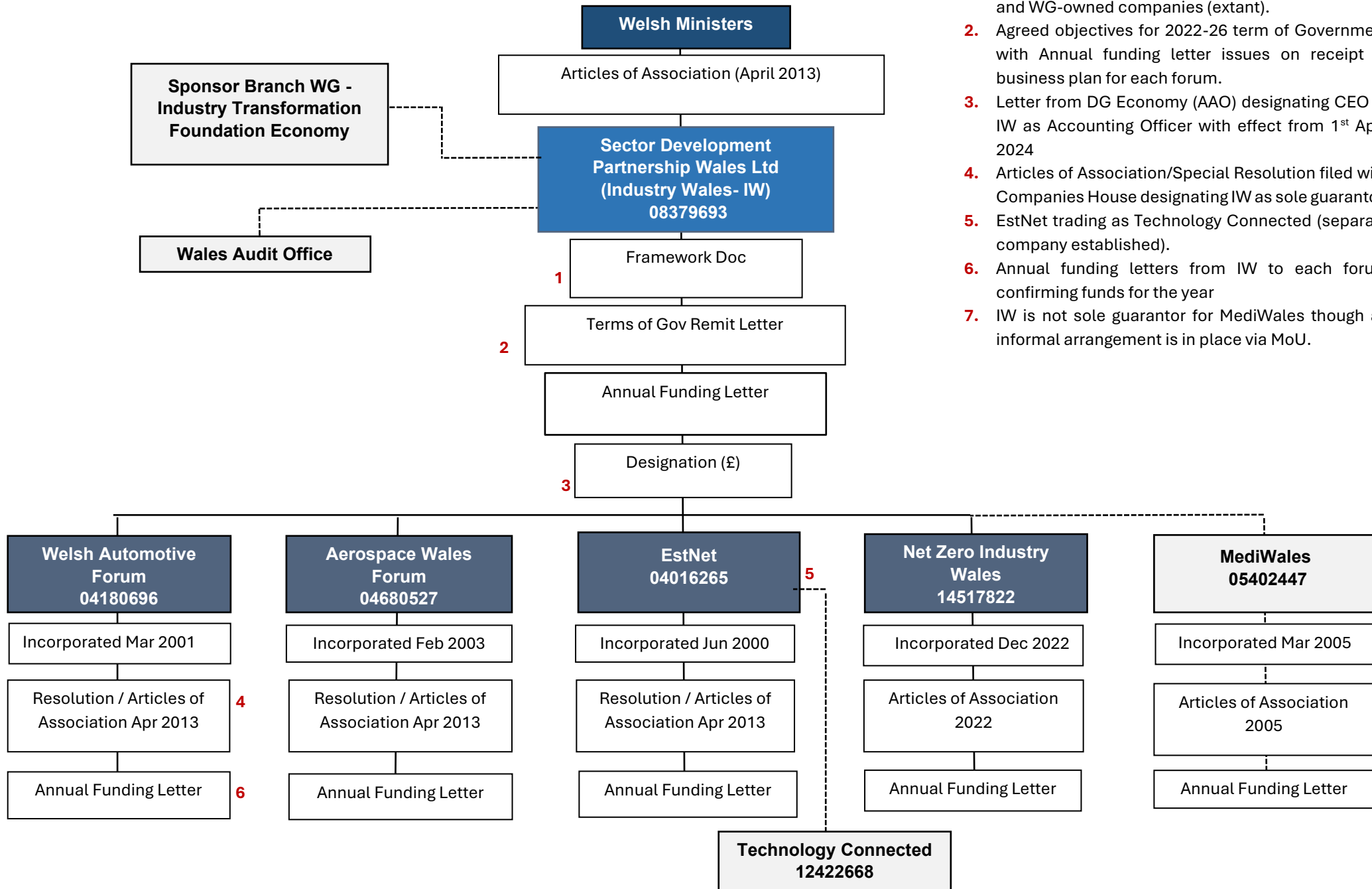
Targeted sector plans will be designed in partnership with business, devolved governments, regions, experts, and other stakeholders, through bespoke arrangements tailored to each sector.

1.4 Structure

The WG sponsor branch for IW is the Industrial Transformation and Foundation Economy (ITFE) Division. This Division owns and authors the formal letters that create the legal entity known as IW, these documents include the Articles of Association, the Framework Documentation, the Term of Government Remit Letter and the annual funding letter. In practical terms it also deals on a regular basis with Aerospace Wales, NZIW and WAF. Technology Connected deal mainly with the Digital Economy team and indirectly the SE Region team.

This structure is depicted below:

Sector Development Wales Partnership (SDWP) – Industry Wales Structure



Explanatory Notes:

1. Governing principles defining relations between WG and WG-owned companies (extant).
2. Agreed objectives for 2022-26 term of Government with Annual funding letter issues on receipt of business plan for each forum.
3. Letter from DG Economy (AAO) designating CEO of IW as Accounting Officer with effect from 1st April 2024
4. Articles of Association/Special Resolution filed with Companies House designating IW as sole guarantor.
5. EstNet trading as Technology Connected (separate company established).
6. Annual funding letters from IW to each forum confirming funds for the year
7. IW is not sole guarantor for MediWales though an informal arrangement is in place via MoU.

2. Purpose of the Review

Some Forums have been established since 2000 before being brought under the IW legal umbrella when it was established in 2013. At this stage, Articles of Association were updated making IW the sole guarantor for each of the Forums. The economic and political landscape has changed significantly since the creation of IW at a Wales, UK and global level. Manufacturing however remains the biggest single contributor to the Welsh economy in terms of GVA but the makeup of the sector has changed considerably. Wales has seen its 'traditional' industries decline in size, scale and influence and the rise in demand for an innovative industrial base. The more successful businesses have adopted digital technologies and placed an emphasis on industrial decarbonisation and the green economy. IW and the Forums have responded where possible to these changes and this has been largely recognised in the Term of Government remit and Annual funding letters.

The next Senedd election will take place in May 26 and the current Term of Government remit will expire when the current government is dissolved, and the pre-election period begins. It is prudent and timely therefore to undertake this review of IW and the Forums to underpin any decision on their future beyond the current government term. Any decisions made in the immediate future will therefore allow sufficient time to understand the implications of changes including the potential timescale for implementation.

As set out in the Terms of Reference the purpose of this review is to understand the extent to which IW and the Forums are delivering value for money in alignment with WG policy; to consider current and future WG requirements and, if necessary, make recommendations for need, future role and structure including governance.

3. Methodology

This review sought to gain a perspective of IW and the Forums in terms of their role and remit and their alignment with WG strategic aims. It also looked at stakeholder engagement and their role within the national/regional ecosystem and well as operational and governance matters. These areas were discussed with each interviewee for consistency and the responses collated to present the key findings as follows:

- Understanding and perception of the role and remit of IW and the Forums.
- Positive themes.
- Issues / areas of concern.
- Areas of improvement (suggested by interviewees).

In total, 28 interviews were conducted. These included speaking with IW and the Forums directly, including the respective Chairs and CEOs (or equivalent), a range of WG colleagues (including Innovation, Skills, Regions, Digital Economy) and a sample of different businesses from relevant sectors and regions.

A full transcript of each interview has been captured under the caveat that these all be collated to ensure anonymity. Each interviewee consented to this approach which was important to enable them to speak openly and candidly. The Co-Pilot Artificial Intelligence tool has been used to analyse the collated interview responses and present the key findings in line with the themes above. As such, the key findings are a true and accurate reflection of the points made by the interviewees during the review. The review team have undertaken additional quality checks of the information and made minor amendments including grammatical errors, however, no material changes have been made to the substance of the key findings.

Based on the transcripts of the interviews conducted, key findings have been summarised into positive themes, challenges and areas for improvement and are shown at **Annex 3**.

4. Findings

From the interviews conducted, the review has drawn several conclusions which are summarised in the headings below.

4.1 Awareness / Engagement

Whilst Brand awareness is high for IW and the Forums there is inconsistency when it comes to an understanding of their role, remit, offer and subsequently the level of engagement from WG colleagues and their membership or stakeholders.

A significant proportion of internal and external stakeholders felt that the lack of clarity around the role(s) meant they couldn't differentiate sufficiently from other established organisations (including other trade bodies). Internally, some WG officials have chosen not to engage with IW, preferring to seek strategic advice, guidance and support from other bodies, at both UK and more local levels.

A significant proportion of interviewees suggested that they would not rely on intelligence from IW/Forums as it would not be deemed as robust or reliable compared to some of the other bodies being used for market intelligence. However, it should be noted that there was a significant proportion of positive comments regarding the advice and guidance received from NZIW.

There is also a legacy but prevailing issue around IW and the Forums being viewed as 'belonging' to the ITFE Division with a South Wales emphasis rather than being a WG or B&R pan-Wales asset.

There is scope for the coordination between WG and IW/Forums to be more robust and consistent. It was found that officials from different departments, who are involved in activities or financial support to the Forums had different approaches. In one instance it was found that a Forum committed to significant contracts for an event, before approaching WG for confirmation of financial support. This approach

impacted on IW (as the sole guarantor for the Forum), placing financial risk on them until required funds had been formally secured.

All Forums less Technology Connected operate a membership model. WG must accept therefore that there is possible friction between WG requiring a whole-sector view and the Forums only being able to articulate the views of their members.

When speaking to a pan-Wales sample of businesses, many stated that they had received little to no proactive communication from IW and/or the Forums and had engaged with other trade bodies who were better able to represent their interests.

There is still strong support, particularly from external stakeholders, for a body that represents a bespoke Welsh industrial view to all political levels. There is also a need for robust sector intelligence and representation of the business community at all political levels.

4.2 Remit

Whilst there is a demand for a bespoke Welsh view currently some of the Forums have moved away from their initial remit and have reinforced where they have been successful rather than where WG wishes them to be. As such there is a clear need for closer alignment between their actions and WG policy.

In many cases limited resources (particularly expert staff) are spread too thinly rather than having a clear focus on a smaller number of key deliverables. This is leading to duplication in activities, particularly when it comes to events. Some events are viewed as KPIs by Forums and other Forums dictate when and how an event is to be delivered. Strategic rationale behind attendance and creation of events is ad-hoc within some Forum business plans. Annual remit letters could show more detail and clarity to ensure WG gets what it wants from the Forums.

It should be stressed that there are many examples of IW and the Forums delivering positive outcomes with limited resources. However, there is a view that a greater emphasis be placed on coordinating results, focusing resources to achieve better value for money all based on limited but clearly articulated deliverables.

4.3 Governance

Currently WG is the sole guarantor for IW who in turn is the sole guarantor for the Forums. This means that WG can only directly dictate deliverables to IW and has limited control over the Forums, despite the public funding granted to them.

The remit set by WG to IW does include the oversight of governance of the Forums, but it also requires IW to provide unfettered advice to WG/Ministers and support manufacturing businesses in line with WG strategic aims. However, IW is a very small organisation and in practice there is limited capacity to deliver its wider remit and maintain effective governance control over the Forums.

As sole guarantor there are several reserved matters whereby the Forums should not undertake certain actions without the explicit authority of IW, these are set out in **Annex 4**. There are instances where Forums may have contravened these reserved matters.

Annex 5 sets out the deliverables each Forum has submitted to IW as the basis for their funding in FY24/25. In most cases, these are high level with no KPIs, timescales, milestones, owners or direct costs attached. In the case of Aerospace Wales (as an example), it is simply a list of events with no clear objectives for attendance, no outputs and how data will be captured, qualified or reported. As a result, it is difficult to ascertain the extent to which the Forums are delivering value for money. There is clearly a need for robust and clear deliverables for IW and the Forums reflecting new industrial priorities and WG policy objectives.

It should be noted that recently the CEO of IW has implemented improved governance arrangements including regular quarterly reports from each Forum and annual business plans to underpin quarterly claims to WG. There is an additional point raised in the review around who decides on the deliverables with WG and IW seemingly having little control over setting these under the current arrangements. However, it should be noted that IW can refuse to provide funding if not content with the proposed deliverables.

4.4 Funding

B&R is spending £1.2m a year on IW and the Forums and articulating VFM is at best opaque. In some cases, the core funding Forums receive is insufficient to cover their staff costs and therefore there is a need for them to raise additional funds. Whilst WG has encouraged the Forums to seek additional funding streams to be more financially sustainable, there is an argument that significant unfunded deliverables detract from their primary role. There is a risk that they prioritise chasing funding over delivering what has been agreed in their respective annual funding letters. This problem is compounded because of ambiguous deliverables mentioned earlier in this report.

Within the current structure there are several separate Forums duplicating resources particularly in business functions (HR, accounting, comms, marketing etc). Clearly there is an opportunity for cost efficiencies by reducing the number of separate entities and having more of the business functions centralised.

4.5 Key Findings

There is space and demand for a bespoke body representing Welsh industrial aspirations and eco-system.

The current forum structure is delivering ad-hoc engagement with Industry and there is an inconsistency in their approaches to such matters as market intelligence, advice and guidance to both officials and Ministers.

The current governance structure and processes were devised in 2013. As the economic and financial situation has changed so dramatically there is a view that they are no longer fit for purpose in 2025.

A key priority must be to protect public funds and deliver VfM. Any future funding model must place greater emphasis on articulating what represents VfM with appropriate mechanisms in place to scrutiny and assurance over agreed deliverables.

IW is directed by WG to oversee the forums and their actions, including some expenditure. Unfortunately, the governance in place is too complex and does not offer sufficient control to protect public funds and deliver the required outcomes.

Routine service functions are duplicated across the forums, there is significant scope therefore for cost efficiencies in delivering targeted priorities and rationalising core services such as marketing, accountancy and HR etc.

4.6 WG Future Priorities

Any future role of IW must be underpinned by the following WG requirements:

- Political neutrality
- regular advice and briefings to WG Cabinet members and other political bodies as appropriate
- regular advice and briefings to government(s) departments, including Economy, Energy, Inward Investment and Trade & Invest
- clear, cohesive support to businesses highlighting support and supply chain opportunities
- specialist sector knowledge and experience to support delivering Industrial Strategy and sector development plans (in a Wales context)
- attract innovation funding to businesses by creating consortium groups and supporting bid writing if appropriate
- support the development of a National Manufacturing Institute Cymru if appropriate.
- To promote and support WG and Welsh companies at appropriate sector or trade events.

5. Consideration of Options

	Option	Key Issues
1	<p>Business as Usual (BAU) – continue to fund IW and the Forums in the current structure with a continuation of the existing remit, governance and funding arrangements.</p>	<p>Financial: FY24/25 B&R committed £1.2m to IW/Forums which achieved inconsistent/unqualifiable outputs (including VfM).</p> <p>Governance: The existing arrangements will run until the end of current government term. Issues raised during this review would need to be addressed, as such continuing BAU is unlikely to be acceptable.</p>
2	<p>Reform Business as Usual (BAU) – continue to fund IW and the Forums but with significant operational and governance reforms including clearer definition of deliverables, roles and responsibilities, improved communication and monitoring processes.</p>	<p>Financial: Existing or reduced budget may be better spent on delivering more targeted deliverables.</p> <p>Governance: Overhauling the governance arrangements is required but will place additional administrative burden on IW/Forums and there may be embedded behaviours and structures (including legal status) that make change difficult. This may not align to the Industrial Strategy, sector development plans and WG economic aspirations.</p>
3	<p>Dissolve IW and modify the Forum structure - to align with the UKG Industrial Strategy key sectors. This option would mean more of the current level of funding going direct to the Forums to expand their respective remits/scope. (WG direct fund to Forums of choice – this could be new/ existing)</p>	<p>Legal: As per option 2 above, plus the legal mechanism for this need to be fully understood (i.e. is this simply a case of no new term of government letter in 2026 to IW and communicating directly with the Forums?). Can WG dissolve IW as sole guarantor or does it require board participation. This includes consideration of any WG responsibility to staff employed as the sole guarantor.</p> <p>Governance: Removing IW would mean WG has direct oversight of the Forums and new governance/monitoring arrangements would need to be put in place, with WG becoming the sole guarantor for the Forums. This would place additional administrative burden on WG. Without additional resource/restructuring this may still not align to Industrial Strategy and WG economic aspirations.</p>

OFFICIAL SENSITIVE

<p>4</p>	<p>Creation of a new structure or entity aligned to Industrial Strategy and Sector Development Plans.</p> <p>This option could be delivered by restructuring IW or by dissolving IW and creating a new entity.</p> <p>This option would create new roles/teams within its structure to lead on key industrial strategy sectors and sector development plans that are appropriate for the Welsh economy.</p> <p>This would replace the current Forum model by instructing IW to remove itself as sole guarantor and therefore divest itself of WAF, AWF and EstNet (Technology Connected).</p> <p>To ensure extant expertise is not lost, individuals employed within the existing Forum structure would be encouraged to apply for relevant roles. This would not be limited to those Forums within the current IW structure and could include other ALBs or trade/sector bodies.</p> <p>This new structure/entity could be the framework for the future adoption of option 5.</p> <p>It must be understood this option would ultimately mean a NMIC would be the sole industrial ALB, we would not have both IW and NMIC.</p>	<p>Administration: This option would take significant staff planning and time to define and agree what future alignment looks like with other bodies. It would need structures to reflect appropriate UKG's policies and strengthen WG policies and economic ambitions. It would also need significant 'buy in' from all B&R to ensure the structure and remit are fit for purpose.</p> <p>Financial: A new structure may require additional funding. This could come through efficiencies of merging other Forums, but these are likely to have different lead departments and budgets and therefore would need careful staff collaboration and coordination.</p> <p>Governance: If this option is setting up a new entity this will require new governance arrangements being put in place. If it is a restructure of IW then this would need to account for existing issues and would carry an expectation that current IW staff would remain in place.</p> <p>Legal: WG does not have direct control to change the remit of the Forums or dissolve them and this would need to be done through IW as sole guarantor. Due process would need to be followed to the letter to prevent legal challenge and reputational damage. This option would give the Forums an opportunity to find alternative guarantors, without which the respective company would need to be dissolved.</p>
<p>5</p>	<p>Utilise Other Existing Trade or Representative Bodies – Dissolve IW and therefore IW would divest itself of the Forums. WG to stop funding the Forums and proactively look to utilise other bodies such as Make UK, CBI, FSB, ADS etc. This option could include paying for Wales membership of some of these bodies or creating a Wales 'office'. It could also include establishing a new Ministerial Advisory Board to provide advice to Ministers if required. (It should be noted that this recommendation has only considered Forums in scope and there would be implicit reputational issues if all funded Forums or Trade Bodies were not considered).</p>	<p>Financial: Whilst it is thought likely that there could be significant annual cost savings, this option may result in WG having to pay multiple UK Trade body membership fees.</p> <p>Governance: WG would have no means of influencing deliverables of other bodies so would have to rely on their 'standard offer'.</p> <p>Reputational: Not having a Wales focussed body could draw criticism, particularly in representing the voice of the large SME base. This could also lead to gaps in terms of providing Wales focussed intelligence or strategic input.</p> <p>Administration: This could place a greater staff burden on WG officials.</p>

6. Preferred Option(s) / Recommendations

There are several viable options for the future arrangements when the current term of government remit ends in March 2026. For clarity, the viable options are:

- **Option 2:** Reform Business as Usual (BAU)
- **Option 3:** Dissolve IW and modify the Forum structure which would then be directly funded by WG, enhancing their autonomy.
- **Option 4:** Creation of a new structure or entity aligned to Industrial Strategy and Sector Development Plans.
- **Option 5:** Do not continue to fund IW or the Forums and instead utilise Other existing Trade or Representative Bodies.

You are being asked to decide on the preferred option.

Based on the findings of the review, on balance **officials would recommend option 5**. However, the existing arrangements ending in line with the current government term mean that a decision not to extend in any form would mean the next government having to create a new entity (should it deem one necessary). As such, the next alternative approach would be option 2 (as BAU is not a viable option) with a short-term extension with governance reforms.

Annex 1 – Teckal Exemption

This principle is based on the 1999 judgment of Teckal (C-107/98) whereby the ECJ established an exemption from public procurement for the award of contracts by a public authority to a separate entity provided certain requirements were met. Those requirements were that:

1. The contracting authority must exercise sufficient control over the separate entity (with the test applied being that the control should be similar to that which the contracting authority exercises over its own departments); and
2. The separate legal entity must carry out the essential part of its activities for its owner authority/ies ("the essential activity test").

[The Teckal exemption from procurement – new guidance from the ECJ on the essential activity test | Bevan Brittan LLP](#)

Annex 2 – Private Limited Company Definition

A private company limited by guarantee does not have any shares or shareholders. Instead, it has members who provide a guarantee in relation to the capital of the company. It is registered at Companies House, must register its accounts and an annual return each year, and has directors. It does not have a share capital or any shareholders, but members who control it. When someone signs up to be a member of a guarantee company, they agree to guarantee the company's debts up to a certain nominal amount, normally £1 (as is the case with each of the Forums).

Annex 3 – Summarised Findings: positive themes, challenges and suggested improvements

Positive Themes

- **Promotion and Engagement:** IW aims to unify and promote the Welsh technology industry on a global stage, enhancing the industry's impact and profile. They have been actively engaging with various sectors, including automotive and aerospace, to support activities and events. The relationship with forums from an events perspective is relatively good, with forums providing representation at events. There is significant interaction with IW Net Zero, particularly in terms of getting their views on projects and inquiries.
- **Business Opportunities and Talent Improvement:** The organization facilitates business opportunities by connecting those with problems to those with solutions. Efforts are made to improve the talent pool within the industry. Technology Connected has a very active marketing and social media presence, which helps in promoting the industry. Wales Tech Week is highlighted as a significant event that has successfully attracted global engagement, talent, and

investment.

- **Strategic Engagement and Collaboration:** IW has been strategically engaging with regional entities and forums on specific projects, such as the enterprise zone in Snowdonia and manufacturing initiatives in North Wales. The forums under IW provide valuable regional intelligence and support for specific initiatives. There is a positive mention of collaboration between IW and other regional entities, such as the mid Wales manufacturing group. The document suggests that IW could add more value by better engaging with regional entities to inform their all-Wales perspective.
- **Support for Net Zero Initiatives:** There has been significant engagement with Net Zero Industry Wales due to the nature of energy infrastructure in Wales. This engagement is seen as positive and impactful, especially in the context of the industrial strategy. Net Zero Industry Wales has been instrumental in supporting Welsh Government initiatives, such as the NE Wales Industrial Cluster Plan and Empower Camry event. Many emphasised the importance of sector-specific advice provided by Net Zero Industry Wales, which is more specialized compared to generalist advice from other trade bodies
- **Effective Coordination and Practical Advice:** IW provides a coordinating function that brings a rounded position on the overall economic landscape. The forums have been providing practical advice on various development and challenge areas. The change in leadership within IW has been well-timed and positively received. The forums actively participate in and sponsor significant events. There is a general sense of support for the direction IW is taking.

Challenges / Areas of Concern

- **Conflict of Interest:** There is a potential conflict of interest when membership bodies are involved in assessing projects of their members. This can lead to biased evaluations and decisions that may not be in the best interest of the broader community.
- **Awareness and Understanding:** There was a lot of expressed confusion about the structure and interaction between IW and the forums. Many interviewees admitted to not understanding the structure and found it confusing.
- **Ad Hoc Engagement:** The interactions stakeholders are having with IW and the Forums are typically on an ad-hoc basis. This may affect the consistency and effectiveness of collaboration and support. There are several areas where the engagement between different parts of the government and forums is not fully joined up, leading to confusion, limited interaction, and a need for more structured and regular collaboration.
- **Alignment with Policy Thinking:** There is a challenge in aligning innovation activities with current policy thinking. For example, mapping the technology sector faced issues because it did not align with the current policy thinking, leading to difficulties in securing support and funding.

- **Visibility and Engagement:** There is a need for better engagement and visibility of Technology Connected in areas like AI and cyber. Technology Connected should be more proactive and visible in these areas to effectively support innovation and development.
- **Data Sharing Agreements:** There were issues related to data sharing agreements and the grant mechanism for being the coordinating body. These issues created complications in the early days of the Net Zero Industry Wales initiative.
- **Sector-Specific Advice:** There is a need for sector-specific advice and guidance. IW is not being used to provide sector intelligence across the forums while other bodies such as MakeUK and Innovate UK are being engaged with making them likely used for future intelligence. Generalist advice from bodies like FSB or CBI are also being used but may not be sufficient for specific sectors like Net Zero Industry Wales
Cabinet Secretaries/Ministers often have a lot of direct interaction with industry, which can sometimes negate the need for a coordinating body like IW.

Suggested Improvements

- **Coordination and Engagement:** It is suggested to improve coordination and engagement with different organisations by actively involving lead directors in meetings and presentations. Additionally, it is recommended to ensure that other organizations are more responsive and engaged.
- **Event Planning:** Better coordination is needed to avoid overlapping events among various forums. Events should be planned in conjunction with the Welsh Government to achieve best practice and value for money in relation to location, timings and staff. Some forums plan events independently due to their commercial activities and will chase funding through alternative routes including other WG sectors. This dual approach can lead to event and funding duplication, which could be mitigated through improved coordination.
- **Data Sharing Agreements:** To address the issues with data sharing agreements and grant mechanisms, it is recommended to sort out the data sharing agreements and ensure that they align with the needs of the coordinating body.
- **Innovation Strategy Alignment:** It is advised to check with policy leads to ensure that innovation activities align with current policy thinking. This involves seeking external advice and guidance from relevant stakeholders to ensure that the activities are appropriate and do not cut across existing policies.
- **Conflict of Interest:** To mitigate potential conflicts of interest when assessing projects of members of membership bodies, it is recommended to seek external advice and guidance from relevant stakeholders. This helps ensure impartiality in the assessment process.
- **Role of Technology Connected:** It is suggested that Technology Connected should have a greater role in key areas like AI and cyber. This involves

engaging with relevant stakeholders and ensuring that Technology Connected is up front and actively involved in these areas.

- **Clarify Strategic Direction:** IW and the Welsh Government should provide a clearly articulated strategic direction to ensure all stakeholders understand the goals and expectations.
- **Include Deliverables in Funding Letters:** Funding letters from IW should consistently include deliverables and key performance indicators (KPIs) to provide clear guidance on what is expected.
- **Revise Governance Structure:** The articles of the forums should be updated to reflect the current focus on digital technologies and ensure they are fit for purpose.
- **Improve Interaction Between Departments:** Enhance clarity and interaction between different departments to reduce practical difficulties and ensure cohesive collaboration.
- **Empower Boards and Co-Chairs:** Restore the level of control and influence that the boards and co-chairs by redefining their roles and responsibilities to ensure they act as more than just advisory groups.

Annex 4 – Guarantor Member Reserved Matters

Notwithstanding any other provision of these articles the Company shall not and the Directors shall procure that the Company shall not undertake the following matters without prior written consent of the Guarantor Member.

3.2.1 unless set out, provided for or referred to in the relevant annual remit letter, annual operation plan or business plan of the Company, approve any revenue or capital expenditure, lending or leasing arrangements, acquisition or disposal of any land, property or other Capital assets;

3.2.2 unless set out, provided for or referred to in the relevant annual remit letter, annual operation plan or business plan of the Company, approve any project which materially increases the Company's risk profile and/ or which involves any obligations, restrictions or liabilities of an unusual, onerous or exceptional nature not in the ordinary course of business;

3.2.3 enter into any borrowing or incur any indebtedness, issue any bank mandates, guarantees, bonds, indemnities or letters of comfort;

3.2.4 acquire or form any subsidiary, or acquire shares in any other company or participate in any joint venture, partnership or contractual arrangement with similar effect;

3.2.5 enter into any arrangement which would extend or materially change the activities of the company outside of the scope of the business carried out by the Company at the date of the adoption of these articles;

- 3.2.6 permit the registration of any person as a Guarantor Member of the Company;
- 3.2.7 amend the articles of association of the Company;
- 3.2.8 create or grant any security over the whole or part of the business of the Company;
- 3.2.9 appoint or remove the auditors of the Company;
- 3.2.10 appoint and remove any of the Directors of the Company;
- 3.2.11 make any acquisition or disposal of assets by the Company;
- 3.2.12 amalgamate or merge with any other company or business undertaking;
- 3.2.13 the dissolution, winding up or liquidation or the presentation of any petition for an administration order, in respect of the company;
- 3.2.14 enter into, alter or vary any contract of employment or any increase or variation in the basis of calculating the payment of remuneration (including pension and other benefits) not already provided for in any agreed budgets, remit letters, annual operational plans of the Company;
- 3.2.15 make any gift or political or charitable donation;
- 3.2.16 alter the Company's name;
- 3.2.17 adopt or amend any operational plan or business plan or budget of the Company, or enter into any contract or commitment not provided for in the annual operational plan or business plan or budget;
- 3.2.18 establish or amend any pension scheme or granting any pensions to any Director, officer, employee, former Director, officer or employee or any member of any such persons family;
- 3.2.19 enter into any material contract outside the ordinary course of the business of the Company;
- 3.2.20 change the nature or scope or geographical area of the business of the Company as carried on from time to time or commence any new business not being ancillary or incidental to such business;
- 3.2.21 invest any surplus cash balances of the Company except in respect of short term cash deposits;
- 3.2.22 institute, settle or compromise any material legal proceedings (other than debt recovery proceedings in the ordinary course of business) instituted or threatened against the Company or submit to arbitration or alternative dispute resolution any dispute involving the Company.

Annex 5 – Forum Deliverables (FY24/25 funding letters)

Technology Connected

- New engagement model – profile and promotion
- Website - refresh
- Wales Technology Awards - Winners follow ups
- Wales Tech Week 25 – runway events

Aerospace Wales

April

- MRO Americas, Chicago 9-11th
- Future Defence & Space Opportunities In Wales Conference 16th
- The Lloeren Series Networking for Wales' Space Industry. N Wales Session 16th

May

- Sustainable Skies World Summit 2024 15th -16th
- North Wales Airbus Helicopters Event TBC

June

- PROVISIONAL – Export Members Meeting with Hugh James in South Wales
- Member's Meeting North Wales MBDA Meet the Buyer Event 12th
- Online ATI SME Programme Workshop

July

- Farnborough International Airshow 22nd -26th

September

- South Wales Members Meeting, TBC
- North Wales Members Meeting, TBC

October

- RAA Pre ATI Conference Dinner 7th
- ATI Conference 2024: DESTINATION ZERO 8th -9th
- ADS Toulouse Networking Event, 11-13th
- MRO Europe, Barcelona 22-24

November

- Space Tech Expo, Bremen 19-21

December

- Aerospace & Space Wales Gala Dinner and Awards Ceremony, South Wales, Date 28th November - PROVISIONAL

Welsh Automotive Forum

No Deliverables

NZIW

Activity description	Alignment	Short term (FY 2023/2024)	Medium term (2024-2026)
Working groups (secretariat & organisation)	G	Develop a plan to support the continual development of the “Clean Growth Hubs”, which is aligned with the SWIC cluster plan and incorporated with the SWIC exploitation plan.	Deploy the developed plan to organise & support working groups and secure additional resource (if required) to deliver the plan across a minimum of 4 Clean Growth Hubs (TBC).
Events (International, national, regional)	E	<p>Represent the SWIC at the Conservative & Labour party conferences <u>(complete)</u>.</p> <p>Organise an event alongside the Annual General Members meeting.</p> <p>Represent & speak on behalf of NZIW and its members at relevant events (conferences, workshops, roundtables, meetings, etc.).</p>	<p>Annually represent the Welsh Industrial Clusters at a relevant event and secure additional resource (if required).</p> <p>Organise an event alongside the Annual General Members meeting</p> <p>Represent & speak on behalf of NZIW and its members at relevant events (conferences, workshops, roundtables, meetings, etc.)</p>
Communications support (web site, social media, PR)	G	<p>Develop a communications strategy <u>(complete)</u>.</p> <p>Launch the LinkedIn page and deploy content to promote NZIW, supported clusters and member initiatives.</p> <p>Develop & launch a web site that is aligned with the communication strategy.</p>	<p>Support membership retention & growth to deliver an income of [information redacted] and measure membership satisfaction at least once per year.</p> <p>Secure a sustained level of at least 1,000 followers of the NZIW LinkedIn page.</p> <p>Secure at least 12,000 webpage views per quarter.</p>
Bid-writing support	F	Support the writing of the funding application of the newly formed NEWID cluster <u>(complete)</u> .	Support the writing of a minimum of 5 but up to 10 funding applications to relevant grants (launchpad, IETF, etc.). This maximum is linked to the reserved budget of £100 per annum to support this activity.
Grant funded project delivery support (Not funded by membership fees)	F	Lead the delivery support to Innovate UK of the Launchpad and enable the allocation of up to £2million of grant funding to the South West Wales region by March 2024 and secure the £155k of Cluster Management Office support.	Lead the delivery support to Innovate UK of the Launchpad and enable the allocation of up to £7.5million of grant funding to the South West Wales region by March 2025.

OFFICIAL SENSITIVE

		<p>Enable the project setup of the NEWID cluster, including the development and completion (signed by all partners) of the collaboration agreement.</p> <p>Lead the delivery of the NEWID cluster as part of the Innovate UK LIDP project, to enable to start in January 2024.</p>	<p>Lead the delivery of the NEWID cluster and complete the project by the end of December 2024.</p>
Inwards investment support (trade & commerce)	C	<p>Support members, Welsh Government and other relevant stakeholders to attract & secure private investment into Wales.</p> <p>Support the development of an inward investment document for the Clean Growth Hub in Pembrokeshire in close collaboration with PCC.</p>	<p>Support members, Welsh Government and other relevant stakeholders to attract & secure private investment into Wales. (metrics to be agreed)</p> <p>Support the development of an inward investment documents for at least <u>3</u> other Clean Growth Hubs.</p>