

Cyd-Bwyllgor Dinas-Ranbarth Bae Abertawe

Lleoliad: O bell drwy Microsoft Teams

Dyddiad: Dydd Iau, 10 Mawrth 2022

Amser: 10.30 am

Cadeirydd: Cynghorwyr Rob Stewart Cyngor Abertawe

Aelodaeth:

Cynghorwyr:

Cynghorwyr Emlyn Dole

Cyngor Sir Gâr

Cynghorwyr Ted Latham

Cyngor Castell-nedd Port Talbot

Cynghorwyr David Simpson

Cyngor Sir Benfro

Cynrychiolwyr Cyfetholedig Heb bleidlais:

Maria Battle

Bwrdd Iechyd Prifysgol Hywel Dda

Chris Foxall

Cadeirydd dros dro Bwrdd Strategaeth Economaidd Abertawe

Yr Athro Medwin Hughes

Prifysgol Cymru Y Drindod Dewi Sant

Steve Wilks

Prif Ysgol Abertawe

Emma Woollett

Bwrdd Lechyd Prifysgol Bae Abertawe

Gwyllo ar-lein: <https://bit.ly/3pcYkpm>

Agenda

Rhif y Dudalen

1 Ymddiheuriadau am absenoldeb.

2 Datgeliadau o fuddiannau personol a rhagfarnol.

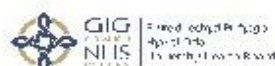
www.abertawe.gov.uk/DatgeluCysylltiadau

3 Cofnodion.

1 - 3

Cymeradwyo a llofnodi, fel cofnod cywir, gofnodion y cyfarfod blaenorol.

4 Cyhoeddiad/Cyhoeddiadau'r Cadeirydd.



5 Cwestiynau gan y Cyhoedd

Rhaid cyflwyno cwestiynau'n ysgrifenedig, cyn hanner dydd ar y diwrnod gwaith cyn y cyfarfod fan bellaf. Rhaid i gwestiynau ymwneud ag eitemau ar yr agenda. Ymdrinnir â chwestiynau o fewn cyfnod 10 munud.

- | | |
|--|-----------------|
| 6 Adroddiad ar Brif Bwyntiau Bargaen Ddinesig Bae Abertawe. | 4 - 16 |
| 7 Fframwaith Sicrwydd Bargaen Ddinesig Bae Abertawe. | 17 - 47 |
| 8 Cytundeb y Cyd-bwyllgor - Atodlen 15. | 48 - 51 |
| 9 Achos Busnes Portffolio Bargaen Ddinesig Bae Abertawe. | 52 - 659 |

Cyfarfod nesaf: Dydd Iau, 7 Ebrill 2022 ar 10.30 am



Huw Evans

Pennaeth Gwasanaethau Democrataidd

Dydd Iau, 3 Mawrth 2022

Cyswllt: Gwasanaethau Democrataidd - (01792) 636923

Agenda Item 3



City and County of Swansea

Minutes of the Swansea Bay City Region Joint Committee

Remotely via Microsoft Teams

Thursday, 10 February 2022 at 10.30 am

Present:

Councillors:

Emlyn Dole	Carmarthenshire Council
Ted Latham	Neath Port Talbot Council
Andrea Lewis	Swansea Council
David Simpson	Pembrokeshire Council

Co-opted Non-Voting Representatives:

Steve Baldwin	University of Wales Trinity Saint David
Chris Foxall	Chair of Swansea Economic Strategy Board
Steve Wilks	Swansea University
Emma Woollett	Swansea Bay University Health Board

Officers:

Gareth Borsden	Democratic Services (Swansea Council)
Jonathan Burnes	Director (Swansea Bay City Region)
Heidi Harris	Communications & Marketing Officer (Swansea Bay City Region)
Karen Jones	Chief Executive (Neath Port Talbot Council)
Steven Jones	Director of Development (Pembrokeshire Council)
Tracey Meredith	Joint Committee Monitoring Officer (Swansea Council)
Chris Moore	Joint S151 Officer (Carmarthenshire Council)
Phil Roberts	Chief Executive (Swansea Council)
Phil Ryder	Swansea Bay City Deal Programme Office
Wendy Walters	Chief Executive (Carmarthenshire Council)
Ian Williams	Portfolio Development Manager (Swansea Bay City Region)

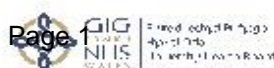
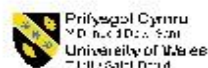
Apologies for Absence:

Councillor Rob Stewart, Maria Battle (Hywel Dda University Health Board) and Medwin Hughes (University of Wales Trinity Saint David)

26 Election of Chair Pro-Tem.

Resolved that Councillor Emlyn Dole be elected Chair of the Joint Committee protem.

Councillor Emlyn Dole (Chair) presided.



27 Disclosures of Personal and Prejudicial Interests.

In accordance with the Code of Conduct, no interests were declared.

28 Minutes.

Resolved that the Minutes of the Swansea Bay City Region Joint Committee held on 9 December 2021 be approved and signed as a correct record.

29 Announcement(s) of the Chair.

There were no announcements.

30 Public Questions

There were no public questions.

31 Swansea Bay City Deal Portfolio Quarterly Monitoring.

Phil Ryder (Swansea Bay City Deal Programme Office) provided a report which informed the Swansea Bay City Region Joint Committee of the Swansea Bay City Deal Quarterly Monitoring & Monthly Highlight Report for both the Swansea Bay City Deal Portfolio and its constituent programmes / projects.

He outlined and updated the Joint Committee on the progress relating to the following:

- Business Engagement;
- Yr Egin;
- Pembroke Dock Marine;
- Swansea City & Waterfront Digital District (Arena to be handed over shortly);
- Pentre Awel;
- Homes as Power Stations;
- Digital Infrastructure;
- Supporting Innovation & Low Carbon Growth;
- Skills & Talent.
- SBCD Campuses.

It was noted that three red risks remain identified relating to construction costs, Tan15 potential changes and potential slippage in delivery of schemes and eight new lower ranked risks had been identified.

The benefits realisation of around 160m was outlined and detailed, in addition to the 600+ jobs created and the £60m contribution to the GVA.

Resolved that the Quarterly Monitoring Report for the SBCD Portfolio and its constituent programmes / projects be noted.

32 Swansea Bay City Deal Quarterly Financial Monitoring.

Chris Moore, Joint S151 Officer (Carmarthenshire Council) provided the Swansea Bay City Region Joint Committee with a detailed update on the latest financial position of the Swansea Bay City Region.

He outlined that there is currently a slight underspend in the budget and detailed the reasons and factors behind that, as well as outlining a financial summary of the nine schemes, and the current investment position.

Resolved that the Swansea Bay City Region financial monitoring update report be approved.

33 Apportionment of National Non Domestic Rates (NNDR).

Chris Moore, Joint S151 Officer (Carmarthenshire Council) provided the Swansea Bay City Region Joint Committee with a report which informed them of the arrangements in respect of the retention and distribution of the additional NNDR generated through projects of the Swansea Bay City Deal programme.

He outlined the background to the matter, and indicated that the Section 151 officers from all the authorities had agreed on Option 1.

Resolved that the report be noted and the officer recommendation of Option 1 in respect of the disbursement of the agreed programme retention of NNDR be approved.

34 Swansea Bay City Deal Communications & Marketing Plan.

Heidi Harris, SBCD Communications & Marketing Officer presented a report which outlined to the Joint Committee the revised and updated Communications & Marketing Plan and detailed engagement activities for the SBCD portfolio and its constituent projects.

She indicated that she would be looking to create some sub groups to look at and update various issues going forward.

Resolved that the communications and marketing update including the revised SBCD Communications and Marketing Plan attached at Appendix A (to the report) and the SBCD Communications & Engagement Schedule attached at Appendix B (to the report) be noted.

The meeting ended at 11.11 am

Chair

Agenda Item 6



Swansea Bay City Region Joint Committee - 10 March 2022

Swansea Bay City Deal Highlight Report

Purpose:	To update Joint Committee on the programmes / projects progress that form part of the Swansea Bay City Deal Portfolio
Policy Framework:	Swansea Bay City Deal
Report Author:	Amanda Burns, Senior Portfolio Support Office
Finance Officer:	Chris Moore, Section 151 Officer, SBCD
Legal Officer:	Tracey Meredith, Monitoring Officer, SBCD
FOR INFORMATION	

1. Introduction

The SBCD Highlight Report details the monthly progress made and activities planned for the SBCD Portfolio's constituent programmes and projects.

2. Financial Implications

Financial implications are outlined within the Business Cases of each programme / project. Financial risks are recorded and managed through the portfolio risk register.

3. Legal implications

There are no legal implications.

4. Alignment to the Well-being of Future Generations (Wales) Act 2015

The SBCD Portfolio and its constituent programmes / projects are closely aligned to the Well-being of Future Generations (Wales) Act 2015 and the seven well-being goals for Wales. These alignments are outlined in a Portfolio Business Case for the SBCD, as well as in individual programme / project business cases

Background Papers: None

Appendices: Appendix A - Swansea Bay City Deal Highlight Report



Bargen Ddinesig

BAE ABERTAWE
SWANSEA BAY
City Deal

Appendix A

Monthly Highlight Report

February 2022



Business Engagement



Peter Austin
Business Engagement
Manager

SBCD Portfolio Office December- February 2021/22



Activities Completed

Activities

- Delivered CEW/CECA construction costs workshop to PLs and CD/GD reps
- Received demo of REMO event software as a digital contingency for Showcase event
- Received demo of Beauhurst business investment software
- Contributed to UK Gov major regional assets survey

Attendances:

- Attended WG Gateway training session
- Planning meetings for 4theRegion Swansea City Centre event
- Blockchain Challenge - Blockchain Connected

Meetings

- David Kieft & WG re UNITED Cities initiative
- Steve Hickson – Liquitherm
- Mark Whitby – CITB
- Jayne Brewer – 2bEnterprising
- Arwel Morgan – Havren Ventures
- David Birch – Chambers Wales
- Nick Jones – Gensler
- Sarah Smith/Andy Morris- Dev Bank re Beauhurst
- Wales Coop – re-event panel

Activities Planned/Ongoing

Current

- Working with CECA and CEW to follow-up from construction costs workshop with PLs/SROs
- Planning for Portfolio Showcase event in 2022
- Planning for participation in Swansea City Conference 2022 with 4theRegion
- Developing proposal for Business News Wales marketing support
- Business Engagement support for programmes and projects
- Facilitating meetings for smart cities initiative

Ongoing

- Coordinating ESB meetings with Hollie & Chris Foxall
- Monitoring Portfolio procurement pipeline
- Managing SBCD LinkedIn account
- Developing portfolio forward plan
- Attendance at CEIC steering group meetings
- Meetings with WG RMT
- Developing joint work programme SBCD & Wales Co-op



Risks

Ongoing alignment of Regional Strategy development to development of E&I framework leading to lack of coordinated approach to engagement and investment across portfolio

Projects adopting silo approach to business engagement

Potential cost increases during construction phases of projects

Issues

none



Communications and Marketing



Heidi Harries
Communications
and Marketing Officer

SBCD Portfolio Office January - February 2021/22

Activities Completed

Activities:

- Marketing and Communications Plan V5
- Co-ordinated Ministerial visit by David T C Davies to Campuses (Swansea University)
- Create template and complete bios for key people attending the Minister visit
- PR and social media updates for the Minister Visit
- City Deal briefing packs for the Minister Visit
- Minister briefing packs for the Showcase Event
- Organising pens and lanyards for the Showcase Event

Attendances:

- Attended WG Gateway training session
- Planning meetings for 4theRegion Event
- Visit to Parc Y Scarlets to assess venue for the Showcase Event
- Swansea Bay University Health Board Comms team introduction



Activities Planned/Ongoing

Current:

- Working with PM on a list of key milestones that should be included in PR
- Working with PMs to establish communication groups
- Planning for Portfolio Showcase Event in 2022
- Marketing collateral for the Showcase Event including banner stands and brochures
- Planning for participation in Swansea City Conference 2022 with 4theRegion
- Developing proposal for Business News Wales marketing support
- PR on All Programmes and Projects in Delivery

Ongoing:

- Meetings with UK Gov and Welsh Gov representatives
- Identifying PR opportunities
- Updating and monitoring the SBCD website
- Updating and monitoring the SBCD social accounts
- Roll out Marketing and Communications plans to a project and programme level

Risks

Increases in construction costs may have implications to overall project budgets/timelines/quality which may create variance from the figures that the press have already publicised.

Issues

None



Pembroke Dock Marine



Steve Edwards
Commercial Director
Port of Milford Haven

Project Partner Lead: Pembroke Dock Marine Board



Activities Completed

PDI:

- Approval of the PCC Planning reserved matters and discharge conditions for Phase 1 received.
- Marine license variation for workboat pontoons approved/issued by NRW

META:

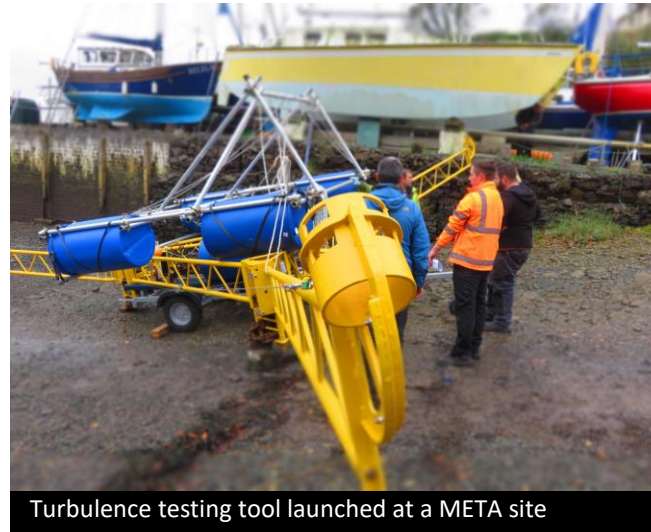
- Deployment of SELKIE turbulence testing tool developed by Swansea University (right)
- Marine Energy Wales Quarterly Working Group Meeting

MEECE

- Team recruitment. 2 new people employed (new innovation manager and procurement person replacement)
- Collaboration agreement with Universities progressing

PDZ:

- Team recruitment (3FTE by mid-March)
- Project definition phase complete
- Stakeholder questionnaire
- Grid application process started
- Procurement underway



Turbulence testing tool launched at a META site

Activities Planned

Partners attending SBCD portfolio showcase 3rd March.

Marine Energy Wales conference has been confirmed for 22nd and 23rd March 2022.

PDM Program Board Terms of Reference being revised following feedback from Partners.

Risks

Further material costs increases presenting a risk to deliver IP1 to budget.

PDI Lot 1 Construction Programme end date (see below)

Floating Offshore Wind requirements presenting significant opportunity but further intervention in transmission infrastructure and multiple regional ports needed in order to connect the projects to the UK energy system & compete with European ports to capture benefit.

Mitigations – Ongoing dialogue with contract partners and funding bodies. Early collaboration discussions with Regional Ports ongoing

Issues

Capital cost increase PDI project budget. Further phases are at different stages in the PDI development plan but MHPA continue to work to inform options to mitigate (IP1)

Ensuring appropriate level of project and program governance / reporting is established to maintain the projects value to the SBCD whilst ensuring the project remains delivery and impact focused.

PDI Lot 1 ECI design stage prolongation will result in delayed start to Lot 1 Slipway/workboat pontoons and extended completion dates

Pentre Awel

Project Partner Lead: Carmarthenshire County Council



Dr Sharon Burford
Project Manager

Activities Completed

- Continuation of pre-construction activities for Zone 1, including further design development and preparation of a Guaranteed Maximum Price
- Dialogue undertaken with tenants to confirm the designs of their areas. These have been incorporated into Heads of Terms.
- Heads of terms in draft with three tenants covering c.4000sqm in total.
- RIBA Stage 1 design development of Zone 3
- Project Team strengthened with internal and external appointments, including a joint post with Cardiff University
- Innovation and business development activities progressed with academic partners including National links
- Bouygues have submitted their Community Benefits Plan. Currently under review by internal group. First stakeholder meeting planned 4th March
- Welsh language action plan under development
- Policy developed to assess if Third sector groups can be included within the Council areas of Pentre Awel. For this to happen they have to meet certain criteria, outlined within the policy.
- Schools Engagement work underway to promote widening access.

Activities Planned

- Submission of Reserve Matters Application, SAB application and discharging pre-commencement planning conditions for Zone 1
- Review of catering model for Zone 1 and whole site provision
- RIBA Stage 2 and 3 design development of Zone 3 (assisted living and expansion business centre), including submission of Reserve Matters Application for that phase.
- Gateway 2 review with Department for International Trade
- Further develop Hub and Spoke proposals.
- Discussions re curriculum development in allied health professions.
- Working with Bouygues to arrange Meet the Buyer events at a local venue – early April 2022 targeted



Risks

- Zone 1 not delivered to programme and budget.
Mitigation - Bouygues UK appointed; Construction Board established; stakeholders engaged to review designs; technical working groups underway; Gleeds and Arup providing design adjudication, cost consultancy, NEC3 PM and supervisor roles
- Failure to maximise whole system benefits.
Mitigation – workstream groups (incl. education, health, research and leisure; Community Benefits Group formed to monitor and facilitate Bouygues Community Benefits Programme



Yr Egin – February 2022



Geraint Flowers
Project Manager

Project Partner Lead: UWTSD



Prifysgol Cymru
Y Drindod Dewi Sant
University of Wales
Trinity Saint David

Activities Completed

Following the completion of the creative sector analysis for Phase 2 UWTSD has been developing an appropriate delivery strategy based around the sector analysis, the SBCD aims and objectives and the strategic aspirations of the University.

Page 10

Activities Planned

Egin Phase 1 now considered complete, University moving on with IAAP to develop Egin Phase 2. University senior internal team has mobilised and will now work on development of Egin Phase 2. University is engaging with expert consultancy support.

Development of Egin Phase 2 operational model has commenced with an assessment of industry need and will be built around a service delivery model.

University engaging with SBCD to describe new model of delivery through different elements. Change request process programmed to start beginning of March 2022.

Risks

Effect of Covid-19 on the Welsh/UK/global economies and the creative sector, and the implications for future level and nature of demand for Yr Egin

Potential change to current business case due to outcomes of Egin Phase 2 operational model

Issues

Implications of the recently announced Welsh Government strategy to achieve much increased levels of permanent remote working post Covid-19 and to develop a network of local, community-based working hubs



Supporting Innovation & Low Carbon Growth



Lisa Willis
Programme Lead

Project Partner Lead: Neath Port Talbot Council



Activities Completed

SILCG Programme Manager recruitment process commenced

SWITCH NPT/Swansea University Working Group meeting held to progress Design & Build specification and regular catch ups

Approved Technology Enabled Manufacturing And Service Campus proposal (TEMASC) stakeholder event to ensure alignment to Advanced Manufacturing Production Facility

Bay Technology Centre working group meeting held

Agreed Primary Funding Agreements between CCC and NPT

SILCG Programme financial profile review

SILCG Programme Board met in January

Met with WG Assurance Team to plan next Assurance reviews for SILCG Programme

On-going engagement with industry, academia and government

Activities Planned

SILCG Programme Manager interviews and appointment

SWITCH SLA / MoU and Lease Agreement to be finalised and signed

Technical Advisory Group to be established

SILCG Programme Board to next meet in February

Advanced Manufacturing Production Facility – private sector engagement to develop specification

Property Development Fund.- to agree scheme guidance and advertise at Showcase Event

Prepare information for City Deal Showcase Event

On-going engagement with industry, academia and government



Risks

TAN 15 – Updated TAN may have potential implications for the location of some assets and wider implications not yet known

Issues

To ensure SILCG specialist facilities meet the needs and demands of the decarbonisation agenda – on-going consultation with government, industry and academia. Technical Advisory Group to review specification prior to tender exercise.



Swansea City & Waterfront Digital District

Project Partner Lead: City & County of Swansea

Activities Completed

Arena

LED user guide being finalised.
Arena internal finishers and M & E by ATG including equipment instalment.

71/72 Kingsway

Construction programme began Nov 2021.
Piling commenced.

Innovation Matrix

Change request submitted and approved by joint committee.



Arena - from the East

Activities Planned

Arena

Practical completion Q1 2022 working with ATG to align the events to take place ahead of the first act..
Agree terms and conclude the agreement with commercial tenants.
Hotel – Meetings planned to discuss delivery options.

71/72 Kingsway.

Comms plan to be finalised.
Construction continues.
Further detailed letting/operator discussions continue for 71/72 The Kingsway

Innovation Matrix

Pre application discussions on planning ongoing
Funding agreement agreed between CCoS and UWTSD
Design development (RIBA 3) almost complete – operational model in progress
Innovation Matrix industry event hosted and was very successful



Huw Mowbray
Project Manager

Risks

Effect of Covid-19 and Material shortage on construction, including programme slowdown and impact on costs

Effect of Covid-19 upon level and type of commercial demand for 71/72 Kingsway, Box Village and Innovation Precinct–
Hotel: difficulties in funding are impacting delivery timescales.
TAN15 may impact the Innovation Matrix.

Issues

Impacts of Covid and effects on redevelopment including timescales, costs and occupier demand.



Digital Infrastructure



Gareth Jones
Programme Manager

Programme Partner Lead: Carmarthenshire County Council



Risks

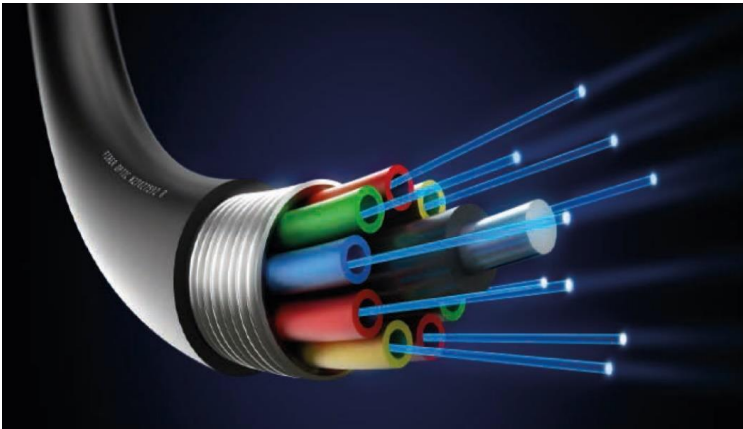
Activities Completed

Awarded WG funding to deploy an Internet of Things (IoT) Innovation Network across the region hosted by LA's. Installation ongoing.

Lobbying, support and facilitation of significant public and private sector regional investment in Digital Infrastructure including announcements from Ogi & Openreach.

Invited to participate in UK National DCIA Early adopter Group to share and disseminate best practice on barrier busting and digital solutions for Infrastructure deployment

Appointment of contractor to develop Regional Digital Strategy for Swansea Bay City Region



Activities Planned

Regional Digital funding agreements agreed by Digital Board.

Finalise site lists for regional hub-site procurements

Develop shared plan for marketing and promoting new IoT Innovation Network when all installations complete.

Continue to lobby for, support and facilitate ongoing public and private sector investment in Digital Infrastructure

Recruitment of two specific LA embedded resources to support and enable local delivery

Update project milestones and financial re-profile to reflect current position



Delay in recruitment of local human resources allocated to the programme . Job descriptions drafted and circulated to Board members, Job evaluation completed by lead organisation. Collaboration agreement and primary funding agreement including schedules detailing human resource requirements drafted and shared with local lawyers for comment ahead of formal submission to Board

Visibility of commercial investment plans across the Region. . continued engagement with fibre and mobile infrastructure providers to establish plans for infrastructure investment in the region. Ongoing lobbying of both UKG and WG for further clarity on plans and timescales for roll out of digital infrastructure projects including GIS and Project Gigabit and for early sight of results of the OMR and clarity on USO

Issues

Limits on internal resources to support the Programme and it's individual Projects due to Covid response and their own competing priorities are highlighted and compounded by the continued lack of endorsed Regional funding and collaboration agreements and associated delayed recruitment of additional local resources.

Homes as Power Stations

Project Partner Lead: Neath Port Talbot Council



Oonagh Gavigan
Project Manager

Activities Completed

Finalised Primary Funding Agreement between Carmarthenshire and Neath Port Talbot CBC.

Finalised collaborative Financial Agreement to enable dissemination of funding between NPT (lead) and partner authorities.

Introduction meeting held with WG Innovative Programme Manager to discuss future partnership opportunities.

Introduction meetings held with LA and RSL colleagues across the region.

Attended

BEIS Heat Pump Ready Funding Webinar

WG Assurance Planning Meeting



Activities Planned

Gain approval of proposed membership for HAPS Skills Group and draft Terms of Reference via Project Board.

Gain approval of proposed membership for Technical Advisory Group and draft Terms of Reference via Project Board.

Complete draft Financial Incentives Fund application form, technical advice and scoring criteria for discussion and input at Project Board.

Raise profile of project and funding opportunities via the City Deal Event on 3rd March.

Complete draft Monitoring and Evaluation Specification for discussion and approval at Project Board.

Continue discussions to ensure a breadth of attendees and input into the pending Lessons Learned Group.

Continue to attend conferences and webinars to raise the profile of HAPS and seek opportunities for integration.



Risks

Cost increases and supply issues in relation to technologies.

TAN 15 – Updated TAN may have potential implications for the location of some assets and wider implications not yet known

Ensure alignment to other energy efficiency in housing programmes. This is in progress with on-going engagement.

Issues



Skills and Talent

Sam Cutlan
Programme Manager

Project Partner Lead: Carmarthenshire County Council



Activities Completed

Skills Solution Group established and protocols set up for the funding of the skills pilot projects.

Skills Barometer presented to the Skills Solution Group.

Discussions ongoing with the 8 City deal projects on key skills requirements and any urgent upskilling requirements.

Working with Schools on ideas for pilot projects to develop Career Pathways.



Activities Planned

Skills Barometer to be presented to RSLP Board 23 February.

Skills Solution Group to work on timelines to start receiving pilot project applications.

Launch Event being planned for 3 March.

Working with Schools across the region to highlight opportunities through the City Deal.



Risks

Lack of staff resources to deliver the programme could have consequences of the timescale of delivery of key skills required by the other 8 City deal projects.

Issues

Impact of Covid-19 on the training landscape and the changing needs of businesses as a result of the pandemic could result in the need to identify new ways of upskilling individuals. These issues will be identified within the pilot projects developed.



SBCD Campuses

Project Partner Lead: Swansea University



Tony Harris
Project Manager

Activities Completed

Ministerial visit from M.P David T.C Davies successfully completed 10/02/22

Project management plan (PMP) developed.

9 Workstreams identified and Workstream leads appointed.

Draft funding agreement received and under review by the University Financial Business Partner.

Structured SBCD Showcase event invitee list compiled and submitted,

Portfolio and Project Marketing and engagement plans completed.



Activities Planned

Initiate project (IP) stage to be completed 14/03/2022 and approval sought to progress to delivery stage 1.

Rebranding exercise to be completed and final options submitted for Board approval.

PMP – Project management plan approval.

Department of International Trade (DIT) engagement to progress and supporting documentation and requirements captured.

Morrison management centre (MMC) design work to progress with client requirements captured.



Risks

Student income benefit under threat of not achieving 2022 (5 year) target due to programme development and delays, workstream established to plan mitigating actions.

The potential for further increase in construction costs has raised a number of related risks such as material availability and affordability.

Issues

Delays in receipt of the draft funding agreement may have an effect on the Morrison management centre refurbishment timeline, as a secondary agreement needs to be produced between SU and SBUHB before work begins.



Agenda Item 7



Swansea Bay City Region Joint Committee - 10 March 2022

Swansea Bay City Deal Portfolio Gateway Assurance Arrangements

Purpose:	To seek Joint Committee approval for the SBCD Assurance Framework detailing the assurance arrangements for the Portfolio and its constituent programmes and projects
Policy Framework:	Swansea Bay City Deal (SBCD) Joint Committee Agreement (JCA)
Consultation:	Senior Responsible Owners, Project Leads, Welsh and UK Government
Recommendation(s):	It is recommended that the Joint Committee approves the SBCD Assurance Framework attached at Appendix A.
Report Author:	Ian Williams, SBCD Portfolio Development Manager
Financial Officer:	Chris Moore (S.151 Officer)
Legal Officer:	Tracey Meredith (Monitoring Officer)

1. Introduction

The application of independent assurance arrangements are an essential and integral part of ensuring successful delivery of programmes and projects, and the realisation of their benefits. Due to the high value, risk rating, complexity and the number of discrete project elements within the SBCD portfolio, a number of issues arise in developing assurance arrangements that are effective and practical, particularly with respect to cost, resource and timing.

A series of meetings and workshops were held between the PoMO and officers from the Welsh Government Integrated Assurance Hub (WG IAH) to develop the approach to assurance of the SBCD portfolio.

Programme (Portfolio) Board on 30th November 2021 were informed of the requirements for independent assurance across the portfolio and rationale for the developing assurance arrangements. The approach and direction of travel was agreed by Programme (Portfolio)

Board which was to be formalised through the development of a SBCD Assurance Framework.

2. SBCD Assurance Framework

The SBCD Assurance Framework is attached at Appendix A.

This framework has been produced jointly by the SBCD PoMO and WG IAH and describes the arrangements for the SBCD Portfolio which are aligned to best practice, and are proportionate, practicable and fit for purpose.

The purpose of this document is to provide a framework for the management, resourcing and governance of Gateway assurance arrangements for the SBCD Portfolio and its constituent programmes, projects and workstreams. The framework provides clarity for programme and project Senior Responsible Owners (SROs) and their teams, Welsh and UK governments and partner organisations on the assurance arrangements that will apply to the programmes and projects within the SBCD portfolio.

The framework supports the portfolio Integrated Assurance and Approval Plan (IAAP) which leads the assurance activity associated with the development, delivery and operational phases of the programmes and projects.

Consultation on the framework has been undertaken with SROs and programme / project leads and WG / UKG City and Growth Deal leads.

Proposed Arrangements

The proposed arrangements for independent assurance are shown below.

Level	Assurance Arrangements
Level 1: Portfolio (1)	Gateway 0 – annual review
Level 2: Headline Programmes and Projects (9)	Gateway 0 / Gateways 1-5 / PARs – periodic reviews with the option of undertaking Gateway 1-5 to incorporate key decision points of component projects and workstreams
Level 3: Projects and Workstreams (35)	Primarily internal (regional) independent reviews managed and resourced through a SBCD Assurance Sub-Hub. Provision for some high risk / value projects to be undertaken through the formal Gateway Review process

The following agreed approach will also apply in the establishment of the assurance arrangements for Level 3 of the portfolio:

- The SBCD Gateway assurance arrangements will replicate the OGC Gateway Review process e.g., format, documentation, process

- Level 3 reviews will be aligned to best practice for OGC Gateway Review process but adapted to undertake lighter touch reviews
- The management and delivery of reviews will be overseen by a joint SBCD/WG/UKG assurance panel
- A SBCD assurance sub-hub will be established to undertake the planning, organisation and resourcing of reviews under accreditation of WG IAH
- WG IAH will ensure that assurance standards are being applied throughout the process and will manage the process by way of quality assurance checks and regular updates/meetings
- Reviews will be led by an independent Review Team Leaders, trained by the WG IAH, to ensure integrity and transparency in the review process
- Projects and workstreams will have assurance reviews by exception based on the Risk Potential Assessment (RPA) rating for criteria such as value, risk, and complexity

SBCD Assurance Sub-hub

Essential to the establishment of these assurance arrangements is the creation and operation of a formal assurance capability within the SBCD. This will be in the form of an Assurance Sub-hub which would manage the organisation, resourcing, delivery and monitoring of the majority of Level 3 reviews. The Sub-Hub would also ensure that the independent external reviews at Levels 1 and 2 are assessed and scheduled appropriately through the WG IAH.

The SBCD Assurance Sub-hub will be established under the umbrella and accreditation of the WG Integrated Assurance Hub with the approach, process, format, standards and documentation replicated to ensure the consistency and robustness of reviews.

SBCD Joint Assurance Panel

Oversight of the development and implementation of the SBCD Assurance Framework will be undertaken by the Joint SBCDWG/UKG Assurance Panel. The Panel will be chaired by Welsh Government Head of Integrated Assurance with representation from the SBCD PoMO, the Welsh Government and UK Government leads for City and Growth Deals.

3. Financial Implications

The adoption of the assurance framework will lead to cost saving due to lower-level assessments being undertaken internally by the PoMO. As the framework is in development cost savings cannot be quantified at present.

4. Legal Implications

There are no legal implications associated with this report.

5. Alignment to the Well-being of Future Generations (Wales) Act 2015

The SBCD Portfolio and its constituent projects are closely aligned to the Well-being of Future Generations (Wales) Act 2015 and the seven well-being goals for Wales. These alignments are outlined in a Portfolio Business Case for the SBCD, as well as in individual project business cases. The proposal would contribute directly to the Act and the well-being by promoting the successful delivery of programmes and projects.

Background Papers: None

Appendices:

Appendix A: SBCD Assurance Framework

Appendix B: Options Appraisal

Appendix C: Terms of Reference

Swansea Bay City Deal Gateway Assurance Framework



Llywodraeth Cymru
Welsh Government

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1. Purpose

The purpose of this document is to provide a framework for the management, resourcing and governance of Gateway assurance arrangements for the Swansea Bay City Deal (SBCD) Portfolio and its constituent programmes, projects and workstreams. The framework provides clarity for programme and project Senior Responsible Owners (SROs) and their teams, Welsh and UK governments and partner organisations on the assurance arrangements that will apply to the SBCD Portfolio.

The establishment and application of independent assurance arrangements are an essential and integral part of ensuring successful delivery of portfolios, programmes and projects, and the realisation of their benefits. Due to the high value, risk rating, complexity and the significant number of discrete project elements within the SBCD Portfolio, it is essential that the assurance arrangements are effective and practical, particularly with respect to cost, resource and timing. It is also important that clarity is provided to all stakeholders on assurance requirements, the process involved and their respective roles and responsibilities to ensure the effectiveness of the assurance arrangements.

The framework supports the Portfolio Integrated Assurance and Approval Plan (IAAP) which leads the assurance activity associated with the development, delivery and operational phases of the programmes and projects.

This framework has been produced jointly by the SBCD Portfolio Management Office (PoMO) and Welsh Government Integrated Assurance Hub (IAH) and describes the arrangements for the SBCD Portfolio which are aligned to best practice, and are proportionate, practicable and fit for purpose.

2. Background

2.1 Assurance and Gateway Reviews

The HM Treasury Guidance for Better Business Cases highlights the importance of integrating effective assurance arrangements in the development, delivery and evaluation of projects and programmes. Assurance provides independent and impartial confirmation that a programme / project and its various activities are on track and that the spending objectives can be delivered successfully. It also improves the prospects of achieving the intended outcomes and benefits.

The Better Business Case guidance for developing programme and project business cases aligns with the Cabinet Office Gateway Review assurance process and the Welsh Government Assurance Process. This process examines projects at key decision points in their lifecycle and looks ahead to provide assurance that they can progress successfully to the next stage. OGC Gateway Reviews are regarded as best practice in central civil government throughout the UK and are applicable to a wide

range of programmes and project. The Gateway Reviews deliver a 'peer review', in which independent practitioners from outside the programme/project use their experience and expertise to examine the progress and likelihood of successful delivery of the programme or project. They are used to provide a valuable additional perspective on the issues facing the project team, and an external challenge to the robustness of plans and processes.

It is designed to provide independent guidance to SROs, programme and project teams and to the departments who commission their work, on how best to ensure that their programmes and projects are successful. Essentially, the Gateway Process provides support to SROs in the discharge of their responsibilities for the delivery of the programme or project and to achieve their business aims, by helping the SRO to ensure:

- the best available skills and experience are deployed on the programme/project
- all the stakeholders covered by the programme/project fully understand the programme/project status and the issues involved
- there is assurance that the programme/project can progress to the next stage of development or implementation and that any procurement is well managed in order to provide value for money on a whole life basis achievement of more realistic time and cost targets for programmes and projects
- improvement of knowledge and skills among government staff through participation in Reviews
- Provision of advice and guidance to programme and project teams by fellow practitioners.

Portfolio and Programme Reviews are carried out under OGC Gateway™ Review 0: Strategic assessment.

Project Reviews are carried out under OGC Gateway Reviews 1 - 5; and can undergo up to five Reviews during its lifecycle – three before commitment to invest, and two looking at service implementation and confirmation of the operational benefits. Project Reviews may be repeated as necessary depending on the size, scope and complexity of the project.

The Gateway process identifies the following key stage decision points:

- Gateway 0 – Strategic Assessment for Programmes
- Gateway 1 – Business Justification
- Gateway 2 – Delivery Strategy
- Gateway 3 – Investment Decision
- Gateway 4 – Readiness for Service
- Gateway 5 – Operations Review and Benefits

Additional 'products' available for SROs include Project Validation Reviews (PVR), Project Assessment Reviews (PAR) and Critical Friend Review (CFR). In addition, in circumstances where a Review returns a Delivery Confidence Assessment (DCA) of either Amber/Red or Red, an Assurance of Action Plan (AAP) Review is invoked. PARs tailored to specific terms of reference have been made use of by a number of City Deal projects.

The standard format for a Gateway Review involves the formation of a Review Team consisting of a paid independent consultant as the Review Team Leader (RTL) and two supporting Review Team Members (RTMs) from the public sector. This Team undertakes a series of interviews with selected stakeholders over a 2-day period and produce a report to the SRO on the third day which includes a Delivery Confidence Assessment (Green / Amber Green / Amber / Amber Red / Red) together with recommendations to support the delivery of the programme or project going forward. For more complex projects and programmes with many stakeholders, a 5-day review can be undertaken.

2.2 SBCD Portfolio, Programmes and Projects

The SBCD has a current portfolio investment of £1.3bn, funded by the UK Government, the Welsh Government, public sector bodies and the private sector. This investment will improve regional infrastructure in high value sectors, attract inward investment from businesses and create good job opportunities. It is a partnership of eight regional organisations made up of local authorities, universities and health boards.

The portfolio is to be delivered over a 15-year period 2017-2033 and with the following investment objectives:

1. **Jobs** - To create over 9,000 skilled jobs aligned to economic acceleration, energy, life sciences and smart manufacturing across the region within 15 years (2017-33).
2. **GVA** - To contribute £1.8-2.4 billion GVA to the Swansea Bay City Region by 2033 and contribute to the region achieving 90% of UK productivity levels by 2033.
3. **Investment** - To deliver a total investment in the region of £1.15-1.3 billion in the South West Wales Regional economy by 2033.

These investment objectives will be realised through the successful delivery of 9 headline programmes and projects each of which has developed a programme or project business case aligned to the Better Business Case guidance.

Responsibility for the delivery of the programmes and projects lies with the identified lead authority / lead delivery organisation.

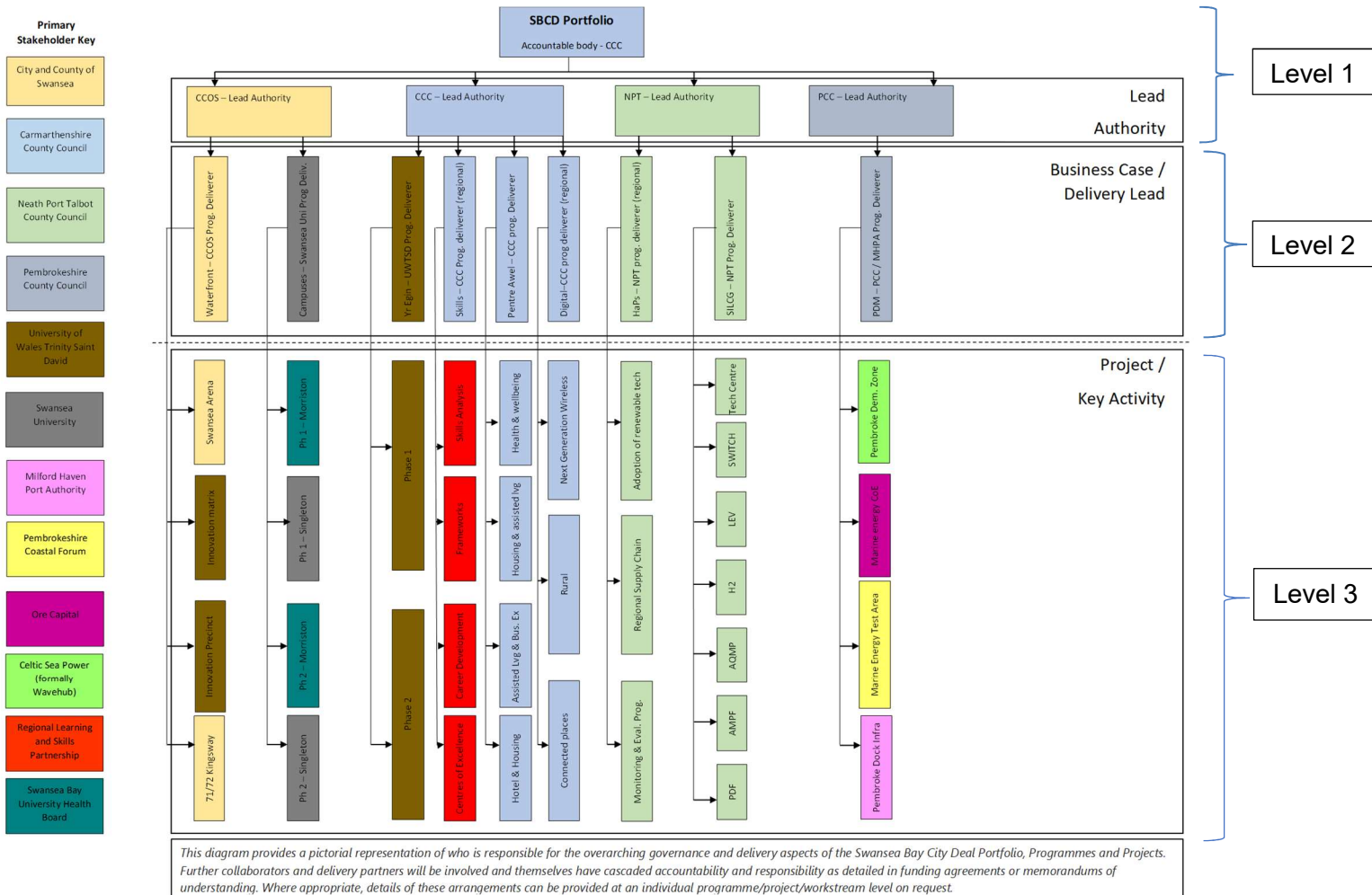
The SBCD structural diagram below shows the organisational responsibility for the delivery of each element of the portfolio and demonstrates the complexity and magnitude of projects and workstreams incorporated within the headline programmes and projects. All nine of the programmes and projects have received regional and Government approval and the SBCD Portfolio is now in full delivery.

The following diagram illustrates that the component activities of the SBCD fall within one of the following levels:

Level 1 - SBCD Portfolio (1).

Level 2 – Headline Programmes and Projects (9). Led by a SBCD local authority and delivered by a lead authority and SBCD partner organisations.

Level 3 – Projects and Workstreams (35). Delivered by a SBCD local authority and partner organisations



2.3 Current Assurance Arrangements

The Gateway Assurance Framework is complementary to the assurance arrangements that already exist and are operational for the SBCD Portfolio. It is acknowledged that the Gateway review process supports a rigorous governance framework to manage key processes including business planning, investment appraisal and business case management (including benefits management), programme and project portfolio management, risk management, procurement/acquisition, and service and contract management. It is also recognised that partner delivery organisations will have individual assurance arrangements and obligations that will be fulfilled in programme and project delivery.

Working closely with the Welsh Government’s Integrated Assurance Hub, the SBCD

Portfolio Management Office (PoMO) has established a Portfolio Integrated Assurance and Approval Plan (IAAP), to ensure that the planning, coordination and provision of assurance activities and approval points throughout the City Deal portfolio are proportionate to levels of cost and risk. An IAAP has been established for all SBCD Programmes / Projects, which are live documents and are regularly updated and shared with the appropriate governance structures at programme / project and portfolio levels. Portfolio and programme / project level IAAPs are updated by programme / project teams and reported through the SBCD governance on a quarterly basis. The IAAPs provide details on the nature and timing of assurance arrangements at all levels including:

- Governance groups reporting
- Key documentation review and approvals
- Internal functional assurance
- Independent assurance (inc. Gateway Reviews)
- Internal and external audit

Currently, Gateway Reviews are required and undertaken at both a Portfolio level and at the 9 headline Programme or Project level as shown in the table below. Reviews are administered by the Welsh Government Assurance Hub, under accreditation by the Infrastructure and Projects Authority (IPA), to coincide with key decision points in the delivery of a programme / project at the request of the SRO. There is a 10-12 week lead in time for a review and a cost of approximately £6,500 to the commissioning organisation for a typical 3-day review. The SBCD PoMO facilitate the process and support the SRO and project team through the scoping, interview and feedback sessions. The PoMO also track the scheduling of Reviews through the project IAAPs.

Within the headline programmes and projects there are many discrete projects and workstreams. Some of these are of a high value and risk rating and are crucial to the success of the headline programme / project and consequently to the success of the Portfolio overall. Currently, there are no systematic Gateway assurance arrangements at this level across the SBCD Portfolio. It is acknowledged however that evaluations / reviews, such as WEFO related projects, may be required by other funding sponsors. Any proposed arrangements would seek to supplement these existing arrangements and not to replace or duplicate.

Level	Assurance Arrangements
Level 1: Portfolio (1)	Gateway 0 - annual
Level 2: Headline Programmes and Projects (9)	Gateway 0 / Gateways 1-5 / PARs – periodic reviews with the option of undertaking Gateway 1-5 to incorporate key decision points of component projects and workstreams
Level 3: Projects and Workstreams (35)	No current systematic Gateway assurance arrangements across the SBCD Portfolio.

2.4 Rationale for Change

HM Treasury advice on Better Business Cases Guidance assurance arrangements indicates that there should be independent assurance throughout the lower level of SBCD projects and workstreams (Level 3) that currently have no independent Gateway assurance arrangements. Some of these projects are high value / high risk projects that could have significant consequences for the success of their headline programme / project and the overarching SBCD portfolio. It is acknowledged by SBCD, its partner organisations and Welsh and UK Government sponsors that comprehensive assurance arrangements need to be in place across the whole of the portfolio.

It is recognised that appropriate and effective assurance is required at all levels within the SBCD Portfolio. It is also acknowledged that there would be considerable practical issues with undertaking the full suite of Gateway reviews at Level 3 solely through the defined Gateway Review process using external Review teams. With the portfolio now being in full delivery there will be a requirement for rigorous, effective and frequent assurance activity to ensure that the portfolio remains on track to deliver its defined benefits to the region.

The main challenge is the number of reviews that would need to be undertaken which would lead to issues for delivery organisations relating to:

Cost

Each Gateway review costs approximately £6.5k plus expenses for a typical 3-day review, which is funded by the lead organisation for a programme or project.

Programme / Project resource

There is already pressure on some programme and project teams to provide resource to undertake Reviews in terms of organisation, administration and providing support to the review team. These pressures are likely to become more significant as an increased number of projects and workstreams progress through delivery.

Stakeholder commitment

The programmes and projects have many common stakeholder organisations / individuals that would be involved in a Review. To follow the prescribed arrangements at all levels of the Portfolio would lead to unmanageable time pressures on senior officers in the partner organisations in attending and managing reviews.

Management

The need for a 10-12 week lead-in time for Gateway reviews is acknowledged and are scheduled in the IAAP to coincide with key decision points. However, as programmes and projects are proceeding at pace through delivery, it will become difficult to manage and capture all key decision points for the component projects and workstreams and avoid delays to delivery. Under the current arrangements there have been instances where project reviews have not been undertaken at the most opportune time

Assurance community resource

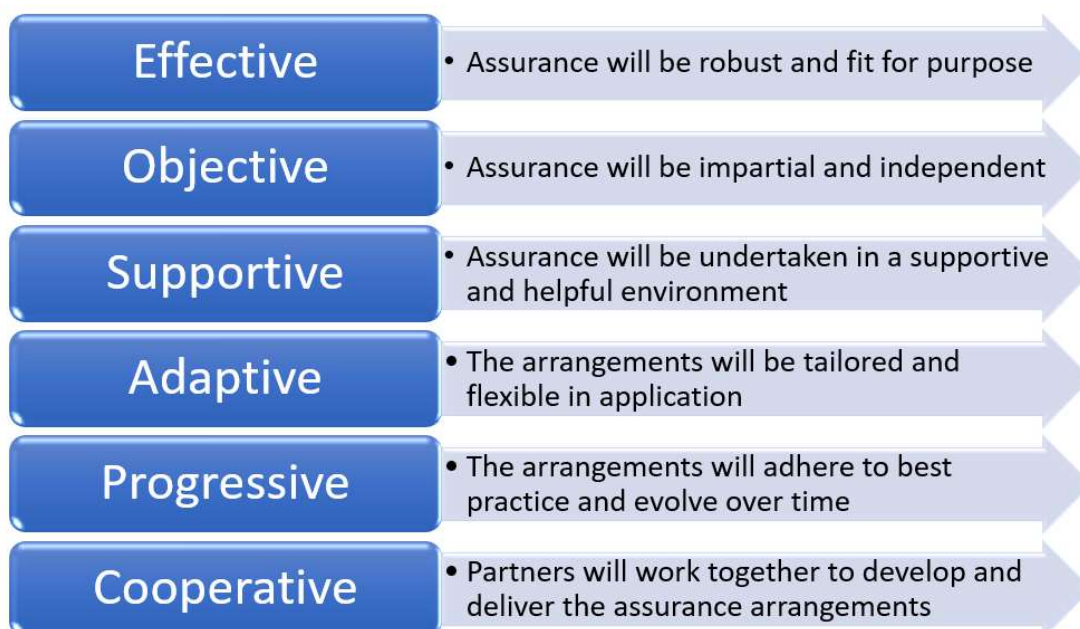
Potential for excessive resource demands on the existing Welsh Government assurance community for RTLs / RTMs.

In consideration of the above, there is an identified need to establish Gateway assurance arrangements which address these challenges whilst ensuring that assurance is comprehensive, practical, proportional, fit for purpose and robust.

3. SBCD Assurance Model

3.1 Principles and Approach

The management and delivery of this Framework and the undertaking of reviews will align to the following guiding principles:



The Gateway assurance arrangements for the SBCD have been developed jointly between the SBCD PoMO and the Welsh Government Integrated Assurance Hub (IAH). A series of meetings and workshops have been held to discuss the most appropriate response to the challenges identified in implementing an effective Gateway assurance process throughout all Levels of the portfolio. An options appraisal has also been undertaken and is provided in Appendix 1 for information.

The table below summarises the agreed approach to assurance arrangements for each level of the Portfolio.

Level	Assurance Arrangements
Level 1: Portfolio (1)	Gateway 0 – annual review
Level 2: Headline Programmes and Projects (9)	Gateway 0 / Gateways 1-5 / PARs – periodic reviews with the option of undertaking Gateway 1-5 to incorporate key decision points of component projects and workstreams
Level 3: Projects and Workstreams (35)	Primarily internal (regional) independent reviews managed and resourced through a SBCD Assurance Sub-Hub. Provision for some high risk / value projects to be undertaken through the formal Gateway Review process

The following agreed approach will also apply in the establishment of the assurance arrangements for Level 3 of the portfolio:

- The SBCD Gateway assurance arrangements will replicate the OGC Gateway Review process e.g., format, documentation, process
- Level 3 reviews will be aligned to best practice for OGC Gateway Review process but adapted to undertake lighter touch reviews
- The management and delivery of reviews will be overseen by a joint SBCD/WG/UKG assurance panel
- A SBCD assurance sub-hub will be established to undertake the planning, organisation and resourcing of reviews under accreditation of WG IAH
- WG IAH will ensure that assurance standards are being applied throughout the process and will manage the process by way of quality assurance checks and regular updates/meetings
- Reviews will be led by an independent RTL, trained by the WG IAH, to ensure integrity and transparency in the review process
- Projects and workstreams will have assurance reviews by exception based on the Risk Potential Assessment (RPA) rating for criteria such as value, risk, and complexity

The approach outlined will address the main challenges faced under the existing arrangements and result in benefits to the delivery of the SBCD Portfolio as outlined in the table below.

Challenges	Current Arrangements	Proposed Arrangements
Cost	<ul style="list-style-type: none"> • Each Gateway review costs approximately £6.5k plus expenses for a typical 3-day review, which is funded by the lead organisation for a programme or project. 	<ul style="list-style-type: none"> • Cost savings for partner organisations in undertaking Gateway reviews at Level 3

<p>Programme / Project Resource</p>	<ul style="list-style-type: none"> • Pressure on some programme and project teams to provide resource to undertake reviews in terms of organisation, administration and providing support to the review team. • Pressures are likely to become more significant as projects and workstreams progress through delivery 	<ul style="list-style-type: none"> • Less resource will be required from programme / project teams in arranging and attending Gateway reviews for Level 3 projects
<p>Stakeholder Commitment</p>	<ul style="list-style-type: none"> • Programmes and projects have many common stakeholder organisations / individuals that would be involved in a Review. To follow the prescribed arrangements at all levels of the Portfolio would lead to unmanageable time pressures on senior officers in the partner organisations in attending and managing reviews. 	<ul style="list-style-type: none"> • Less demand on stakeholder organisations / individuals that involved in the Gateway review process
<p>Management</p>	<ul style="list-style-type: none"> • As programmes and projects are proceeding at pace through delivery, it will become difficult to manage and capture all key decision points for the component projects and workstreams and avoid delays to delivery • Under the current arrangements there have been instances where project reviews have not been undertaken at the most opportune time 	<ul style="list-style-type: none"> • Increased coordination and robustness of assurance arrangements at all levels of the SBCD Portfolio • Effective management of the assessment and scheduling of assurance reviews thereby providing clarity to SROs and preventing delays at key decision points • Increased likelihood of successful delivery and benefit realisation across the Portfolio
<p>Assurance Community Capacity</p>	<ul style="list-style-type: none"> • Potential for excessive resource demands on the existing Welsh Government assurance community for RTLs / RTMs 	<ul style="list-style-type: none"> • Enhanced regional assurance capability through the establishment of SBCD Assurance Sub-hub

		<ul style="list-style-type: none"> Upskilling within the region and within the WG IAH assurance community
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3.2 SBCD Assurance Sub-Hub

Essential to the establishment of the Gateway assurance arrangements is the creation and operation of a formal assurance capability within the SBCD. This will be in the form an Assurance Sub-hub which would manage the organisation, resourcing, delivery and monitoring of the majority of Level 3 reviews. The Sub-Hub would also ensure that the independent external reviews at Levels 1 and 2 are assessed and scheduled appropriately through the WG IAH.

Level 1 reviews will be held annually during the delivery period of the SBCD Portfolio.

Level 2 reviews will be scheduled to coincide with significant decision points in the component Level 3 projects and workstreams wherever possible. This will take the form of a blended review e.g. A PAR for a headline programme / project blended with a Gateway 3 review of a key component project or workstream.

Level 3 reviews will then be scheduled and undertaken to assure other key points for the component projects and workstreams based on a Risk Potential Assessment as agreed through the Assurance Panel in consultation with the programme / project SRO. Whilst it is envisaged that the majority of Level 3 reviews will be led by the SBCD Assurance Sub-hub, provision will remain for those with a high risk / value profile to be led by the WG IAH where appropriate.

The SBCD Assurance Sub-hub will be established under the umbrella and accreditation of the WG Integrated Assurance Hub with the approach, process, format, standards and documentation replicated to ensure the consistency and robustness of reviews.

The establishment and management of the SBCD Assurance Sub-hub will be undertaken by the SBCD PoMO under the direction of the SBCD Portfolio Director and WG IAH and on behalf of the SBCD Portfolio SRO.

The Sub-hub will be resourced by independent public sector RTLs from the established WG IAH community of reviewers. RTMs will be identified from the partner organisations of the SBCD. All RTLs and RTMs will receive appropriate training by the WG IAH to fulfill their respective roles.

3.3 Roles and Responsibilities

The table below details the key individuals and groups involved in the operation of the SBCD Assurance Framework and their main roles and responsibilities in relation to the operation of an assurance Sub-hub.

<p>Joint SBCD/WG/UKG Assurance Panel</p>	<ul style="list-style-type: none"> • Oversight of SBCD Gateway assurance arrangements and the operation of the SBCD Assurance Sub-hub • Review and development of the assurance process • Initiation of reviews for Levels 1-3 • Evaluation of review appraisals
<p>WG Integrated Assurance Hub</p>	<ul style="list-style-type: none"> • Management of the WG IAH assurance community • Management of OGC Gateway Process for SBCD Portfolio and headline Programmes / Projects (Levels 1 and 2) • Provision of training and accreditation for SROs, RTLs, RTMs • Identification and provision of RTLs • Specialist advice on the management of reviews • Accreditation of the Sub Hub and responsible for ensuring standards and quality are attained • Responsibility for the Gateway products and how they are administered • Quality assurance of reviews, processes and documentation • Joint SBCD/WG/UKG Assurance Panel representative
<p>SBCD Portfolio SRO</p>	<ul style="list-style-type: none"> • Overall responsibility for the establishment of robust Gateway assurance arrangements for the SBCD following WG IAH standards • Initiation of reviews for Level 1
<p>SBCD Portfolio Director</p>	<ul style="list-style-type: none"> • Direct responsibility for the establishment and c0-management (with WGIAH) of effective assurance arrangements for the SBCD • Responsibility for the establishment and resourcing of the SBCD Assurance Sub-hub • Joint SBCD/WG/UKG Assurance Panel representative
<p>SBCD PoMO</p>	<ul style="list-style-type: none"> • Responsible for the establishment and management of the SBCD assurance database • Management of OGC Gateway Process for SBCD Projects and Workstreams (Level 3) as agreed with WG IAH • Initiation of reviews for Level 3 where appropriate • Identification and provision of RTMs • Advice on the management of reviews

	<ul style="list-style-type: none"> • Implementation of the Portfolio IAAP • Quality assurance • Joint SBCD/WG/UKG Assurance Panel representative
Programme / Project SROs	<ul style="list-style-type: none"> • Responsibility for the establishment of robust Gateway assurance arrangements for programmes / projects and workstreams • Initiation of reviews for Levels 2 and 3 – completion of RPA • Completion of Gateway Review action plan • Implementation of the programme / project IAAP • Financial arrangements for the costs associated with undertaking a review • Potential RTMs to undertake SBCD reviews at Level 3
SBCD Partner Organisations	<ul style="list-style-type: none"> • Provision of RTMs to resource the Assurance Sub-hub • Financing and hosting of reviews • Participation in reviews for Levels 1-3
WG / UKG City Deal Leads	<ul style="list-style-type: none"> • Joint SBCD/WG/UKG Assurance Panel representatives • Conduit to the Welsh City and Growth Deals Implementation Board (WCGIB)

4. Management of Reviews

4.1 Review Process

The organising and undertaking of reviews will follow the agreed process as shown below.

Reviews at Level 1 and Level 2 will be coordinated by the Welsh Government IAH through the established OGC Gateway process. Reviews at Level 3 will be coordinated primarily by the SBCD Assurance Sub-hub although some higher risk / value programme and project reviews may be coordinated by the Welsh Government IAH.

The process for all reviews will involve the following key stages.

Initiation of Review

Reviews can be initiated by the programme / project SRO, SBCD PoMO or WG/UKG. The SRO will be responsible for the completion of the RPA for submission to the WG

IAH (Levels 1 and 2) or the SBCD Assurance Sub-hub (Level 3). A milestone review of the IAAP for programmes and projects will be the main prompt for the initiation of a review.

Assessment Meeting

An Assessment Meeting will be held with the programme / project SRO to determine the appropriate timing, scope and type of review to be undertaken. The SRO will be briefed on the Gateway Review process and provided with the Assurance Planning Pack to assist with the preparation for the review. The Essential Skills Form (ESF1) will need to be completed electronically by the Programme/Project SRO following the Assessment Meeting. The purpose of the form is to capture the essential skills required from a Review Team and the information used to select a Review Team best suited to undertake the review.

Appointment of Review Team

The WG IAH will be responsible for the selection and appointment of the RTL and RTMs for Level 1 and 2 reviews. The WG IAH will also select and appoint the RTL for Level 3 reviews. The SBCD Assurance Sub-hub will be responsible for the selection of the RTMs for Level 3 reviews.

Planning Meeting

A Planning Meeting will be held approximately 2 weeks prior to the review in order for the review team to meet with the programme / project SRO and team members. The SRO will brief the review team on the current status of the programme / project and any specific issues or terms of reference for the team to consider. The SRO will present the interview schedule for key stakeholders to be agreed / amended with the review team. The review team will also be provided with the key documentation required prior to undertaken the review.

Gateway Review

The review team will undertake the review and feedback to the SRO at the Emerging Finding meeting at the end of each day. A draft review report including a Delivery Confidence Assessment (DCA) and review recommendations will be provided to the SRO at the Review Draft Report Feedback Meeting at the end of the review. The SRO will have the opportunity to correct any factual inaccuracies in the report prior to final report being issued.

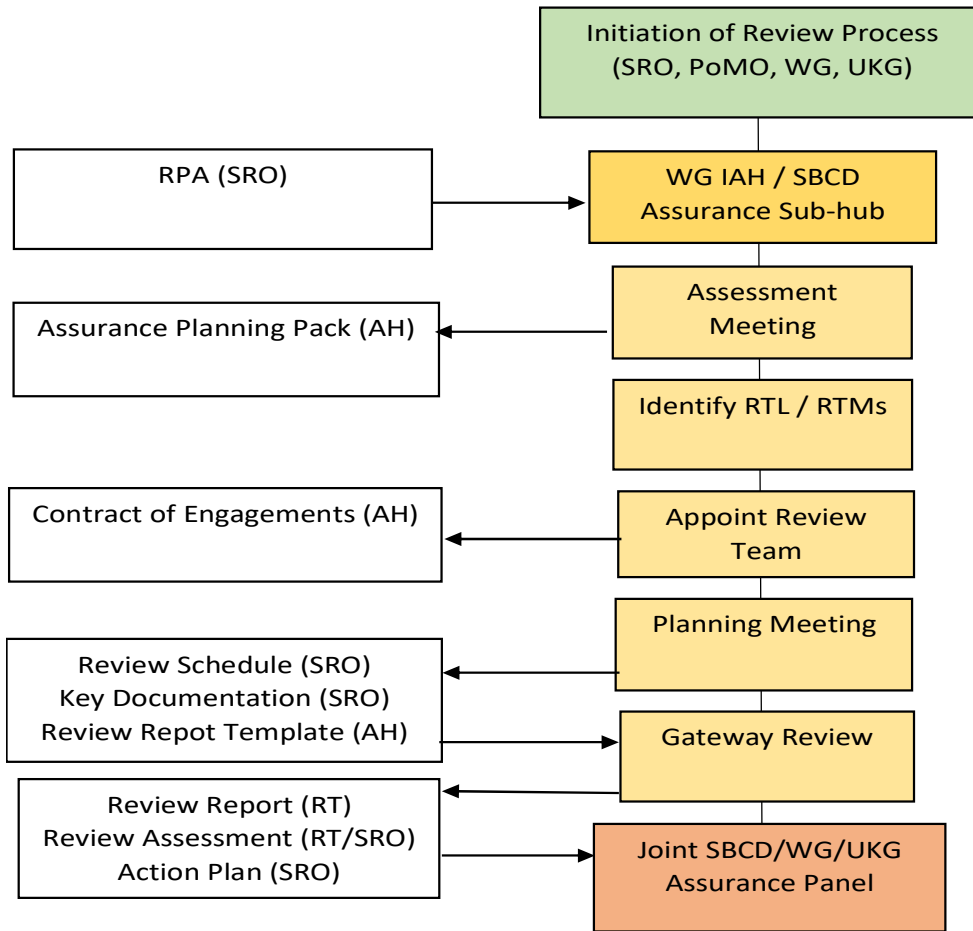
Post Review

Following the review, a 360-degree assessment will be undertaken for the RTL and RTMs and feedback sought from the SRO. The SRO will produce an action plan for completing the review recommendations. These will be presented the Joint SBCD / WG / UKG Assurance Panel.

The timescale from the Assessment Meeting to the Gateway Review current undertaken through the Welsh Government IAH is commonly 10-12 weeks. It is anticipated that Level 3 reviews could be undertaken within a shortened timescale of around 6-8 weeks from the initial Assessment Meeting.

DOCUMENTATION

REVIEW PROCESS



4.2 Format and Scope of Reviews

The Welsh Government IAH Gateway Assurance Guidance document provides guidance on the structure of each OGC Gateway Review ‘product’, and the areas of investigation to be addressed by the Review Team, together with examples of the evidence which would demonstrate to the Review Team the satisfactory nature of responses to the various topics.

These topics and the examples of evidence are indicative and not prescriptive; within the overall objectives of each Review stage. The Review Team will consider whether additional or different topics need to be addressed, and the evidence to be sought. Approaches may vary according to the context of the programme or project – for example, IT-enabled business change, property/construction, or policy development/implementation.

All reviews will be undertaken according to the format and scope described by this guidance and tailored to the specific needs of each programme / project. Central to the process is the undertaking of ‘conversations’ with key stakeholders around the specified / agreed areas of investigation. These will be undertaken according to the

establish OGC Gateway Review Code of Conduct and will include the following key principles:

- 'conversations' are conducted in an impartial and constructive manner
- 'conversations' are confidential and non-attributable
- the Review Team will seek to triangulate any themes/comments or evidence heard across several interviews to ensure that they have a solid basis for any observations/recommendations that are contained in the review report
- documentation supplied to the Review Team will be treated with the strictest confidentiality and destroyed at the end of the review.

Level 1 and 2 reviews will normally be undertaken over a three-day period with two days dedicated to conversations with key stakeholders and third day for report writing and reporting back on the findings to the SRO. The timeframes for a review can be extended for complex programmes / projects with many stakeholders.

Level 3 reviews will deliver a lighter touch review with a more focused selection of stakeholders and areas of investigation to be addressed. An individual assessment will be made by the SBCD Assurance Sub-hub for the timeframe for Level 3 reviews with the intention that the majority of these reviews can be undertaken over a two-day period. Specific terms of reference may also be agreed for inclusion in the review that align to the strategic objectives of the SBCD. Where possible, a Level 2 review will be timed to incorporate a key decision point for a Level 3 project or workstream.

4.4 Review Team Arrangements

The Welsh Government IAH will be responsible for the selection and appointment of RTLs and RTMs for Level 1 and 2 reviews from within the established assurance community and through their existing arrangements.

For Level 3 reviews the Welsh Government IAH will be responsible for the selection and appointment of RTLs from within their established assurance community of trained and accredited reviewers from within the public sector. This will ensure the integrity and independence of the review. The SBCD Assurance Sub-Hub will select and appoint RTMs from the regional assurance community that is currently being established. The RTMs will be independent of the organisation hosting the review.

RTL and RTM selection will be informed by the specific nature and scope of review and the essential skills identified for review team members in the assessment stage of the review. All potential RTLs and RTMs will complete a Gateway Reviewer Application to identify an individual's skill sets and experience.

The Welsh Government IAH will provide the appropriate training and accreditation for all RTLs and RTMs through their existing training modules and specified accreditation requirements.

RTMs will require authorisation for release to undertake reviews by their line manager. RTLs and RTMs will need to sign the Contract of Engagement prior to undertaking the review.

4.5 Standards and Quality

Reviews at all Levels will be undertaken according to the 14 Gateway Assurance Principles set by OGC™

Communications & Leadership

1. The Senior Executive is committed to the OGC Gateway process & brand
2. The SRO is the client for the OGC Gateway Review and is responsible for the effective implementation of recommendations
3. OGC Gateway is part of a planned and integrated assurance regime for supporting the effective delivery of programmes and projects

Delivery and Best Practice

4. OGC Gateway Reviews are prioritised and resourced commensurate with inherent risk, complexity and priority
5. OGC Gateway Reviews are carried out at appropriate points throughout the entire lifecycle of programmes and projects
6. The OGC Gateway process is applied to preparing and undertaking Reviews
7. Lessons learned from OGC Gateway Reviews are to be shared across the PPM community at national, strategic and local levels
8. The OGC Gateway Review Team must be independent of the programme/project, its management and associated support activities and is responsible for the content of the final report
9. OGC Gateway Reviews are undertaken by a team of accredited peers, with the requisite skills, knowledge and experience, that are drawn from an effectively managed reviewer pool
10. The Review will be short, focused and forward looking, delivering a report to the SRO on the final day of the review
11. OGC Gateway recommendations will be candid & practical, based on best practice & evidence and prioritised for urgency of implementation

Style

12. The process will be open with access to all stakeholders & documentation
13. The OGC Gateway Review process will be undertaken in a confidential manner, with a non-attributable report
14. A 'peer to peer' coaching style will be adopted, with a no 'no surprises' approach

The Welsh Government IAH, whilst adhering to the OGC Gateway Assurance Principles, have its own set of standards and quality that the Team and Reviewer community adhere to. These will be applied to all Levels of review for the SBCD Portfolio.

Flexible – The IAH will, where possible, will take a flexible approach to Gateway Assurance Reviews, managing the SRO's requirements and expectations.

Honesty and integrity – The IAH maintains an honest approach to Gateway Assurance Reviews and will provide recommendations for Gateway Reviews if they are applicable at the time. We maintain an open and honest approach with our Reviewer Community and will provide feedback when required

Helpful not a Hindrance – The IAH will support Programmes and Projects through the Gateway Assurance Process, and will provide advice and guidance, ensuring that the Assurance Process is a helpful one and not a hindrance to the Programme/Project.

Feedback – The Hub provides feedback to both the SRO and Reviewer Community, where required, the Hub in return will also gather feedback on the IAH team performance to support and maintain the standards of delivery

Trend Analysis – The Hub provides Trend Analysis that supports future Programmes and Projects, supports learning and development and supports the Organisation development.

Quality – The Hub expects and maintains a high quality of delivery and will provide the highest quality of Reviewers to each review. We conduct 360-degree feedback to help develop all our reviewer community. We provide open and honest feedback within the Team to maintain a high level of delivery.

4.6 Financial Arrangements

The programme / project SRO will be responsible for financing the costs incurred in undertaking the Gateway Review through their organisational or project budgets.

For Level 1 and 2 reviews this will include the consultant fee for the RTL and the travel and subsistence expenses incurred by the RTL and RTMs. The WG IAH expenses form will be used to claim back expenses relating to the review.

For Level 3 reviews coordinated by the SBCD Assurance Sub-hub, there will be no fee for the RTL or RTMs. Travel and subsistence costs incurred by the RTL and RTMs will need to be re-imbursed by the host organisation. The host organisation will provide the relevant documentation for claiming this expenditure.

Any accommodation and hospitality costs will also be borne by the programme / project SRO.

4.7 Documentation

The following documentation will be utilised by the WG IAH and the SBCD Assurance Sub-hub in the management and delivery of assurance reviews.

Assessment and Planning

Risk Potential Assessment Form (IAH-RPA)

Assurance Planning Pack

- Welsh Government Gateway Assurance Guidance

- Essential Skills Form (ESF1)
- SRO Briefing Note (IBN002)
- Assurance Process Checklist
- Assurance Review Schedule
- Interviewee Briefing Note (IBN001)
- Welsh Government Assurance Reviews – Customer ‘tips’

Review and Review Team

RTL / RTM Reviewer Contract of Engagement

- Travel and Subsistence Policy
- Expenses and claims forms

OGC Gateway Review Report Templates

Post Review

360-degree assessment form

Action plan template

5. Governance and Oversight

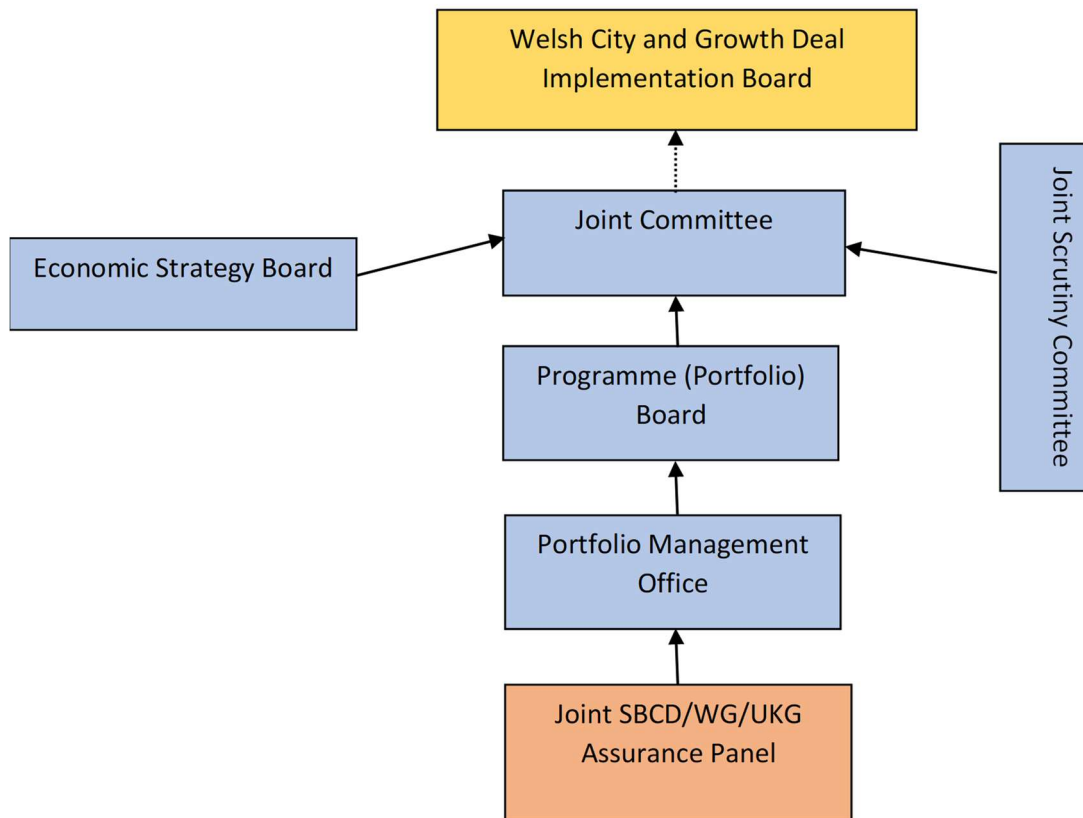
5.1 Joint SBCD/WG/UKG Assurance Panel

Oversight of the development and implementation of the SBCD Assurance Framework will be undertaken by the Joint SBCDWG/UKG Assurance Panel. The Panel will be chaired by Welsh Government Head of Integrated Assurance with representation from the SBCD PoMO, the Welsh Government and UK Governments leads for City and Growth Deals.

Draft terms of reference are attached at Appendix 2. Main duties and responsibilities of the Assurance Panel will be:

- Ensure that appropriate assurance arrangements are in place for the delivery of the SBCD portfolio of programmes, projects and workstreams
- Identify of the appropriate level of reviews to be undertaken for programmes and projects
- Ensure the specified standards are met in management and delivery of reviews
- Ensure that the quality of the OGC Gateway process and products are maintained in the delivery of reviews
- Oversee the assessment, scheduling and delivery of reviews
- Monitor and assess the progress of programme / project action plans in relation to review recommendations
- Assessment and identification of training needs to ensure the successful operation of the SBCD Assurance Framework
- Ongoing review and development of the SBCD Assurance Framework
- Provide reports to SBCD governance groups on the delivery of the independent assurance arrangements for the portfolio

The Panel will report on a quarterly basis via the Portfolio Management Office into the formal governance arrangements for the SBCD as shown below:



6. Development and Review

The SBCD assurance arrangements as described in this Framework will be further developed as the process is implemented.

The Framework will also be formally reviewed by the Joint Assurance Panel on a six-monthly basis.

It is acknowledged that the OGC Gateway Review process will be revised in 2022 with the introduction of the Get to Green proposals. Further advice will be provided by the WG Assurance Hub on the implications for Gateway Reviews in Wales and the process described in this Framework.

Appendices

1. Options Appraisal
2. SBCD Assurance Panel – Draft Terms of Reference

Options Appraisal – Portfolio Gateway Assurance Arrangements

The PoMO has undertaken an options appraisal to identify the preferred way forward in the development of independent assurance arrangements for the SBCD Portfolio. The assessment is based on the need to develop assurance arrangements across the following levels within the Portfolio which are aligned to best practice, are proportionate, practicable and fit for purpose.

Level
Portfolio (1)
Headline Programmes and Projects (9)
Projects and Workstreams (35)

The following options have been assessed:

Option 1 – external Gateway Assurance at Level 1 and 2, no assurance arrangement for Level 3

Option 2 – external Gateway Assurance at Level 1-3

Option 3 – external Gateway Assurance for Level 1 and 2, internal (regional) assurance for Level 3

Criteria	Option 1	Option 2	Option 3
Compliance	Approach not fully compliant with BBC guidance and P3M best practice for major projects in Tier 3. Lack of adequate assurance for project delivery at this level	Compliant with BBC Guidance and WG Assurance advice	Compliant with BBC Guidance and WG Assurance advice
Cost	Within expected and acceptable cost parameters per programme / project	Potential for excessive costs due to number and complexity of programmes and projects	Within expected and acceptable cost parameters per programme / project
Resource	Within expected and acceptable resource parameters per programme / project	Significant additional resource requirements for partner organisations, PoMO and WG assurance community in the organisation, management and undertaking of Reviews and in the participation of stakeholders at senior level	Additional resource requirements for PoMO, partner organisations and WG in the organisation and management of Reviews. Less demand on stakeholders for participation at a senior level
Deliverability	Practical for Reviews to be timed to coincide with key decision points in programme / project delivery	High number of formal external Reviews presenting practicality issues in scheduling and undertaking Reviews	Practical and flexible approach for Reviews to be scheduled and undertaken to coincide with key decision points in programme / project delivery
Risk	Potential for delivery issues and shortcomings not to be identified or addressed at a Level 3 project level. Greater risk to the successful delivery of a project and the realisation of benefits	Approach would provide assurance at all levels of the Portfolio. Increased likelihood of successful delivery of a project and the realisation of benefits	Approach would provide assurance at all levels of the Portfolio. Increased likelihood of successful delivery of a project and the realisation of benefits
Dependencies	Approval of approach by SBCD JC and PB; programme / project board; UKG and WG. Acceptance by SROs lack of independent assurance at Level 3	Approval of approach by SBCD JC and PB; programme / project board; UKG and WG Acceptance by SROs for implementation at Level 3	Approval of approach by SBCD JC and PB; programme / project board; UKG and WG Acceptance by SROs for implementation at Level 3 Level

			Participation of partner organisations and establishment of a resourced Assurance Hub for SBCD Training and support provided by WG Hub PoMO provide time and resource to develop and implement Assurance Resource
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Based on an assessment of the option against the criteria, the preferred option is:

Option 3 – external Gateway Assurance for Level 1 and 2, internal (regional) assurance for Level 3

This option is supported by WG Assurance Hub and will form the basis for the further development of the SBCD Assurance Framework.

SBCD Joint Assurance Panel

Terms of Reference

Release

Function	Name	Position	Date
Author	Ian Williams	Portfolio Development Manager	
Approver	Jonathan Burnes / Michael Williams	Portfolio Director / WG Head of Integrated Assurance	

Version Control

Version	Date	Prepared by	Summary of Change
1		Ian Williams	

Document Owner

Name	Position
Jonathan Burnes	Portfolio Director

1. Background

The SBCD Portfolio Management (PoMO) has worked with the Welsh Government Integrated Assurance Hub (WG IAH) to develop an Assurance Framework document for the SBCD portfolio.

The purpose of this document is to provide a framework for the management, resourcing and governance of independent assurance arrangements for the Swansea Bay City Deal (SBCD) Portfolio and its constituent programmes, projects and workstreams. The framework provides clarity for programme and project Senior Responsible Owners (SROs) and their teams, Welsh and UK governments and partner organisations on the assurance arrangements that will apply to the SBCD portfolio.

The establishment and application of independent assurance arrangements are an essential and integral part of ensuring successful delivery of portfolios, programmes and projects, and the realisation of their benefits. Due to the high value, risk rating, complexity and the significant number of discrete project elements within the SBCD Portfolio, it is essential that the assurance arrangements are effective and practical, particularly with respect to cost, resource and timing. It is also important that clarity is provided to all stakeholders on assurance requirements, the process involved and their respective roles and responsibilities to ensure the effectiveness of the assurance arrangements.

The framework supports the Portfolio Integrated Assurance and Approval Plan (IAAP) which leads the assurance activity associated with the development, delivery and operational phases of the programmes and projects.

2. Remit

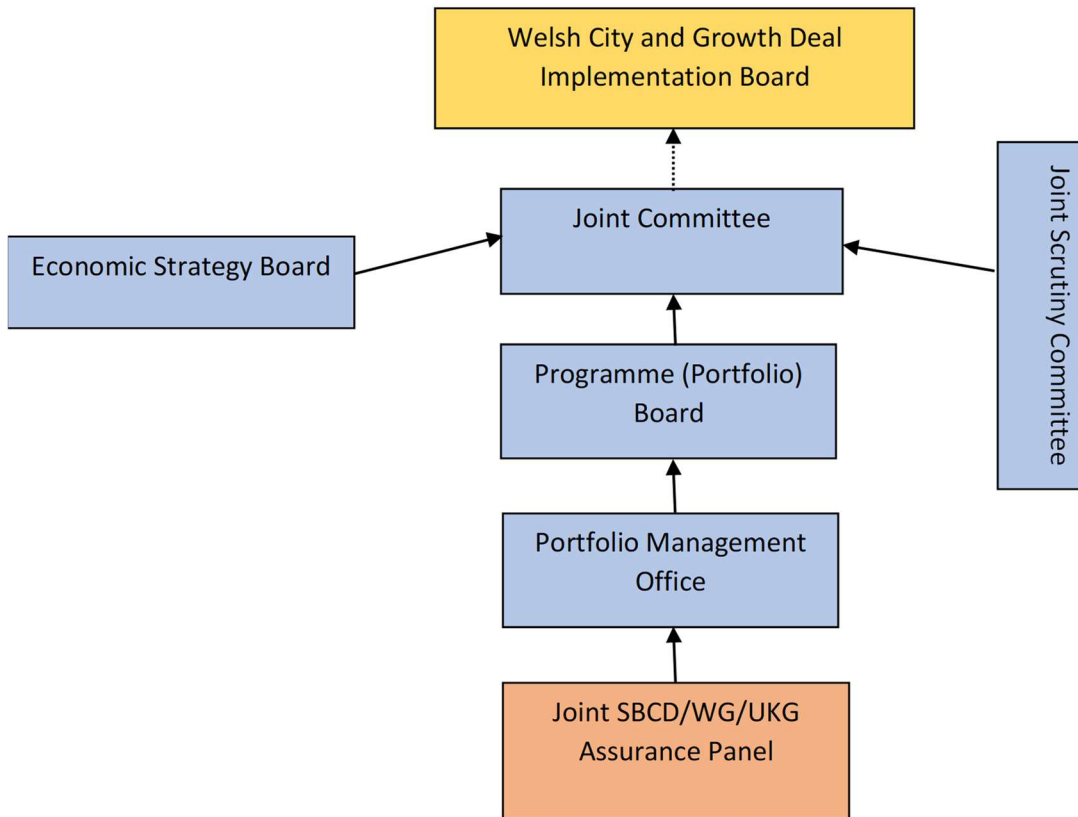
Essential to the successful operation of framework is the establishment of the Joint Assurance Panel. The key remit of the Joint Assurance Panel is to provide oversight of the development and implementation of the arrangements detailed in the SBCD Assurance Framework. The Panel will ensure that the management and application of independent assurance is of a high standard, robust and fit for purpose.

Main duties and responsibilities of the Assurance Panel will be to:

- Ensure that appropriate assurance arrangements are in place for the delivery of the SBCD portfolio of programmes, projects and workstreams
- Identify of the appropriate level of reviews to be undertaken for programmes and projects
- Ensure the specified standards are met in management and delivery of reviews
- Ensure that the quality of the OGC Gateway process and products are maintained in the delivery of reviews
- Oversee the assessment, scheduling and delivery of reviews
- Monitor and assess the progress of programme / project action plans in relation to review recommendations
- Assessment and identification of training needs to ensure the successful operation of the SBCD Assurance Framework
- Ongoing review and development of the SBCD Assurance Framework
- Provide reports to SBCD governance groups on the delivery of the independent assurance arrangements for the portfolio

3. Governance Structure

The SBCD Joint Assurance Panel will report in to the SBCD governance structure as shown below.



4. Joint Assurance Panel Membership

- Chair - Head of Integrated Assurance – Michael Williams, Welsh Government
- SBCD Portfolio Director – Jonathan Burnes, SBCD
- Head of City and Growth Deals, Mid and South West Wales – Helen Davies, Welsh Government
- Head of Regional and Local Growth – Gareth Ashman, UK Government
- Senior Assurance Manager – Leigh Dyas, Welsh Government
- Portfolio Management Office Manager – Phil Ryder, SBCD
- Portfolio Development Manager – Ian Williams, SBCD

Other representation may be required from time to time with the agreement of the Chair.

Membership will be continuously reviewed.

5. Ways of Working

a. Frequency of Meetings

SBCD Joint Assurance Panel meetings to take place on a quarterly basis.

Frequency to be continuously reviewed.

b. Inputs & Pre-Meeting Arrangements

Support services will be provided by the SBCD Portfolio Management Office.

All relevant documentation to be released at least 3 working days prior to Project Board meetings.

c. Outputs & Post-Meeting Arrangements

Minutes of the meeting, including updated Actions & Decisions Log to be shared with all members within one week of each meeting.

Agenda Item 8



Swansea Bay City Region Joint Committee - 10 March 2022

Joint Committee Agreement - Schedule 15

Purpose:	To approve JCA - Schedule 15 Roles and Responsibilities of the SBCD PoMO
Policy Framework:	Swansea Bay City Deal
Recommendation:	It is recommended that:
1)	Joint Committee approve the JCA - Schedule 15 as detailed in Appendix A
Report Author:	Jon Burnes (SBCD Portfolio Director)
Finance Officer:	Chris Moore, Section 151 Officer, SBCD
Legal Officer:	Tracey Meredith, Monitoring Officer, SBCD

1. Introduction

This report outlines the roles and responsibilities of the Swansea Bay City Deal Portfolio Management Office. These were a deed of variation requirement as requested by JC following the external Actica review.

An overview of the roles, responsibilities, along with the organisational structure are detailed within Appendix A.

2. Background

In January 2019, Actica Consulting Ltd was commissioned jointly by the Welsh and UK Governments to undertake a rapid, independently led Review of the arrangements for the delivery of the £1.3bn Swansea Bay City Deal (SBCD). The Review was to provide both the Welsh and UK Government Ministers with an assessment of the deliverability of the Deal. This report made a total of seven key recommendations in order to safeguard the viability and direction of travel of the SBCD. Two of the recommendations made within this report were to:

- Appoint a portfolio director as a matter of urgency
- And to redesignate the Regional Office as a Portfolio Management Office, leaving their skills with experienced Portfolio/Programme/Project Management (P3M) specialists.

These two recommendations resulted in Schedule 14 and Schedule 15 being added to the JCA by the JC when undertaking amendments in 2019.

Based on the request by the Swansea Bay City Deal Monitoring Officer to outline the roles and responsibilities of the SBCD Portfolio Management Office, the key functions are demonstrated below:

1. Supporting the delivery of the project portfolio, ensuring that it has the capability to meet the SBCD strategic objectives
2. Ensuring a balanced portfolio: in terms of purpose, deliverables, timeframes, and risk-based status
3. Tracking the project/programme plans, and implementation
4. Work with project leads to assess the performance of the portfolio and identify the means to improve it
5. Work with SBCD partners and other organisations, including businesses, government bodies and investors to consider and secure opportunities that align to the portfolio objectives
6. Giving information and recommendations to all involved in the decision-making processes
7. Communicating the progress, opportunities, and achievements to a broad range of audiences

3. Financial Implications

There are no financial implications associated with this report.

4. Legal implications

There are no legal implications associated in this report.

5. Alignment to the Well-being of Future Generations (Wales) Act 2015

The SBCD Portfolio and its constituent programmes / projects are closely aligned to the Well-being of Future Generations (Wales) Act 2015 and the seven well-being goals for Wales. These alignments are outlined in a Portfolio Business Case for the SBCD, as well as in individual programme / project business cases

Background Papers: None

Appendices: Appendix A - SBCD JCA - Schedule 15

Schedule 15 – Role of the Portfolio Management Office

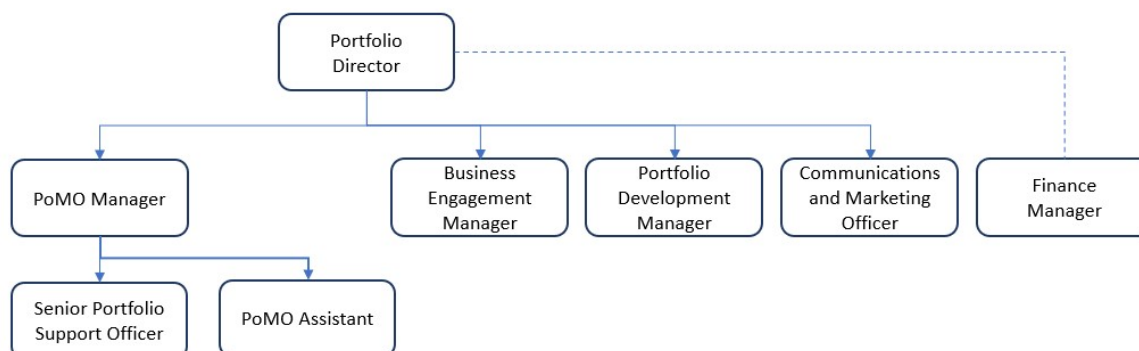
The Portfolio Management Office (PoMo) is responsible for co-ordinating and reporting the activity of the Swansea Bay City Deal (SBCD) Portfolio and ensuring it is aligned to the strategic objectives and deliverables set out in the SBCD Portfolio Business Case.

The PoMO functions are based on P3M (Portfolio, Programme and Project) development and delivery best practice, which includes robust approaches to assurance, risk and issue management, benefits and value realisation, communications and stakeholder engagement, information management, finance management, resource management, reporting and PoMO administration.

The PoMO has the following seven key roles:

1. Supporting the delivery of the project portfolio, ensuring that it has the capability to meet the SBCD strategic objectives
2. Ensuring a balanced portfolio: in terms of purpose, deliverables, timeframes, and risk-based status
3. Tracking the project/programme plans, and implementation
4. Work with project leads to assess the performance of the portfolio and identify the means to improve it
5. Work with SBCD partners and other organisations, including businesses, government bodies and investors to consider and secure opportunities that align to the portfolio objectives
6. Giving information and recommendations to all involved in the decision-making processes
7. Communicating the progress, opportunities, and achievements to a broad range of audiences

The PoMO structure shown below was approved by Joint Committee in July 2020 and is based on [The UK Government Project Delivery Capability Framework \(PDCF\)](#) best practice and the PoMO Director's previous experience.



In addition to the above roles, all SBCD Programme / Project Leads report to the SBCD Joint Committee and Programme (Portfolio) Board via the SBCD PoMO. All nine project/programme have a Senior Responsible Owner (SRO) and the project teams are recruited and managed by their host organisation. The project/programme teams are part of a regular regional PoMO team meetings, where they are engaged, consulted and communicated, to create a two-way dialogue on the developments and delivery of the SBCD Portfolio and the associated governance, assurance and reporting requirements.

The PoMO are responsible for overseeing at a portfolio level and cascading to projects/programmes the following key governance, assurance and reporting strategies, plans, processes, policies and systems:

1. Authoring and annually updating the Portfolio Business Case, ensuring:
 - a. Strategic alignment with policy landscape/requirements and region
 - b. Portfolio alignment with strategic objectives (region and City Deal)
 - c. Economic viability and financial affordability of the portfolio
 - d. Deliverability of the portfolio with accurate status of the projects/programmes
2. Joint Committee forward work plan
3. Risk and Issues Management Strategy
4. Financial management oversight of the PoMO and associated projects and programmes
5. Monitoring and Evaluation Plan – detailing arrangements for performance and benefits
6. Assurance Framework, including the Integrated Assurance and Approval Plan – framework detailing the arrangements for external Gateway assurances, and oversight of the assurance, audit and document update schedules – and implementation of the review recommendations
7. Stakeholder management and engagement
8. Promotion of the SBCD Portfolio through marketing and communications channels
9. Conduit between the regional projects/programmes and the governments
10. Change Management Strategy
11. Portfolio status and key milestones
12. Implementation and management of the Portfolio Management software solution
13. Supporting business case development at outline and full business case stages
14. Supporting project leads with business engagement and identifying and maximising opportunities for private sector funding
15. Knowledge hub for information sharing and lessons learned
16. To provide advice and review
17. Facilitating information and responses for statutory obligations with support to the Statutory Officers such as Democratic Services, Audit, Monitoring Officer, Section 151 Officer and Joint Scrutiny Committee
18. Reporting schedule for all governance boards and key stakeholders

Below is a summary of the PoMO reporting arrangements which satisfy the requirements from key stakeholders including Welsh Government, UK Government, SBCD Joint Committee members the PoMO and scrutiny/audit. Further information may be required because of specific requests from governance groups or government bodies.

Monthly

- Highlight report –key achieved and planned activity; and key risks and issues

- Project/programme status and progress
- Change Management update

Annually

Quarterly

- Risk Register, including specific point in time reports e.g. Covid-19 or Construction Impact Assessments
- Benefits Register/profile
- Finance update
- Integrated Assurance and Approval Plan

- Portfolio Business Case update
- Annual Report
- Benefits and Financial Reports
- Portfolio Gateway 0 Review report and recommendations
- Audit report and recommendation

Agenda Item 9



Swansea Bay City Region Joint Committee - 10 March 2022

Swansea Bay City Deal Portfolio Business Case

Purpose:	To provide Joint Committee with an updated City Deal Portfolio Business Case required for submission to Welsh and UK Governments
Policy Framework:	Swansea Bay City Deal (SBCD) Joint Committee Agreement (JCA)
Recommendation(s):	It is recommended that: 1) The Joint Committee approves the SBCD Portfolio Business Case attached at Appendix A
Report Author:	Ian Williams (SBCD Portfolio Development Manager)
Finance Officer	Chris Moore (SBCD SEC151 Officer)
Legal Officer	Tracey Meredith (SBCD Monitoring Officer)

1. Introduction

- 1.1. In line with best practice for portfolio management and in order to meet the requirements of the Welsh and UK Governments, the Portfolio Business Case is updated on an annual basis and submitted to Governments. The acceptance of the Business Case triggers the release of the annual tranche of City Deal funding.
- 1.2. The Portfolio Management Office have agreed to submit the updated Business Case to Governments prior to the end of March 2022.
- 1.3. An updated version of the Portfolio Business Case (attached at Appendix A) has now been produced for consideration by Joint Committee..

2. Background

- 2.1. The Portfolio Business Case follows the structure of the Treasury Green Book and Better Business Case guidance.

- 2.2. This Portfolio Business Case includes an executive summary, along with a strategic case, an economic case, a commercial case, a financial case and a management case. Relevant appendices are also included.
- 2.3. The main changes in this version are highlighted in the Executive Summary and at the beginning of each of the individual cases. Significant changes include:
- Updated information on the strategic alignment of the portfolio with UK, Wales and Regional policy / strategy and current public sector initiatives with the inclusion of the South West Wales Economic Delivery Plan, the Regional Economic Framework and the Levelling Up / Shared Prosperity Fund initiatives
 - Case for Change section updated with the regional economic policy priorities and evidence base in the SWW Economic Delivery Plan. Current trends, needs and opportunities identified
 - Revised business case development and approval status with all programmes and projects now having received regional and government approval and the SBCD Portfolio is now in full delivery
 - Revised economic appraisal information for portfolio, programmes and projects
 - Updated funding and investment information with the overall SBCD portfolio forecasted investment now at £1.241bn
 - Updated Monitoring and Evaluation information for the portfolio including an updated Monitoring and Evaluation plan and current information for risks, issues, benefits and financial monitoring
 - Proposed independent assurance arrangements for the portfolio and arrangements for the development and approval of Full Business Cases
 - Updated Communications and Marketing Plan and schedule
 - Current Portfolio delivery roadmap for all programmes and projects
- 2.4. A draft consultation version of the Portfolio Business Case was circulated to all Senior Responsible Owners (SROs) and programme / project leads on 14th January for comment and feedback. The feedback received has been considered and incorporated into the business case where appropriate. The draft business case and appendices were circulated to members of Programme Board, Joint Committee, and key officers in Welsh and UK Governments on 18th February. Briefing sessions on the content of the business case were also offered to stakeholders.
- 2.5. The Business Case was considered and agreed at Programme (Portfolio) Board on 1st March.
- 2.6. This version of the Business Case incorporates stakeholder feedback and, subject to approval by Joint Committee, will be the final version to be sent to the Welsh and UK Governments.

3. Financial Implications

- 3.1. Approval of the updated Portfolio Business Case by the UK Government and Welsh Government will facilitate the release of further funding to the City Deal portfolio.

- 3.2. Significant variances to the portfolio outputs, outcomes and financial profile could result in a reprofile of City Deal funding allocation.
- 3.3. Portfolio level financial risks are specifically outlined within the Economic Case component of the business case.

4. Legal Implications

- 4.1. There are no associated legal implications with this report.

5. Alignment to the Well-being of Future Generations (Wales) Act 2015

- 5.1 As a portfolio which provides an opportunity to address persistent challenges such as climate change, poverty, inequality, jobs and skills in a transformational and preventative way, the City Deal outlined in the Programme Business Case is in keeping with the approach and ambitions of the Well-being of Future Generations (Wales) Act 2015. Given the breadth of the Swansea Bay City Deal programme, it also has a significant impact across the seven well-being goals for Wales with headline benefits being an increase in Gross Value Added (GVA) and jobs created. The Portfolio Business Case includes an assessment of the contribution to the goals, wellbeing objectives and ways of working detailed in the Act.

Background Papers: None

Appendices: Appendix A - SBCD Portfolio Business Case v3.1 and supplementary appendices

Swansea Bay City Deal Portfolio Business Case

March 2022



Document Control

Note: this document may not be valid anymore.
Please check for the latest approved version of the document

Date: 18/02/2022

Version: V3.1

Author: Jonathan Burnes/Ian Williams

Owner: Wendy Walters/Rob Stewart

EXECUTIVE SUMMARY

The Swansea Bay City Deal (SBCD) Portfolio Business Case provides an overview of the rationale and collaborative approach taken by the Swansea Bay City Region (SBCR) key stakeholders to successfully deliver a portfolio of nine prioritised projects, identified in March 2017 and later reviewed in 2019. The purpose of the business case is to enable key stakeholders to understand, influence and shape the portfolio, while assisting decision-making through evidence and the identification of risks and issues, validating the portfolio's continuing viability and providing a basis to monitor and evaluate the portfolio.

The Portfolio is now in full delivery with all nine of the headline programmes and projects now approved both regionally and by Governments.

This is the third iteration of the Portfolio Business Case which incorporates the recommendations of both the Gateway 0 Review held in July 2021 and updates on the latest status, impacts, financing and management of the portfolio and its constituent programmes and projects. The purpose of each business case section and the main changes are highlighted below.

The Strategic Case

Demonstration of alignment to relevant strategies and policy. Case for change demonstrating the need and potential scope of the proposal.

- Updated information on the strategic alignment of the portfolio with UK, Wales and Regional policy / strategy and current public sector initiatives with the inclusion of the South West Wales Economic Delivery Plan, the Regional Economic Framework and the Levelling Up / Shared Prosperity Fund initiatives
- Case for Change section updated with the regional economic policy priorities and evidence base in the SWW Economic Delivery Plan. Current trends, needs and opportunities identified
- Existing arrangements updated with the imminent establishment of the South West Wales Corporate Joint Committee
- Risk section updated with the current main risks to the successful delivery of the Portfolio

The Economic Case

Identify the proposal that delivers best public value to society, including wider social and environmental effects.

- Updated business case development and approval status – All programmes and projects have now received regional and government approval and the SBCD Portfolio is now in full delivery
- Updated economic appraisal information for portfolio, programmes and projects (Table 2.6) – Updated economic appraisal information included for the Homes as Power Stations, Supporting Innovation and Low Carbon Growth, Skills and Talent and Campuses projects. Overall Portfolio NPSV now £1,114.27m

The Commercial Case

Demonstrate that the preferred option will result in a viable procurement and a well-structured Deal between the public sector and its service providers.

- Current UK and Welsh Government procurement policies

- Updated portfolio procurement principles
- Current information for EU Funded projects
- Updated register of programme and project community benefits
- Updated register of planned procurement activities at a programme and project level to assist the private sector in identifying potential tender opportunities at an early stage

The Financial Case

Demonstrate the affordability and funding of the preferred option, including the support of stakeholders and customers.

- Updated funding and investment information including breakdown of private and public sector investment. Investment now demonstrated at £1.240bn from £1.14bn in previous business case (original heads of terms £1.274bn)
- Updated income, expenditure and cashflow forecasts
- Reprofile of working budget to show a small slippage in the delivery period with no effect on total outputs, investment or benefits of the Portfolio
- Updated information on grant drawdown and dissemination with £54m received to date and a further estimated £23.5m expected this financial year. To date £17m has been dispersed from the city deal to programmes and projects
- Revised financial information for the SBCD Campuses Project and Swansea Waterfront – Campuses investment now £130.43 (previous investment figure £37.81m), Swansea Waterfront investment increased by £500k due to additional WEFO funding secured to support the development of the 71/72 the Kingsway project.
- NNDR update on retention of yield generated.
- Anti Fraud Strategy Update.

The Management Case

Demonstrate that robust arrangements are in place for the delivery, monitoring and evaluation of the scheme.

- Updated monitoring and evaluation information for the portfolio including updated M&E plan and current information for risks, issues, benefits and financial monitoring
- Structural diagram illustrating the extent of project / workstream activity contained within the headline programmes and projects
- Enhanced independent assurance arrangements for the Portfolio defined in the SBCD Assurance Framework
- Arrangements for the development and approval of Full Business Cases
- Updated Communications and Marketing Plan
- Updated Business Case status summary across all programmes and projects
- Updated Portfolio delivery roadmap for all programmes and projects

Appendices

Appendices have been reviewed and reduced in number, reflective of the progression of the Business Case.

The Strategic Case

Strategic Context

The SBCD has a current portfolio investment of £1.241bn, funded by the UK Government, the Welsh Government, public sector bodies and industry. This investment will improve regional infrastructure in high value sectors, attract inward investment from businesses and create good job opportunities.

The SBCD aligns closely with the priorities of the UK and Welsh Governments in relation to economic development. It is directly aligned to the UK Government's Industrial Strategy and the Welsh Government's Prosperity for All (2017) strategy and Well-being of Future Generations (Wales) Act 2015. The SBCD also aligns with, and contributes to, the move towards decarbonisation and net zero; a priority of Welsh and UK Governments. This alignment is cascaded down to a regional level, where the SBCD is part of the Swansea Bay City Region Economic Regeneration Strategy 2013 to 2030, which aims to advance regional socio-economic growth. It also aligns with the South West Wales Regional Delivery Plan 2022-2030 which has updated the Economic Regeneration Strategy and the recently published Welsh Government Regional Economic Framework for South West Wales.

Case for Change

Although employment growth in the Swansea Bay City Region has increased considerably since the 1990s, the case for change is underpinned by the fact that employment is in lower value sectors and occupations. There were over 30,000 fewer manufacturing jobs in 2010 than in 1990, which has significantly contributed to the major productivity gap that has emerged between the SBCR and the UK. Productivity in the SBCR has also fallen below the Welsh average level for the past 15 years. The mix of sectors in the regional economy is geared towards lower value sectors compared to the rest of the UK and therefore underperforms in employing those in occupational groups aligned to higher wages. In addition, the nature of the jobs within these sectors is generally of a lower value than elsewhere.

The region relies too heavily on the GVA produced by public sector activities such as health, education and public administration, as well as lower paid jobs in sectors including agriculture, tourism and the foundational economy. The productivity gap between the City Region and the rest of the UK is forecast to remain below average if targeted and collective action is not taken through a City Deal portfolio. The economic analysis undertaken in the development of the South West Wales Regional Delivery Plan confirms that although progress has been made, these features of the regional economy still persist.

The Investment Objectives for the SBCD Portfolio are:

1. Jobs - To create over 9,000 skilled jobs aligned to economic acceleration, energy, life sciences and smart manufacturing across the region within 15 years (2017-33).
2. GVA - To contribute £1.8-2.4 billion GVA to the Swansea Bay City Region by 2033 and contribute to the region achieving 90% of UK productivity levels by 2033.
3. Investment - To deliver a total investment in the region of £1.15-1.3 billion in the South West Wales Regional economy by 2033.

Potential Scope

Supporting high value sectors and addressing long-term barriers to growth is at the heart of the Swansea Bay City Deal. Key business needs have been identified across these high value sectors. Thematically, the SBCR will prioritise broad strategic themes to help tackle its structural challenges

and reduce the economic performance gap between the SBCR and the rest of the UK. These themes are:

- Economic Acceleration
- Life Science & Well-Being
- Energy
- Smart Manufacturing

These areas have productivity and GVA potential for growth and are aligned to creating high technology and higher value jobs through start-ups and the attraction of inward investment from larger businesses. They are also areas of focus whereby the region has begun to build foundations to advance through R&D, infrastructure, natural resources, skills and complementary investments.

Key Benefits, Risks, Dependencies, Constraints

<p>Benefits</p> <ul style="list-style-type: none"> • Greater employment opportunities • Strengthened talent retention, attraction and entrepreneurialism • A healthier, greener and more diverse economy through more productive, efficient and profitable companies • More disposable income and spend within the region • Improvements to health and social well-being • Improved supply chains 	<p>Risks</p> <ul style="list-style-type: none"> • Displacement as a result of competing with other regions across Wales • Lack of funding from Welsh and UK Governments • Lack of inward investment from private sector • Lack of quality human capital within the region • Political change or conflict at Regional, UK and Welsh Government levels • Availability and cost of construction materials • Changes to statutory requirements eg: TAN 15 flood criteria • External risks such as Covid-19 and Brexit
<p>Constraints</p> <ul style="list-style-type: none"> • Total funding package: Portfolio budget based on the fixed funding agreement between the region and the Welsh and UK Governments • Capital Funding: Portfolio budget being largely capital investment • Term of the City Deal: The timeframe for the delivery of the Portfolio cannot exceed the term of the City Deal set at 15 years • Resources: Resources available to establish and implement the portfolio and associated programmes and projects • State Aid: Growth Deal projects must comply with relevant State Aid rules 	<p>Dependencies</p> <ul style="list-style-type: none"> • Drawdown of Funding: Annual drawdown of City Deal funding from WG/UKG • Borrowing requirement for lead organisations • Private Sector Engagement: The City Deal cannot be successfully delivered without the engagement of and collaboration with the private sector • Public Sector Engagement: The SBCD requires the commitment of all primary stakeholders to deliver the Deal • Public Sector Delivery: The SBCD requires primary stakeholders to progress the wider economic regeneration plans relating to City Deal funding • Statutory Consents and Planning Approval

The Economic Case

Critical Success Factors

The original Critical Success Factors (CSFs) have been aligned with Green Book guidance:

No.	Critical Success Factor	Requirements	Chosen CSF's for Portfolio
1	Strategic Fit and business needs	<ul style="list-style-type: none"> Meets the agreed spending objectives, related business needs and service requirements; and Provides holistic fit and synergy with other strategies, programmes and projects 	Regional Spread GVA impact Impact on UK plc Job Creation
2	Potential Value for money	<ul style="list-style-type: none"> Optimises social value (social, economic and environmental) in terms of the potential costs, benefits and risks 	Consideration that the overall benefits are greater than the individual parts
3	Potential achievability	<ul style="list-style-type: none"> Is likely to be delivered, given the organisation's ability to respond to the changes required, and Matches the level of available skills required for successful delivery 	Skills readiness Readiness in 5-year context
4	Supply side capacity and capability	<ul style="list-style-type: none"> Matches the ability of potential suppliers to deliver the required services Is likely to be attractive to the supply side 	Private sector engagement Readiness in 5-year context
5	Potential affordability	<ul style="list-style-type: none"> Can be funded from available sources of finance Aligns with sourcing constraints 	Private sector investment Readiness including affordability within programme

Table i.i. Critical Success Factors

Option Selection

Following a process of development and review, a shortlist of nine programmes / projects were agreed to be taken forward under the SBCD portfolio. These are summarised below:

Economic Acceleration	Swansea City & Waterfront Digital District	<p>To boost Swansea city centre's economic well-being at the heart of the City Region's economy, while retaining local tech, digital and entrepreneurial talent. This programme includes:</p> <ul style="list-style-type: none"> A digitally enabled indoor arena in the city centre for concerts, exhibitions, conferences and other events A 'digital village' development in the city centre to accommodate the city's growing tech and digital business sector A 'Innovation Matrix' and the wider innovation precinct development at the University of Wales Trinity Saint David's new Swansea waterfront campus to enable start-up company support and growth
	Yr Egin	<p>To support and further develop the region's creative industry sector and Welsh language culture. The two-phased programme in Carmarthen, led by the University of Wales Trinity Saint David, features:</p> <ul style="list-style-type: none"> National creative sector anchor tenants

		<ul style="list-style-type: none"> • World class office space for local and regional creative sector SMEs, with opportunities for expansion • Facilities for the community and business networking • The facilitation of engagement between businesses and students
	Digital Infrastructure	<p>To significantly improve digital connectivity throughout the City Region for the benefit of businesses and residents, also helping to attract inward investment. The programme is made of up of three themes:</p> <ul style="list-style-type: none"> • Connected places • Rural connectivity • Next generation wireless (5G and IOT networks)
	Skills and Talent	<p>To develop a sustainable pipeline of regional talent to benefit from the jobs City Deal programmes and projects will generate in growth sectors for the region. This includes the potential to develop skills through courses and training and apprenticeship opportunities aligned to City Deal projects/programmes and regional priorities, as well as a partnership approach involving schools, universities, businesses and training providers across the region to identify need and resolve skills development gaps.</p>
Life Science & Well-being	SBCD Campuses Project	<p>To develop digital health and platform technologies and clinical innovation to help prevent ill-health, develop better treatments and improve patient care. Advanced research and development facilities will be created, building on the success of the Institute of Life Sciences at Swansea University and expanding on regional expertise in sport and exercise science. This project will be located at Morriston Hospital and Swansea University's Singleton Campus.</p>
	Pentre Awel	<p>Previously named the Life Science & Well-being Village, this development will comprise research, business incubation and development facilities co-located alongside clinical delivery and research. The development will include education, skills and training facilities focussed on health and care in partnership with both further and higher education providers. Zone One will also include a state of the art leisure and aquatics centre. Adjacent zones of the development will see further business expansion space created alongside a wide range of assisted living accommodation and associated test bed opportunities. This project will benefit from and further develop regional expertise in life sciences, while providing training and high-value job opportunities for local people.</p>
Energy and Smart Manufacturing	Homes as Power Stations	<p>A co-ordinated project across the City Region, Homes as Power Stations will see energy-saving technologies introduced to thousands of homes as part of a smart, low carbon new-build and retrofit programme. The project will:</p> <ul style="list-style-type: none"> • Tackle fuel poverty • Further decarbonise the regional economy • Improve residents' health and well-being • Reduce burden on regional health and social services • Benefit regional supply chain businesses • Potentially develop a UK-wide industry in the City Region, with global export opportunities
	Pembroke Dock Marine	<p>This programme will place Pembrokeshire at the heart of UK and global zero carbon, marine and off-shore energy innovation, building on the expertise of a marine energy cluster in Pembroke Dock. Facilities will be</p>

		provided for marine energy innovators to build, test and commercialise their technologies. Programme features include: <ul style="list-style-type: none"> • Pembroke Dock Infrastructure (PDI) improvements • A Marine Energy Engineering Centre of Excellence (MEECE) • Marine Energy Test Area (META) developments • The Pembrokeshire Demonstration Zone (PDZ)
	Supporting Innovation and Low Carbon Growth	This programme will help further decarbonise the regional economy, while safeguarding the regional steel industry and providing high-quality space for the innovation, ICT and research and development sectors. Programme features include: <ul style="list-style-type: none"> • SWITCH - A purpose-built facility and specialist equipment to support the steel and metals industry and supply chain • Electric vehicle infrastructure and mapping • Real-time air quality modelling • Hydrogen production to power hydrogen vehicles • Cutting-edge business spaces to meet evidenced demand including a Technology Centre and Property Development Fund

Table i.ii Programme and Project Summary

Economic Appraisal

The SBCD will deliver a portfolio of projects and programmes that are most likely to offer best value for money and maximum social and economic value to the SBCR. The SBCD portfolio is estimated to generate a Net Present Social Value (NPSV) of £1,114.3 million from a public sector cost of £462.22 million. Eight of the nine programmes and projects have undertaken a robust options assessment and detailed economic appraisal of impact. An extract of the summary economic appraisal is shown below:

Appraisal Category		SBCD Portfolio	Yr Egin	Swansea Waterfront	PDM	HAPS	SI&LCG	Pentre Awel	Campuses	Digital	Skills
A	Net Present Social Value (£m)	1,114.27	150.02	407.51	87.2	16.63	44.7	63.86	18.8	319.2	6.35
B	Public sector cost (£m)	462.22	21.8	138.37	42.7	14.67	127.4	39.11	14.15	38.5	25.52
C	Appropriate BCR	-	3.7	3.95	2.63	2.5	1.6	2.63	2.33	1.5-11	1.4

Table i.iii. Economic Appraisal Summary Extract

The overall impact of the portfolio in terms of GVA and net jobs over the timeframe of the City Deal is shown below:

Programme / Project	15-year Impact	
	GVA £m	Net Jobs
Economic Acceleration		
Swansea City & Waterfront Digital District	669.8	1,281
Yr Egin	89.5	427
Digital infrastructure	318.8	-

Skills and Talent Initiative	-	-
Life Science & Well-being		
SBCD Campuses Project	150.0	1,120
Pentre Awel (Life Science & Well-being Village)	467.0	1,853
Energy and Smart Manufacturing		
Homes as Power Stations	251	1,804
Pembroke Dock Marine	343.4	1,881
Supporting Innovation and Low Carbon Growth	93	1,320
SBCD Portfolio total	2,382.5	9,686

Table i.iv Programme and Project Impact Deliverables

In addition to the above strategic benefits, each project/programme has identified further benefits within their business cases, and a range of benefits that cannot be quantified or monetised in a robust fashion, but which are still a significant consideration in the value for money case for the programmes.

The Commercial Case

Procurement Strategy and Principles

The SBCD will not undertake any procurements in relation to the delivery of the portfolio and will not own any assets as a result of the delivery activities. The procurement of SBCD programmes and projects are led by the lead delivery organisation, who may be a local authority, university, health board or private/third sector organisation. These lead delivery organisations are responsible for conducting their own procurement exercises in line with their own organisational policies and procedures. The SBCD will provide the principles, guidance and cohesion for the portfolio procurement as a whole. It will also facilitate engagement and promotion with the private sector and between stakeholders across the portfolio with the aim of maximising private sector investment and benefits to the regional economy.

The SBCD's Joint Committee approved a supplementary set of procurement principles in November 2020 that aim to encourage project/programme teams to consider wider benefits that can be achieved through procurement.

The 5 Procurement Principles have been addressed as follows:

1. Be Innovative
2. Have an open, fair and legally compliant procurement process
3. Maximise Community Benefits from each contract
4. Use Ethical Employment Practices
5. Promote the City Deal

The PoMO will work across the portfolio to apply these procurement principles and ensure maximum benefit to the region through procurement.

Community Benefits

The use of Community Benefit clauses as a core requirement will bring added value and ensure long-term benefits realisation. Clauses that may be used in community benefit contracts include:

- Supply chain opportunities

- Targeted recruitment and training clauses
- Contributions to education
- Community initiatives

The Financial Case

Financial Overview

The SBCD has an anticipated total capital expenditure of up to £1.241 billion, of which £241 million is derived from the City Deal with the remainder provided by public and private sector partners. The capital expenditure requirements are provided in the financial case, based on the latest available project/programme business cases and aggregated up to provide the portfolio estimates.

No revenue funding is provided through the City Deal for the delivery of the projects/programmes or the operational running costs of the projects, once completed.

Operational revenue requirements for the projects/programmes once the capital expenditure is completed is the responsibility of the project sponsor for every project.

Investment Breakdown

The current portfolio investment breakdown is presented below:

Programme/Project	Investment (£m)			
	City Deal	Public	Private	Total
Swansea City & Waterfront Digital District	50.00	85.38	39.90	175.28
Yr Egin	5.00	18.67	1.50	25.17
Digital Infrastructure	25.00	13.80	16.50	55.30
Skills and Talent	10.00	16.00	4.00	30.00
SBCD Campuses Project	15.00	58.01	57.43	130.44
Pentre Awel (Life Science & Well-being Village)	40.00	52.30	108.19	200.48
Homes as Power Stations	15.00	114.6	375.9	505.50
Pembroke Dock Marine	28.00	16.41	16.12	60.47
Supporting Innovation and Low Carbon Growth	47.70	5.5	5.5	58.7
TOTALS	235.70	380.66	625.04	1,241.40

Table v. Portfolio Investment Breakdown

Flow of Funding

A formal process is in place for the monitoring, management and allocation of City Deal funding over the timeframe of the portfolio. Funding agreements are being finalised with the leads for the constituent programmes and projects to ensure that public funds are allocated appropriately and linked to the outputs, outcomes and impacts of each programme / project. Effective monitoring and financial control procedures are in place at each level of the portfolio to ensure accountable and transparent management of funds.

The Management Case

Governance Arrangements

The SBCD governance and assurance arrangements have advanced significantly with all governance committees established and fully operational. A SBCD Senior Responsible Owner (SRO) was appointed in June 2020 and the Portfolio Director having started in post in March 2020. The establishment of the Portfolio Management Office (PoMO) was completed by November 2020. All nine of the headline programmes and projects have been approved through the regional and Government approval processes and the SBCD Portfolio is now in full delivery.

The SBCD governance structure is shown below:



P3M Principles

The SBCD will be managed as a portfolio, strategically owned by the Joint Committee and operationally managed by the Programme (Portfolio) Board. This approach will provide oversight and flexibility in the methodologies that the diverse set of programmes and projects will utilise to manage their development and delivery.

Robust governance and approvals of the SBCD will be through its people, structures, strategies and processes - all based on Portfolio, Programme and Project Management (P3M) practices and principles.

The following key procedures, plans and strategies are in place to effectively manage the portfolio:

- Monitoring and Evaluation Plan
- Integrated Assurance and Approval Plan
- Risk Management Strategy
- Communications and Marketing Plan
- Change Control Procedure

Assurance

The SBCD underwent a Gateway 0 external review during July 2021, where it was given an Amber / Green Delivery Confidence Assessment with four recommendations which are being actioned through

the PoMO. A further Gateway 0 review is planned for the portfolio in the summer of 2022. The PoMO has worked with with the Welsh Government Integrated Assurance Hub to develop a practical and proportionate Gateway Assurance Framework for the SBCD which incorporates the Portfolio, the nine headline programmes and projects and the many constituent projects and workstreams.

The PoMO will also oversee the SBCD portfolio delivery where all nine projects/programmes will provide monitoring and evaluation updates aligned to the planned timescales, budgets, resources and deliverables set out in their business cases.

Programme and Project Status

The current status of business case development and approval for each of the programmes and projects is shown below reflecting the move of the portfolio to full delivery:

Project / Programme name	Component	Status	SOC	OBC	FBC	Gateway DCA
Swansea City & Waterfront Digital District	Arena & Digital Square	Delivery				Q3 (2022)
	Digital Village / Kingsway					
	Innovation Matrix					
	Innovation Precinct					
Creative Digital Cluster - Yr Egin	Phase 1	Delivery				Green (Nov 2021)
	Phase 2					
Digital Infrastructure	Connected places	Delivery				Amber/Green (Oct 2020)
	Rural connectivity					
	Next generation wireless					
Skills and Talent Initiative		Delivery				Green (June 2021)
SBCD Campuses Project	Singleton	Delivery				Amber/Green (Aug 2021)
	Morrison					
Pentre Awel (Life Science & Well-being Village)	Zone 1 (Business, education skills and training, clinical delivery and research.)	Delivery				Amber (Sept 2020)
Homes as Power Stations		Delivery				Amber (June 2020)
Pembroke Dock Marine	Pembroke Dock Infrastructure (PDI)	Delivery				Amber (Feb 20)
	Marine Energy Engineering Centre of Excellence (MEECE)					
	Marine Energy Test Area (META)					
	Pembrokeshire Demonstration Zone (PDZ)					
Supporting Innovation and Low Carbon Growth	Swansea Bay Technology Centre	Delivery				Amber (June 20)
	SWITCH					
	AMPF					
	Air Quality Monitoring					
	Hydrogen Stimulus Project					
	LEV Charging Infrastructure					
	Property Development Fund					
SBCD Portfolio	All projects above	Delivery				Gate 0 Review Amber/Green (July 21)

Table v.i. Programme and Project Business Case Status

The PoMO will continue to facilitate and monitor the continued development of business cases and the delivery of each programme and project to the agreed timescales.

Document Change Record

Version	Date	Author	Summary of key changes	Approved
V1.0	12/08/20	Jon Burnes	This is the first iteration of the SBCD Portfolio Business Case. This document combines the content SBCD Programme Business Case and Implementation Plan and incorporates WG requirements and consultancy support and feedback from Joe Flanagan in June 2020.	Wendy Walters & Rob Stewart
V1.1	19/08/20	Jon Burnes	Informal feedback received from WG to update the portfolio business case and appendices with details on project level economic and financial appraisals, further detail on the financial expenditure profiles at portfolio and project level and project delivery roadmap.	Wendy Walters & Rob Stewart
V1.2	27/08/20	Jon Burnes	Submitted to the WCGIB for the AOR approval process	Wendy Walters & Rob Stewart
V2.0	23/02/21	Jon Burnes / Ian Williams	Updated PoBC submitted to the SBCD Governance board members as consultation prior to regional sign off	Wendy Walters & Rob Stewart
V2.1	11/03/21	Jon Burnes / Ian Williams	Final PoBC signed off by SBCD Governance board members	Wendy Walters & Rob Stewart
V3.0	13/01/22	Jon Burnes / Ian Williams	Draft update for consultation and feedback from Project Leads and SROs	Wendy Walters & Rob Stewart
V3.1	18/02/22	Jon Burnes / Ian Williams	Updated PoBC submitted to the SBCD Governance board members	Wendy Walters & Rob Stewart

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	1.2. Portfolio & Project Investment Objectives
2. The Economic case	2.1. Membership of the SBCR Board and working group
	2.2. CSF and Long list appraisal
	2.3. Economic and Financial Appraisals Project Index
3. The Commercial Case	3.1. Community Benefits register
	3.2. SBCD Procurement Principles
	3.3. Template procurement principles
	3.4. Procurement pipeline
4. The Financial Case	
5. The Management Case	5.1 Gateway Review Action Plan
	5.2. SRO appointment
	5.3. Monitoring and Evaluation Plan
	5.4a. SBCD Quarterly Monitoring Report
	5.4b. SBCD Quarterly Financial Monitoring Report
	5.5. Integrated Assurance & Approval Plan
	5.6. WCGIB development and delivery flowcharts
	5.7. SBCD Assurance Framework (Draft)
	5.8. SBCD Portfolio Risk Management Strategy
	5.9. SBCD Portfolio Risk Register
	5.10. SBCD Covid-19 Impact Assessment
	5.11. SBCD Issues Log
	5.12. SBCD Communications & Marketing Plan
	5.13. SBCD Change Control Procedure
	5.14. Project Delivery Gantt
	5.15. Joint Committee Work Programme

1. THE STRATEGIC CASE

Introduction

The Strategic Case demonstrates alignment of the Swansea Bay City Deal with national and regional strategies and policies, as well as other current or planned programmes, while making a compelling case for change via the programmes and projects within the portfolio. The Strategic Case is presented in two parts, as follows:

The Strategic Context: Explains the background to City and Growth Deals, setting out the Swansea Bay City Region and Deal, its membership, and a review of the relevant strategies and policies to demonstrate strategic fit at UK, Welsh and regional levels.

Case for Change: Demonstrates the rationale for the Swansea Bay City Deal and its constituent programmes and projects. This includes details on the relevant socio-economic issues and market failures, the consequent baselined spending objectives for the City Deal, and the main benefits, risks, constraints and dependencies.

The Strategic Case includes the following main changes:

- Updated information on the strategic alignment of the portfolio with UK, Wales and Regional policy / strategy and current public sector initiatives with the inclusion of the South West Wales Economic Delivery Plan, the Regional Economic Framework and the Levelling Up / Shared Prosperity Fund initiatives
- Case for Change section updated with the regional economic policy priorities and evidence base in the SWW Economic Delivery Plan. Current trends, needs and opportunities are identified
- Existing arrangements section updated with the imminent establishment of the South West Wales Corporate Joint Committee
- Risk section updated with the current main risks to the successful delivery of the Portfolio

The Strategic Context

1.1. City and Growth Deals

The purpose of City and Growth Deals is to support cities and regions to deliver responsive and flexible local strategies. These deals are now commonplace in both the UK and devolved governments and give more power and flexibility to regions and cities in terms of employment and skills, infrastructure, business engagement and support, housing, transport and investments. Regions and cities have used these powers to achieve a number of investment objectives, such as providing support to the unemployed, providing training relevant to local need, and supporting a low carbon economy.

The UK Government (UKG) opened negotiations with the Welsh Government (WG) in 2016 over a City Deal for the Swansea Bay City Region (SBCR). The Swansea Bay City Deal (SBCD) was agreed between the UKG, the WG and the four Swansea Bay City Region local authorities in March 2017. The **original heads of terms** included funding commitments of £241m from UKG and WG, and £396m from the four regional local authorities (Carmarthenshire, Pembrokeshire, Swansea and Neath Port Talbot) and other public sector bodies, with an anticipated £637m from private sector investment. Combined, this

would deliver over 9,000 gross direct jobs and contribute £1.8bn of Gross Value Added (GVA) to the regional economy with investment and benefits spread across the region.

1.2. Organisational overview

The Swansea Bay City Region spans across four local authority areas with a combined population of approximately 698,000 people. The City Region published an economic regeneration strategy in 2013 with a common vision to enhance the long-term prospects of the region’s economy, businesses and communities. The strategy co-ordinates collective action and identifies routes and initiatives to respond to the structural challenges that are holding back the SBCR economy. This strategy has now been updated with information from the South West Wales Regional Economic Delivery Plan that sets out the ambitions to develop a resilient, broad based and sustainable economy to 2030.

The creation of the SBCR in July 2013 was based on evidence that shows City Regions of more than 500,000 people are in a better combined position than individual local authority areas to stimulate economic growth through attracting investment and generating high-value job opportunities. The population has grown by just over 1.1% (7,651) over the last five years and is expected to grow by a further 1.1% (7,850) over the next five years from 2020.

The SBCD is part of the SBCR strategy and portfolio. It’s a partnership of eight regional organisations made up of local authorities, universities and health boards that aims to accelerate economic and social advancement through regional infrastructure and investment funds. The SBCD partners are:

- Carmarthenshire County Council
- City and County of Swansea Council
- Neath Port Talbot Council
- Pembrokeshire County Council
- Swansea University
- University of Wales Trinity Saint David
- Hywel Dda University Health Board
- Swansea Bay University Health Board

Carmarthenshire County Council is the SBCD Accountable Body. Representatives from each of the eight partner organisations are members of the SBCD Joint Committee and Programme (Portfolio) Board, which are the two formal governance groups that report to the regional stakeholders, UKG and WG. Regional advisers from the business community form the basis for the SBCD Economic Strategy Board, with each board and committee supported by the SBCD Portfolio Management Office (PoMO).

Each SBCD programme / project is led by one of the four regional local authorities, as summarised below in Table 1.1., with each flowing into and supported by the SBCD PoMO.

Lead Organisation	Programme / Project	Strategic theme
Carmarthenshire County Council	Yr Egin	Economic Acceleration
	Skills & Talent	Economic Acceleration
	Digital Infrastructure	Economic Acceleration
	Pentre Awel (LS &WB Village)	Life Science & Well-being
City and County of Swansea Council	Swansea Waterfront	Economic Acceleration
	SBCD Campuses Project	Life Science & Well-being
Neath Port Talbot Council	Homes as Power Stations	Energy
	Supporting Innovation and Low Carbon Growth	Smart Manufacturing
Pembrokeshire County Council	Pembroke Dock Marine	Energy

Table 1.1. SBCD portfolio with lead organisation

Each local authority has a successful track record in the development, management and delivery of major programmes and projects related to economic development and regeneration.

1.3. Policy and strategy alignment

The City and Growth Deals fall out of the UKG Industrial Strategy and Welsh Government policy on regional development. From this, the SBCD portfolio strongly aligns to UK, Welsh and regional policies, strategies and targets relating to economic development. The primary aim of this is to create high quality jobs and increase the earning power of people through investment in skills, industries, and infrastructure. Appendix 1.1 presents further detail of the policy alignment at thematic, programme and project level within the SBCD portfolio. Across the portfolio, the SBCD has demonstrated alignment with 28 UK, 39 Welsh and 7 key Regional level policies / strategies together with a range of local strategies and plans. The key alignments to the SBCD are summarised below:

Strategy	Core Principles	SBCD Alignment
UK Policy		
UK Industrial Strategy 2017	<p>UK Government long-term strategy to boost productivity through the creation of jobs and by increasing the earning power of people throughout the UK with investment in skills, industries and infrastructure. The strategy is supported through 5 Foundations of:</p> <ul style="list-style-type: none"> • Ideas: the world’s most innovative economy • People: high quality jobs and greater earning power for all • Infrastructure: a major upgrade to the UK’s infrastructure • Business Environment: the best place to start and grow a business • Places: prosperous communities across the UK. <p>The Strategy also recognises the Grand Challenges of:</p> <ul style="list-style-type: none"> • Artificial Intelligence and data • Ageing society • Clean growth • Future of mobility 	<p>The City Deal aligns to the pillars of the Industrial Strategy with ambitions to build on existing strengths and extend excellence into the future through closing gaps in productivity, while ensuring existing businesses evolve and grow in competitive modern markets. The SBCD investment will create an ecosystem that cultivates sectoral developments across the four strategic themes, where infrastructure, Research & Development (R&D) and skills are brought together to secure and maximise socio-economic growth and inward investment. These ambitions are reflected throughout the SBCD portfolio, with focus on the smart manufacturing and energy strategic themes.</p> <ul style="list-style-type: none"> • Ideas: Delivering future proof digital infrastructure and technology, low carbon technology and energy, well-being, life sciences and space for new and relocating businesses to innovate and grow • People: Creation of new, high quality jobs and opportunities and the provision of skill pathways for people to take up new employment opportunities • Infrastructure: Delivering a major upgrade to the digital, housing, well-being, business, innovation and marine infrastructure in the SBCD area • Business Environment: Support for businesses to innovate in priority sectors via the provision of digital connectivity, skills and space to grow • Places: Delivery of employment, income, well-being, low carbon technology and connectivity investments throughout the SBCD area
UKG Clean Growth Strategy 2020	<p>The UK’s approach to reducing emissions, developed in the context of the UK’s legal requirements under the Climate Change Act, this strategy sets out a comprehensive set of policies and proposals that aim to accelerate the pace of ‘clean growth’, helping deliver increased economic growth and decreased emissions.</p> <p>The strategy recognises that clean growth can only be achieved through innovation – nurturing better products, processes and systems – that we will see the cost of clean technologies come down. Key proposals are:</p>	<p>The SBCD Portfolio will respond directly to many of the central proposals of the Green Growth Strategy through the development and delivery of a range of innovative actions that will lead to improvement of energy efficiency and the transition to a low carbon economy.</p> <p>Specific actions include:</p> <ul style="list-style-type: none"> • Improve business and industry efficiency: Enhancing business energy efficiency through next generation and mobile broadband. Development of the SWITCH and Technology Centre to promote innovation and low carbon growth. Contribution towards Green Growth and decarbonisation through the Pembroke Dock Marine project • Improving the energy efficiency of our homes – HAPS will deliver the rollout of innovative energy efficiency homes throughout the Region

	<ul style="list-style-type: none"> • Accelerate Clean Growth: Develop Green Finance capabilities • Improve business and industry efficiency: Supporting businesses to improve energy productivity by 20% by 2030 • Improving the energy efficiency of our homes • Rolling out low carbon heating • Accelerate the shift to low carbon transport • Deliver clean, smart, flexible power • Enhancing the benefits and value of our natural resources 	<ul style="list-style-type: none"> • Accelerate the shift to low carbon transport – directly through the Supporting Innovation and Low Carbon Growth Programme
Wales Policy		
<p>The Well-being of Future Generations (Wales) Act 2015</p>	<p>The Well-being of Future Generations Act requires public bodies in Wales to think about the long-term impact of their decisions, to work better with people, communities and each other, and to prevent persistent problems such as poverty, health inequalities and climate change.</p> <p>There are 7 Well-being Goals:</p> <ul style="list-style-type: none"> • A Prosperous Wales • A Resilient Wales • A More Equal Wales • A Healthier Wales • A Wales of Cohesive Communities • A Wales of Vibrant Culture and Thriving Welsh Language • A Globally Responsible Wales <p>The Act also identifies 5 Ways of Working:</p> <ul style="list-style-type: none"> • Long Term • Integration • Involvement • Collaboration • Prevention 	<p>The SBCD portfolio provides opportunities to address persistent challenges such as climate change, poverty, inequality, jobs and skills in a transformational and preventative way, and in doing so aligns to the ambitions and approach set out in the Well-being of Future Generations (Wales) Act 2015. The four strategic themes and nine associated programmes and projects have significant impact across the seven well-being goals for Wales, and will be monitored and assessed accordingly across these goals.</p> <ul style="list-style-type: none"> • A Prosperous Wales: Delivering across each of these areas through investment in digital, low carbon and the development of productivity enhancing technologies/approaches • A Resilient Wales: Delivering balanced and clean economic growth through enhanced connectivity, low carbon growth and business efficiency. Diversifying and strengthening the regional economy • A More Equal Wales: Providing pathways to securing new job opportunities and the distribution of investment benefits throughout the region. • A Healthier Wales: Major investments in Well-being, Health and Life Sciences to benefit the region’s residents. Major investment in housing infrastructure and the improvement of air quality • A Wales of Cohesive Communities: Ensuring sustainable economic development and enhanced connectivity throughout the communities of the region

		<ul style="list-style-type: none"> • A Wales of Vibrant Culture and Thriving Welsh Language: Realising the benefits to the use and growth of the Welsh language and culture through the portfolio investment • A Globally Responsible Wales: Contribution to the long-term global responsibilities to sustainable growth and the environment through innovative low carbon and energy efficient technologies <p>The five ways of working (long-term; prevention; integration; collaboration and involvement) as outlined in the Act will also be used across the portfolio to ensure that sustainable development principles are applied to all that is undertaken. The SBCD PoMO is in discussions with the Office of the Future Generations Commissioner to explore how its programmes and projects can better align to the Act at the scoping and development stages of the programme/project lifecycle.</p>
<p>Prosperity for All: The National Strategy and Economic Action Plan (2017)</p>	<p>Wales Strategy for prosperity and well-being to take forward the 4 key themes of Taking Wales Forward Programme for Government:</p> <ul style="list-style-type: none"> • Prosperous and Secure • Healthy and Active • Ambitious and Learning • United and Connected <p>And based around the 5 Priority Areas:</p> <ul style="list-style-type: none"> • Early Years • Housing • Social Care • Mental Health • Skills and Employability <p>The Economic Action Plan sets out a vision for inclusive growth, built on strong foundations, supercharged industries of the future and productive regions. The Plan focusses on boosting productivity and addressing inequality. The Plan presents Calls to Action on several areas including:</p> <ul style="list-style-type: none"> • Decarbonisation • Innovation 	<p>Prosperity for All (2017) is the strategy to deliver Taking Wales Forward (2016), while embracing the five ways of working in the Well-being of Future Generations (Wales) Act 2015. The headline commitments and strategy identify four priority areas that are aligned to the SBCD portfolio objectives. These, along with the Prosperity for All cross-cutting themes of early years, housing, social care, mental health, and skills and employment, are all part of the direct and indirect outcomes and benefits of the SBCD portfolio that can support long-term prosperity and well-being. Driving long-term regional economic growth and inward investment across a range of industry sectors and improving the lives of people who live in the region demonstrates the alignment within the SBCD focus areas including smart manufacturing, digital, skills, health and well-being, and energy. Specific direct contributions include:</p> <ul style="list-style-type: none"> • Decarbonisation: Enabling more businesses to become carbon light or free. A major element of the Portfolio to be delivered through the Supporting Innovation and Low Carbon Growth, Homes as Power Stations Programmes and Pembroke Dock Marine projects resulting in innovation of new technologies and incorporation into manufacturing and supply chains • Innovation: Support throughout the Portfolio for businesses to innovate in digital, production and delivery

	<ul style="list-style-type: none"> • High quality employment and skills development • Research and development 	<ul style="list-style-type: none"> • High quality employment & skills: Development of a pathway to skills training to meet the needs of the SBCD programmes and projects, improving the skills base of the region • R&D, automation & digitalisation: Delivery of new R&D facilities particularly in relation to Health, Life Sciences, Well-being and Low Carbon, supported by the rollout of enhanced digital connectivity throughout the region <p>The Economic Action Plan highlights the key role of regional partnerships in delivering on shared goals. There is a clear commitment by the Welsh Government to a regionally focused model of economic development, with the aim of developing the distinctive strengths of each region “in pursuit of growth”. The SBCD will be a key driver of the regional agenda, strengthening the economy of the City Region and complementing other regional activities.</p>
Local Government and Elections (Wales) Act 2021	<p>Requirement for the establishment of corporate Joint Committees (CJs) as a framework for regional local government collaboration. The South West Wales CJC will have responsibilities for:</p> <ul style="list-style-type: none"> • strategic development planning • regional transport planning • economic wellbeing powers 	<p>The South West Wales CJC is due to be established in Spring 2022. The four local authority Chief Executives are currently working with officers to determine the most appropriate structure and governance arrangements for the South West Wales CJC. It is yet to be determined how these will fit with the existing regional arrangements for the SBCD. The CJC will be supported by the Regional Regeneration Directors in the fulfilment of its duties with respect to economic development.</p>
Regional Policy		
Swansea Bay City Region Economic Regeneration Strategy 2013 to 2030	<p>The Swansea Bay City Region Economic Regeneration Strategy 2013 to 2020 provides an evidence and stakeholder-based framework which aims to strengthen the economy and boost productivity for the City Region area. The Strategy sets out the Strategic Framework for intervention through 5 Strategic Aims:</p> <ul style="list-style-type: none"> • Business Growth, Retention and Specialisation • Skilled and Ambition for long-term success • Maximum job creation for all • Knowledge Economy and Innovation 	<p>The SBCD portfolio is a crucial part of the City Region Strategy and the individual programmes and projects will significantly contribute by supporting activity across the four strategic themes through:</p> <ul style="list-style-type: none"> • Inward investment and growth of business • Creation of jobs and a skilled workforce • An R&D pipeline of research and innovation • Infrastructure and environment needed for economic activity to flourish and for our region to be an attractive place to work and live. <p>The effective operation and strengthening of the City Deal Governance structure will also facilitate progress on the cross-cutting themes of the strategy.</p>

	<ul style="list-style-type: none"> • Distinctive Places and Competitive Infrastructure. <p>Together with the 4 Cross Cutting themes:</p> <ol style="list-style-type: none"> 1. Thinking and Delivering Together for Regional Success 2. Quality and Intelligence Driven Leadership Action 3. Being and Acting Connected 4. Understanding Sustainable Growth 	
<p>South West Wales Regional Economic Delivery Plan 2022-2030</p> <p>(Note: the EDP is to be considered by the SWW CJC on establishment)</p>	<p>The SWW Regional Economic Delivery Plan provides an ambitious route map for the development of the regional economy to 2030. The Plan identifies 3 Ambitions for the economy:</p> <ol style="list-style-type: none"> 1. Resilient and Sustainable 2. Enterprising and Ambitious 3. Balanced and Inclusive <p>It also sets out 3 Missions:</p> <ol style="list-style-type: none"> 1. A UK leader in renewable energy and the net zero economy 2. Building a strong, resilient and embedded business base 3. Growing and sustaining the SW Wales experience offer 	<p>The Plan recognises the direct contribution of the SBCD projects to the Ambitions and Missions identified. The programmes and projects to be delivered through the Portfolio will respond directly to the Missions identified as follows:</p> <ol style="list-style-type: none"> 1. The delivery of the Portfolio will facilitate the transition to a zero-carbon economy with a strong drive for green growth reflected in the emphasis on new digital technology, low carbon growth and energy efficiency programmes, particularly the Supporting Innovation and Low Carbon Growth, Homes as Power Stations and Pembroke Dock Marine projects 2. All programmes and projects will contribute to a strengthening and diversification of the regional economy with a focus on growth sectors and the development of innovation and enterprise ecosystems supporting the growth of new companies. Further support will be provided across the region through the transformational Digital Infrastructure programme and the targeted Skills and Talent programme 3. The programmes and projects will provide high quality facilities to improve the experience of residents, business and visitors throughout the region. They will enhance the quality of the built environment and contribute to the distinctiveness of the region. The programmes and projects will also complement the other investments being made by partner organisations in town and city centres and across the many diverse communities of the region.
Regional Economic	The Regional Economic Framework (REF) for South West Wales sets out the Welsh Government approach to economic development for the region	As outlined above, the SBCD will make a direct contribution to the Ambitions and Missions of the Economic Delivery Plan and will therefore also align with the REF. The SBCD strengthens the regional approach to economic development and

Framework for South West Wales 2021	and supports a more regionally-focused model of economic development, in accordance with the Welsh Government’s Programme for Government. and a commitment to progress the Economic Resilience and Reconstruction Mission for Wales. The REF reflects the Ambitions and Missions identified in the Economic Delivery Plan. The REF outlines the approach that the Welsh Government will take with the key stakeholders in the region to work collectively to develop and realise the ambitions for economic growth.	already works across the 4 authorities and Welsh and UK Governments to promote collaboration and partnership working. The SBCD will continue to input into the further development of the REF to ensure that priority areas are addressed and the Portfolio, its programmes/ projects, outputs and benefits continue to be aligned to the aims and objectives of the Framework
Local Policy		
Local plans /strategies relating to the SBCD	<ul style="list-style-type: none"> • LA Plans and Strategies relating to e.g.: <ul style="list-style-type: none"> ○ Economic development ○ Regeneration ○ Skills and Employability ○ Digital Transformation ○ Decarbonisation ○ Well-being plans ○ Local Development • Health Board Action Plans • University Strategic Plans 	<p>The SBCD delivers key transformational programmes and projects across the region to realise growth, productivity, innovation and new jobs, and to upgrade skills and connectivity. This will thereby drive forward many of the aims and objectives of the organisational plans and strategies at a local level.</p> <p>The SBCD Portfolio provides a vehicle for the partnership and collaborative delivery of key strategic projects that will collectively impact the region and realise significant benefits over a 15-year timeframe.</p>

Table 1.2. Policy alignment to the SBCD

1.4. Alignment to existing initiatives

The SBCD Portfolio has been developed within the landscape of a range of Public Sector initiatives, with the delivery of its constituent programmes and projects benefitting from and adding value to these actions. Some key initiatives include:

Regional Learning and Skills Partnership (RLSP)

The RLSP is a long-established, multi-sector partnership focusing on skills investment and the economic regeneration of the area through the development of a skilled workforce. The RLSP has a long-standing reputation of regional collaborative working with key partners in the region and working with Welsh Government to influence policy on the delivery of skills training in the region. The work of the partnership includes promoting and championing a strategic overview of skills provision to ensure that it meets regional needs and maximises economic opportunities. Central to the activity of the RLSP is the analysis of local labour market intelligence to identify and inform skills and curriculum provision, helping to bridge the gap between education and regeneration in the hope of creating a strong and vibrant economy underpinned by innovation, growth and a capable workforce.

A Regional Collaboration for Health (ARCH)

The ARCH partnership operates across the Swansea Bay City Region, encompassing the reach of two local health boards and covering a population size of approximately 1 million people. ARCH brings together expertise and experience from across the three partner organisations and wider stakeholders to tackle health and well-being challenges within the region through collaborative project-driven approaches to four themes of Skills & Workforce, Research, Enterprise & Innovation, Service Transformation and Well-being. Several projects exist within each of the themes and there is cross fertilisation and shared learning amongst them. Each theme is represented across all partner organisations and engages with wider stakeholders from across the Life Science and Well-being Sector and other sectors as appropriate, including strong clinical and allied health professional engagement.

Transforming Towns

A £90 million programme launched in 2020 by the Welsh Government, which is focused on measures to increase footfall by making sure the public sector locates services in town centre locations. This includes tackling empty buildings and land to help bring them back into use, and green town centres. The programme supports major city and town centre regeneration programmes across the region, generating investment, creating jobs, improving the environment and promoting healthy and vibrant town centres.

Levelling Up and the Shared Prosperity Fund

The 2020 UK Government Treasury spending review announced a £4.8 billion Levelling Up Fund for capital investment in local infrastructure across the UK. The first round focused on transport projects, town centre and high street regeneration, and cultural investment. At the end of October 2021, following a competitive application process, £121m was announced for 10 projects across Wales, including 3 within the SBCR. The Community Renewal Fund (CRF) was also launched, which will pilot new programmes that invest in people, boost skills and support local business. The fund is a precursor to the Shared Prosperity Fund, as a permanent replacement for EU structuring funding, but with a UK-wide investment remit. In November 2021 the Government announced CRF funding for projects across Wales, including initiatives within the SBCR. The full launch of the Shared Prosperity Fund will be made in 2022.

Regional Transportation Programmes

The City Deal Portfolio will both complement and add value to the regional and local transportation initiatives being developed and delivered in the area, including Local Transport Plans and Active Travel initiatives. The importance of developing a high quality, integrated, affordable and efficient transportation infrastructure is recognised as crucial to maximising the benefits and impacts of the Portfolio through enhanced accessibility both to and within the region. The Swansea Bay and West Wales Metro Programme will enhance rail and bus provision across the four local authority areas of South West Wales and will include

- Rail Services and infrastructure enhancement
- Strategic Bus services and infrastructure enhancement
- Strategic integration of bus and rail services
- Active travel measures & interfaces at stations

These major improvements will reduce journey times and frequency, improve customer experience, improve accessibility and accelerate urban regeneration and site development throughout the SBCR.

Superfast Cymru

A national broadband project that has been extending superfast connectivity across Wales for several years, with BT. This has been topped up with additional funding via change control and is in the process of reaching further premises, now focusing on gigabit capability.

UK F20 Programme

A flagship programme that has been announced by Westminster, tying into a £5 billion commitment to deliver gigabit connectivity across the UK. This is intended to be a nationally led procurement (instead of local) with a gap funded element complemented by a demand-led voucher scheme.

The Case for Change

1.5. Case for change

The SBCD members and partners spanning across the public, private and not-for-profit sectors have worked together to identify and scope the portfolio of nine programmes and projects. These programmes and projects were borne from key partners being part of a long-established approach to regional working across the SBCR. All programmes and projects align to the strategic investment objectives outlined below and were agreed by the SBCD consortium and UK and Welsh Governments in 2017, which have since been updated to provide further clarity. The governance arrangements and portfolio developments have helped to evolve and enhance a cultural change towards collaboration across the SBCR, which is set to continue to advance as the portfolio matures into delivery.

The case for change is based on the following aims:

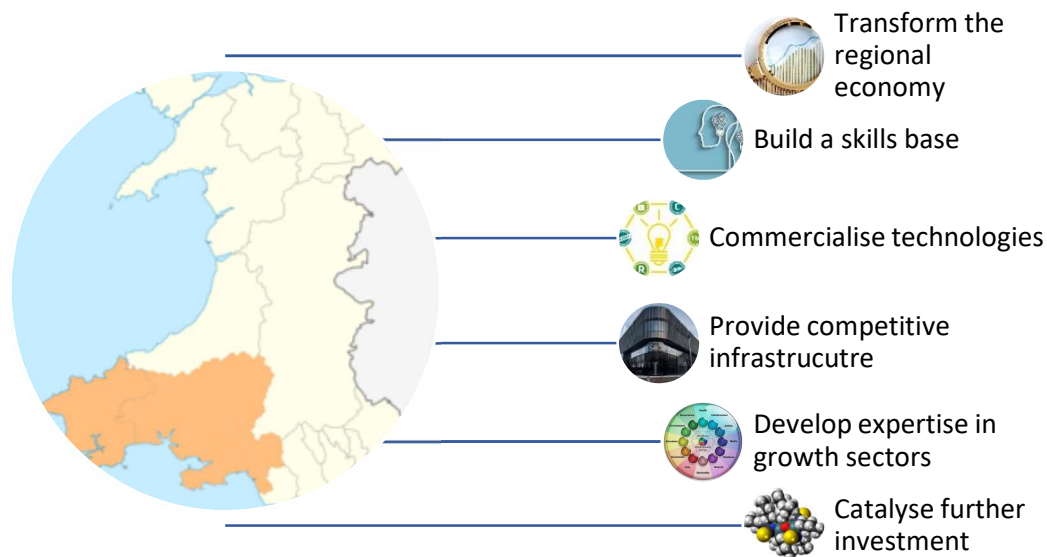


Figure 1.1 Regional aims

1.6. Investment Objectives

The portfolio investment objectives describe the targeted outcomes for the portfolio 2017-2033. To realise the ambitions of the region, and to help achieve the aspirations of the Swansea Bay City Region Economic Regeneration Strategy, regional stakeholders have pledged to work together to achieve the following three SBCD strategic investment objectives:

1. Jobs - To create over 9,000 skilled jobs aligned to economic acceleration, energy, life sciences and smart manufacturing across the region within 15 years (2017-33).
2. GVA - To contribute £1.8-2.4 billion GVA to the Swansea Bay City Region by 2033 and contribute to the region achieving 90% of UK productivity levels by 2033.
3. Investment - To deliver a total investment in the region of £1.15-1.3 billion in the South West Wales Regional economy by 2033.

It is also recognised that since the inception of the Swansea Bay City Deal there has been significant progress in the decarbonisation agenda particularly in relation to the emphasis on net zero and wider environmental ambitions at a national, regional and local level. Whilst not a formal investment objective, the SBCD Portfolio responds to this agenda across its programmes and projects and will contribute to net zero goals wherever possible, for example, the incorporation of low or zero carbon best practice, support for innovative clean technologies and the growth of green skills and sustainable supply chains. Several of the SBCD projects will make a direct contribution to achieving the Net Zero ambitions for Wales.

The investment objectives will also support the aspirations of the Swansea Bay City Region (SBCR) outlined within the SBCR Economic Regeneration Strategy 2013-2030 and its five complementary Strategic Aims:

Strategic aim 1 – maximisation of business growth, retention and industry specialisation resulting in:

- Retention of key local employers,
- Support employers and businesses to become rooted and committed to growth in the City Region,
- Use expertise, knowledge and opportunities to produce a wider business base,
- National level leadership achieved in key priority sectors,

- Capturing quality inward investment.

Strategic aim 2 – develop skills and ambition to deliver long-term regional success achieved through:

- A change in culture and level of ambition across Regional communities,
- Support skill enhancements across our workforce with clear commitment from employers to support professional development,
- Ensure a fully integrated and aligned skills supply across all realms of education and employment.

Strategic aim 3 – maximisation of job creation:

- Increased employment opportunities through enterprise start-ups,
- Focus on delivering major employment creation schemes,
- Comprehensive partnership-led approach to creating work experience placements and quality apprenticeships,
- Effective CVS networks and social enterprise opportunities, creating jobs.

Strategic aim 4 – knowledge economy and innovation:

- Establish the City Region as a recognised knowledge economy where all types of innovation thrive,
- Connect the economy to world class R & D assets,
- Actively support the dual university model,
- Compete effectively for knowledge economy inward investment projects.

Strategic aim 5 – provide distinctive places and competitive infrastructure:

- Establish a clear and distinctive ‘place’,
- Develop fully fit for purpose land and property infrastructure assets,
- Ensure the City Region has competitive next generation broadband and 4G networks to support business growth, service innovation and facilitate new models of employment.

The Investment Objectives also support the Ambitions and Missions for the regional economy as identified in the South West Wales Economic Delivery Plan 2022-2030:

Ambitions

1. Resilient and Sustainable
2. Enterprising and Ambitious
3. Balanced and Inclusive

Missions:

1. A UK leader in renewable energy and the net zero economy
2. Building a strong, resilient and embedded business base
3. Growing and sustaining the SW Wales experience offer

A review of Investment Objectives across the portfolio at a programme and project level has been included in Appendix 1.2.

1.7. Existing arrangements

The SBCR is a large and diverse City Region, containing both urban and rural places with distinctive though inter-connected economies, communities, natural resources and infrastructure. The SBCR is a major driver for the Welsh economy with a resident population of 698,000, supporting regional employment of 322,000 jobs and 23,800 businesses. These businesses and organisations include a mix of many small to medium sized enterprises and national and global organisations such as Tata Steel, Valero and the DVLA, along with high-quality universities with international reputations and links that deliver activities which support teaching, skills, education, research and innovation.

Economic development within the SBCR is headed up by the regional economic development/regeneration directors of the four local authorities, who in turn engage with many local, regional and national stakeholders and sponsors to identify, prioritise and deliver regional economic development initiatives. This co-ordinated, evidence-based and consultative approach led to the creation of the Swansea Bay City Region Economic Regeneration Strategy 2013-2030.

In March 2021, regulations creating four Corporate Joint Committees (CJCs) in Wales as mechanisms for the regional collaboration between local government were made. Four CJCs will be established across Wales in 2022 including the South West Wales Corporate Joint Committee which covers the SBCR area.

The Welsh Government believes that CJCs have a role to play in bringing coherence to regional governance by integrating decision making with the goal to build on existing regional arrangements wherever possible. The wider purpose is to share resources and ensure all local priorities and requirements can be complemented by regional action, ensuring a sense of consistency, harmony and resilience permeates regional public investment, planning and accountability.

The CJC will exercise the following functions as specified in the regulations:

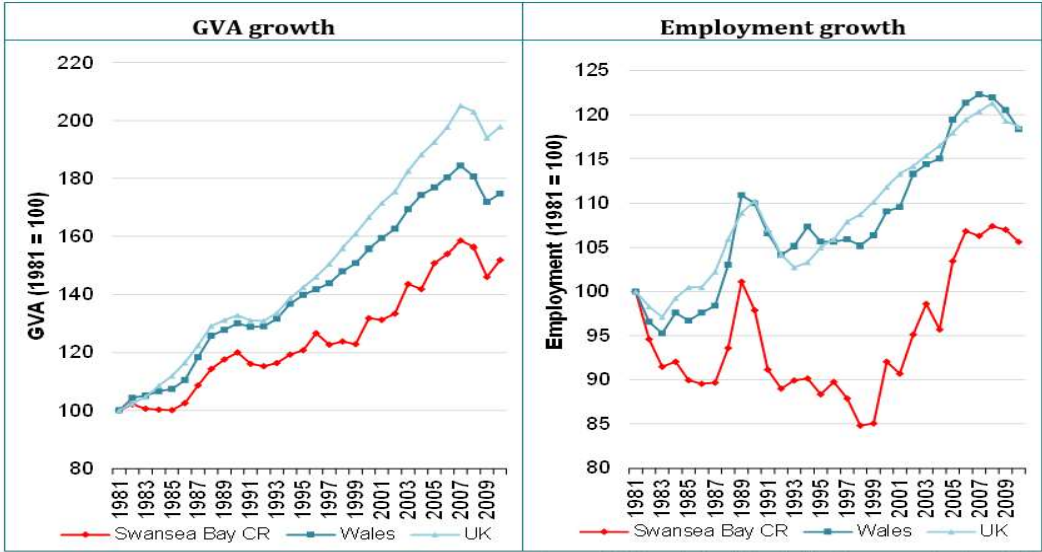
- strategic development planning
- regional transport planning
- economic wellbeing powers

The four local authority Chief Executives are currently working with officers to determine the most appropriate structure and governance arrangements for the South West Wales CJC. It is yet to be determined how these will fit with the existing regional arrangements for the SBCD. The regulations require that each CJC must hold its first meeting by Spring 2022. The CJC will be supported by the Regional Regeneration Directors in the fulfilment of its duties with respect to economic development.

The region has benefited from significant investment in the past decade, including Swansea University's new £450m Science and Innovation Bay Campus, UWTSU £60m IQ campus, city and town centre regeneration, a portfolio of incubation centres across the region, major improvements to the A40 in Pembrokeshire, and the Harbour Way Project that links Port Talbot and the Docks to the M4.

The update to the economic context of SBCR Economic Regeneration Strategy in 2016 undertook an analysis of the regional economy which was used as the basis for the establishment of the City Deal initiative. It highlighted that economic performance had been resilient but there remained a persistent productivity gap, and wide variations in productivity within South West Wales. The economy is diverse with key sectors being manufacturing, energy and tourism as well as public sector jobs. Areas of strength and opportunity were identified, particularly in Healthcare, Education, Innovation, Research and Development, Manufacturing, Energy production, Technology, Media and Leisure and Well-being.

Regional GVA performance against the UK average has declined with the move away from the traditionally strong manufacturing traditions of the region since 1981 as show in Figure 1.2. below. The SBCR generated GVA of £10.5bn in 2015, which accounted for 20% of Wales’ GVA. The GVA per employee in the Region was £34,300 in 2015 (at 2011 prices), which was 74% of the UK average.



Source: SQW analysis of Cambridge Econometrics data, 2016

Figure 1.2. GVA and employment growth (1981-2010) for the SBCR, Wales and UK

Employment growth had increased considerably since the 1990s, although employment was largely in the lower value sectors and occupations - often in parts of education, health, and the wider public sector. For example, there were over 30,000 fewer manufacturing jobs in 2010 than in 1990, which significantly contributed to the major productivity gap that has emerged between the SBCR and the rest of the UK.

Productivity in the SBCR had also fallen below the all-Wales level for the past 15 years, as shown in Figure 1.3. below. The mix of sectors in the SBCR economy being geared towards lower value sectors compared to the rest of the UK and therefore underperforms in employing those in occupational groups aligned to higher wages. Also, the nature of the jobs within these sectors is generally of a lower value than elsewhere. The region relies too heavily on the GVA produced by public sector activities such as health, education and public administration. The productivity gap between the City Region and the rest of the UK is forecast to remain below average if targeted and collective action is not taken through a City Deal portfolio and other regional activity.

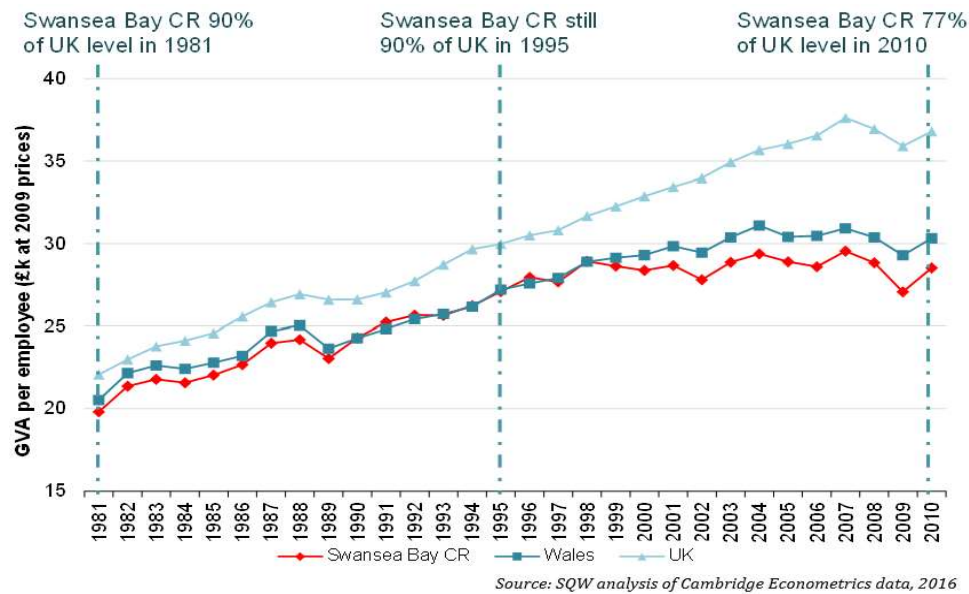


Figure 1.3. Productivity for the SBCR, Wales and UK (1981-2010)

The region is characterised by an ageing population, with retirement risk being classed as high. The average number of people aged over 55 for an area of the region’s size is 241,117; whereas there are 276,439 in the SBCR. In some instances, this can adversely affect labour force growth, change patterns of savings and expenditure and increase pressure on public social expenditures.¹

In 2021, the South West Wales local authorities, working closely with the Welsh Government, commissioned consultants to revisit the SBCR Economic Regeneration Strategy. The South West Wales Regional Economic Delivery Plan presents an analysis of recent economic performance across the region and provides a strategic approach to unlock the region’s potential and ensure that economic growth is resilient, sustainable and inclusive.

The analysis of the regional economy found that in the years leading up to the Covid-19 pandemic, the economy performed strongly in generating new jobs and by 2019 there were 322,000 jobs in the region, an increase of 20,000 from 2013. However, there is still ‘spare capacity’ in the labour market. Although the ‘jobs density’ (the number of jobs per working age resident) has grown steadily, it is still lower than the UK and Wales averages.

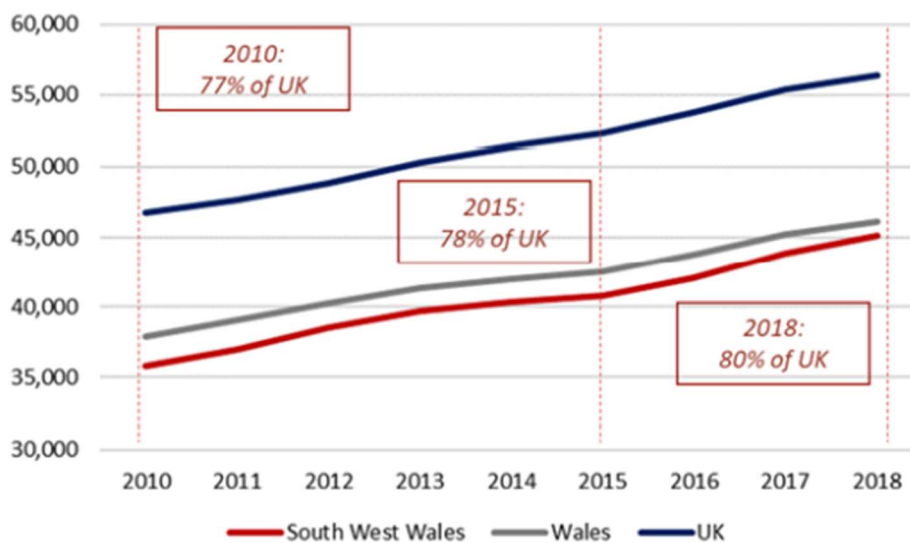
There have been steady improvements in the economic activity rate over the past 15 years at a faster pace than in the rest of the UK. However, South West Wales’ economic activity rate still falls behind the UK average (and slightly behind the Wales average). If the gap between the 2019 regional economic activity rate (73.8%) and the UK rate (78.9%) could be bridged, it would bring an additional 21,000 people back into the labour market.

The analysis also highlighted that there still remained a large and persistent productivity gap with the UK overall and structural weaknesses in the economy. Economic output (measured in gross value added (GVA)) was around £13 billion in 2018, equivalent to 21% of total Welsh output. The region’s GVA increased by around £630 million in 2013-18 (representing growth of about 5% over the period). Within this overall expansion, some sectors grew strongly: combined, wholesale and retail; warehousing; real estate; information and communications; and health and care contributed an additional £689 million to GVA. But some sectors contracted over the period, with the metals, electrical

¹ World Employment and Social Outlook – Trends 2018 (Kuhn) <https://onlinelibrary.wiley.com/doi/pdf/10.1002/wow3.127>

products and machinery sector reducing its output by around £322 million. This suggests a continuing process of adjustment within the economy, which is also reflected in employment growth (and a strengthening share of employment) in hospitality, health, distribution and administrative activities. Nevertheless, manufacturing is of fundamental importance to the regional economy, accounting for 13.6% of total output (and over 25% of output in Neath Port Talbot).

Productivity (the amount of GVA generated for every filled job) was around £45,100 in South West Wales in 2018. The gap with the rest of the UK has narrowed slightly over time. But it is still substantial: in 2018, productivity was around 80% of the UK level as shown in Figure 1.4 below.



ONS, Subregional productivity: labour productivity by local authority district and labour productivity by UK NUTS2 and NUTS3 subregions, 2010-18

Figure 1.4. Productivity for the SBCR, Wales and UK (2010-2018)

The following features of the regional economy were also highlighted:

- Skills - there has been a steady improvement in qualification levels: in 2019, 35% of the working age population was qualified to NVQ4+, compared with 22% in 2004, and the proportion with no qualifications halved over the same period (partly as new entrants to the labour market gradually replace those who leave). But in relative terms, there is still a gap with the rest of the UK, and substantial variation across the region
- Connectivity - here has been transformational progress in the delivery of digital connectivity since the 2014 Regeneration Strategy. Commercial investment and public support through Superfast Cymru and successor programmes have increased access to superfast broadband to over 90% of premises. However, beyond Superfast, there is still a significant rural/ urban digital divide, with ultrafast penetration in Pembrokeshire among the lowest in the UK
- Business - the size of the region's business base grew in the years leading up to the start of the pandemic. In 2020, there were around 23,800 active enterprises in South West Wales, a

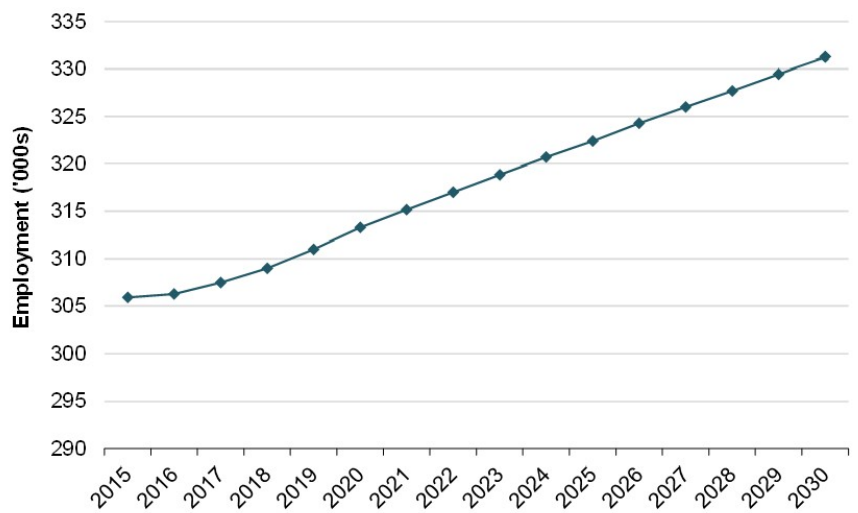
number that had steadily increased over the preceding five years – and survival rates keep pace with the rest of Wales and the UK. But the region’s ‘enterprise density’ (the number of enterprises relative to the working age population) and the start-up rate remain lower than in the rest of the UK

- Sites and premises – the region benefits from some substantial sites for industrial expansion, including the large strategic site at Baglan Energy Park, future phases of the Cross Hands development in Carmarthenshire, and key sites at Felindre and Fabian Way in Swansea and the Haven Waterway. However, there is a widely-recognised gap between demand and supply for industrial sites and premises, as low rents (and in some cases high remediation and infrastructure costs on ex-industrial land) make viability challenging, especially west of Swansea. The evidence is that this acts as a brake on business expansion, both to new investors and to existing local businesses seeking ‘grow-on’ space
- Carbon Emissions - regional carbon emissions are much higher than the Wales and UK average. These mostly reflect the role of the huge Tata works at Port Talbot, an industrial installation of national significance that remains reliant on coal inputs.

The SBCR’s existing situation demonstrates through quantified economic evidence that the region is underperforming economically and failing to reach its full potential.

1.8. Business need

The 2016 economic analysis forecast that the productivity gap between the SBCR and the rest of the UK will remain unless action is taken. Unaltered, by 2030, GVA per worker in the SBCR is forecast to be £43,200 (2011 prices), compared with £59,100 in the UK. That’s just 73% of the UK total. If the SBCR does not act to drive productivity improvements, it will continue to perform at about three-quarters of its true economic potential. By 2030, employment is expected to build to 331,000 - an increase of 8% on 2015 figures as depicted in Figure 1.5. below:



Source: SQW analysis of Cambridge Econometrics data, 2016

Figure 1.5. Employment forecast for the SBCR (2015-2030)

The SBCR and SBCD need to focus on the expanding and adjusting sectors to realise potential growth in GVA and employment to sustain and create new employment, whilst driving productivity growth. Even though complex, the scale of opportunity is significant and is needed for the region. If the SBCR

achieves its growth predictions to 2030, and over that period returns to 90% of the UK’s productivity level, then the region would be an £18bn economy as shown in Table 1.3. below:

	2020 (£bn)	2030 (£bn)
Current trajectory	11.6	14.3
At Wales level of productivity	12.5	15.5
At 90% of UK level of productivity	14.1	17.6
At UK level of productivity	15.7	19.6

Table 1.3. Indicative scale of the SBCR economy based on productivity forecasts
 (Source: SQW analysis of Cambridge Econometrics forecasts, 2016)

Based on the evidence presented in a report by SQW (2016) on economic context analysis, it follows that the SBCR:

- Has too few businesses and is not growing its business base quickly enough
- Does not have enough people with high level qualifications and too many people with none
- Needs to address the productivity gap as it is fundamental to raising the prosperity and quality of life for the SBCR
- Needs to create new and sustain existing employment
- Suffers from economic inactivity, which remains too high
- Has relied on imports to meet demand in the high value sectors, with little self-sufficiency in these areas and tradable activity
- Does not have physical infrastructure that’s keeping pace with the needs of growing businesses or our communities. Broadband capacity and digital connectivity are improving, but not quickly enough. Much of our commercial and retail property is low quality and attracts low rents
- Has a regional capital (Swansea city centre) which is underperforming and needs to deliver a commercial, residential and leisure offer to match the ambitions of innovative proposals
- Needs to deliver a step change in the performance of its rural and visitor economies if the region as an integrated whole is to achieve its long-term aims

The evidence base behind the South West Wales Economic Delivery Plan 2022-2030 confirms that, although progress has been made, the needs listed above still remain within the regional economy. The Plan states that the region needs to focus on the following distinctive economic strengths and assets as a platform for future growth:

- Nationally and internationally significant university research assets
- Extensive energy infrastructure and low carbon energy generation potential
- The scope for growth within the business community
- Environmental quality and distinctive ‘sense of place’

It also highlights that the region needs to respond to the following transformational needs that will impact on the economy, its resilience, sustainability and growth:

Decarbonisation - the decarbonisation policy imperative at a national, regional and local level creates a requirement to seek and develop opportunities for innovation and technology development, as well as a need for adaptation to support industrial resilience. The decarbonisation need for the region will be undertaken through:

- the delivery of the region’s low carbon projects at scale
- decarbonising the industrial base

- decarbonising the wider economy (including housing stock and transportation)

Digital transformation – Digitalisation refers to the transformation of the economy through increased use of data and the development of digital technologies such as artificial intelligence, machine learning and robotics. It will be a major catalyst for structural change in the economy and a facilitator for growth across sectors and businesses. There is a need to address the following impacts:

- Effects on industry - facilitating the application of digital technologies to realise efficiency, productivity and competitive benefits across sectors
- Impacts on the labour market - the need to keep pace with the changing demand for skills and the shift in working practices
- Impacts on services – overcoming connectivity barriers and realising benefits of remote access to services eg: health and care

Demographic change - South West Wales has a growing population. However, the ‘working age’ population has fallen slightly over the past decade. The gradual ageing of the population is also a long-term trend. Key needs for economic intervention to consider include:

- Changing working lives - the concept of ‘working age’ is becoming increasingly fluid, as people work for longer, and more flexibly
- Changes in service demand – there has been strong growth in employment and output associated with health and social care, as demand increases from an ageing population. Changing demographics will support changes in wider demand for goods and services
- Changing communities – some communities are becoming increasingly aged through in-migration of older people and the outmigration of younger people. Retaining and attracting younger people will be achieved through generating economic activity, and providing relevant skills with support community resilience and sustainability

To overcome these identified needs and issues and deliver high-quality jobs, increase GVA and achieve higher productivity levels, the SBCR will need to work regionally with all key stakeholders, particularly businesses, and with the UK and Welsh Governments to:

- Establish projects that provide key infrastructure to develop and connect technologies in high-value sectors aligned to the four strategic themes, in partnership with the private sector, to the benefit of the UK, Welsh and regional economies
- Leverage funding to invest in our skills base and workforce, building upon comprehensive existing partnerships between businesses and the higher and further education sector
- Establish an Investment Fund within projects to promote regional competitiveness, building upon the infrastructure expenditure (above) through fiscal and non-fiscal interventions
- Work with universities and the private sector to apply Research & Development (R&D) practices to start-up ventures, grow and attract inward investment and generate an ecosystem of regional supply chains and export the IP, knowledge and skills base generated regionally on a global platform
- Further establish Swansea as a vibrant regional capital and integrate further with its economic hinterland and ‘travel to work’ catchment area to a much greater extent
- Use enhanced digital networks as a catalyst for driving improved performance and competitiveness in the rural and visitor economies
- Align other expenditure in key areas, such as transport connectivity, housing and education, to complement and reinforce the SBCD

- Establish the SBCR as a diverse and low carbon economy and international centre for renewable energy production and conservation. To retain and develop the regional strategic role in energy into green growth and to secure further investment to unlock the full potential of supply chain development

1.9. Potential scope

To overcome this identified need and realise the regional potential, intervention is required to develop initiatives which create the required infrastructure, attract inward investment from businesses, create good job opportunities in growing and targeted high value sectors, and generate closer partnership working across the region. In doing so we will respond to the economic performance gap through increased productivity and GVA. The recent economic analysis as part of the South West Wales Economic Development Plan confirms that this approach remains valid and necessary for the future growth and sustainability of the regional economy.

Supporting high value sectors and addressing long-term barriers to growth is at the heart of the Swansea Bay City Deal. Key business needs have been identified across these high value sectors. Thematically, the SBCD will prioritise four broad strategic themes to help tackle its structural challenges and reduce the economic performance gap between the SBCR and the rest of the UK. These themes are:

- **Economic Acceleration** - To deliver a coherent and integrated economic development strategy for the region that incorporates the identification of demand for and potential delivery of next generation digital infrastructure, along with the creation of a digital district in Swansea and its hinterland. In addition, growth in the region's creative industry sector will be supported by optimising the benefits of Welsh language broadcaster S4C's relocation to Carmarthen. A world-leading supportive environment for technology businesses and start-ups will also be created, as well as the development of the skills required to support this economic growth. All activities will be underpinned by a regional skills development programme.
- **Life Science & Well-Being** - To build on existing regional assets through the expansion of research and innovation infrastructure and the piloting of a digitally integrated healthcare environment through a network of health science 'medi-parks', wellness centres and other assets. Building on a new digital architecture, we will transform the delivery of health and social care in the region and contribute to the advancement of genomic medicine in analytics and diagnostics in the UK via network-based solutions.
- **Energy** - To place the region at the forefront of energy innovation in the areas of sustainable house building to address fuel poverty, while creating a centre of excellence to develop and exploit aspects of marine and other sustainable energy. This will exploit the multi-billion pound asset base in renewable and conventional energy production and the testing and commercialisation of integrated Future Energy Systems for commercial and domestic use. The SBCD portfolio will also contribute directly to the drive towards decarbonisation of the economy and the green industrial revolution including skills for green jobs.
- **Smart Manufacturing** - To support the critically important regional manufacturing economy through aligning digital assets and research and development provision under Industry 4.0 principles to improve products, services and processes. In addition, developing a leading-edge

innovation capability to support R&D within the steel industry across Wales and elsewhere in the UK.

These areas have productivity and GVA potential for growth and are aligned to creating high technology jobs through start-ups and the attraction of inward investment from larger businesses. They are also areas of focus whereby the region has begun to build foundations to advance through R&D, infrastructure, natural resources, skills and complementary investments.

The SBCD portfolio will address these and other priorities for the region as part of the wider implementation of the Swansea Bay City Region Economic Regeneration Strategy and the Regional Economic Delivery Plan, along with the combined aim of tackling regional challenges including economic inactivity, poor digital and transport connectivity, decarbonisation, poverty and the development of skills. The SBCD recognises that it will not resolve the economic challenges of the region alone or in isolation but will act in a collaborative and complementary manner to with partner organisations and initiatives to maximise impact and meet the vision, aims and objectives of the regional economic strategies. To support this broader work, the directors of regeneration/economic development for the four regional local authorities meet regularly to ensure oversight of the strategy and the progression of change in the region. Overall strategic direction will be provided through the Corporate Joint Committee as this becomes established.

1.10. Benefits

The intended beneficiaries are those people who experience better standards of living and wellbeing higher real incomes or improved access to products, services and opportunities through the delivery of the programmes and projects. These beneficiaries include a wide-ranging array of private business owners and companies, regional communities and residents, and public and third sector organisations whose value-added is expected to increase through the development and implementation of SBCD programmes and projects.

Working in parallel to the Wales Infrastructure Investment Plan and the Swansea Bay Economic Regeneration Strategy, the SBCD's approach is pan-region with the aim of stimulating growth and investment (both public and private sector) by providing a framework for the future development needs of the region. Providing a collaborative approach between partners to enhance the outlook and prospectus of the region, Governments have committed funding to support investment in infrastructure and service designed to support local demands under the four key themes.

The main direct benefits that will deliver the greatest proportion of the portfolio value are:

- Greater employment opportunities
- Strengthened talent retention, attraction and entrepreneurialism
- A healthier, greener and more diverse economy through more productive, efficient and profitable companies

Associated with these are the following indirect benefits:

- Better collaborative regional working
- More disposable income and spend within the region
- Improvements to health and social well-being
- Improved supply chains
- Increased property values

Further details on the benefits management and realisation process established for the portfolio can be found within the Management Case.

The table below sets out baseline indicators which can be used to help gauge the impact of the SBCD to the regional ambition and the regional benefits delivered through various growth initiatives throughout the Swansea Bay City Region. These indicators will be regularly assessed and updated during the delivery of the portfolio. It is important to note that the SBCD is only one contributor to these indicators with other actions and external factors influencing these over time. There will also there will be an inherent and expected ‘benefits delay’ coming through into regional indicators due to the delivery timescales of the SBCD projects

Baseline for Strategic Outcomes and Indicators	2017	2018
Growth in Regional prosperity		
GVA growth (GVA £m)	13,085	13,606
South West Wales GVA against UK Index = 100	67.3	68.0
GVA growth across South West Wales (From year prior)	+2.45%	+4.0%
Creation of Better-Quality Jobs		
Employment Levels	313,300	307,200
Employment Growth	+4.30%	-2.00%
Employment/Economic inactivity in South West Wales (age 16-64, excluding students)	20.8%	22.1%
A more Skilled Workforce in the region		
Increase in proportion of the population with qualifications (NQF 4)	34.25%	35.63%
Total apprenticeships (Level 2 – 4) as a proportion of total employment	14,025	13,625
Increase in apprenticeships 16- 24 as a proportion of total employment	5,560	5,245
Improvements in Standards of Living across the Region		
Reduce the proportion of workless households	19.35%	20.78%
Income deprivation (percentage of population)	16.5%	Not Available
Gross disposable household income (£)	+2.4%	+4.4%

Table 1.4. Baseline indicators (Source: Various ONS source data, 2020)

1.11. Risks

The identification and assessment of risks to the successful delivery of the Portfolio are aligned to the UK and Welsh Government Guidance, where risks fall into three main categories:

Business	Business-related risks remain with the public sector and can never be transferred
Service	Service-related risks occur in the design, build, funding and operational phases of a portfolio and may be shared between the public and private sectors
External	External systemic risks affect all society and are unpredictable and random in nature

Risks that can affect the scope, time, cost and quality of the Portfolio are:

Business-related risks:

- Displacement as a result of competing with other regions across Wales
- Lack of funding from Welsh and UK Governments
- Lack of inward investment from private sector
- Lack of quality human capital within the region
- Political change or conflict at Regional, UK and Welsh Government levels

Service-related risks will be managed by each of the City Deal programmes and projects, who will maintain, manage and monitor their own risk registers in line with guidance from the Green Book and the PoMO governance arrangements.

External Risks: Although not within the control of the portfolio the following external risks are significant to portfolio delivery and are therefore monitored accordingly.

- **Covid 19:** The COVID-19 pandemic still poses a risk to the delivery of the portfolio. The economic impact of lockdown restrictions has still yet to be fully realised which could impact local businesses, local authorities and education providers alike. Future lockdown restrictions could also delay the delivery of the constituent programmes and projects. The long-term effects of Covid-19 are still largely unknown and this uncertainty needs to be managed throughout the portfolio. The portfolio will contribute to the Covid-19 recovery plans at a UK and Wales level and its consequences will continue to be monitored and mitigated for through the portfolio risk register and risk management arrangements.
- **Brexit:** The UK officially left the EU on 31st January 2020, with the terms of leaving to be agreed during a transition period ending on December 31st, 2020. On December 24, 2020, the UK and EU agreed a provisional free-trade agreement that ensures the two sides can trade goods without tariffs or quotas. However, the full impact on the economy at national, regional and local level is as yet unknown.

Key risks captured in a SBCD Portfolio Risk Register and Covid-19 impact assessments include SBCD partner withdrawal, delays to programme and project approval, shortfall in private sector investment forecasts, funding draw-down and portfolio delivery delays, availability and cost of construction materials and resources, consequences of changes to Natural Resource Wales TAN 15 flood risk management criteria, achievement of targets, reputational effect and change to scope and objectives.

Throughout 2021 it has become evident that there are significant changes across the Construction Industry in relation to cost, material availability and resource availability. Therefore, in Quarter 1 2022 the PoMO introduced a Construction Impact Assessment as part of the Quarterly reporting requirements.

Similarly to the COVID impact assessment the Construction Impact assessment sets out to review, record, report, monitor, escalate and mitigate the potential challenges faced in the delivery of the Infrastructure elements of the Portfolio.

Further details of the SBCD risk management arrangements and identified risks can be found in section 5.8 of the Management Case.

1.12. Constraints

There are a number of constraints placed on the delivery of the SBCD, notably:

- Total funding package: Portfolio budget based on the fixed funding agreement between the region and Welsh and UK Governments
- Capital Funding: Portfolio budget being largely capital investment
- Term of the City Deal: The timeframe for the delivery of the Portfolio cannot exceed the term of the City Deal set at 15 years
- Resources: Resources available to establish and implement the portfolio and associated programmes and projects
- State Aid: Growth Deal projects must comply with relevant State Aid rules

1.13. Dependencies

The following dependencies need to be in place for the delivery of the SBCD:

- Drawdown of Funding: The annual drawdown of City Deal funding from the Welsh and UK Governments
- Private Sector Engagement: The City Deal cannot be successfully delivered without the engagement of and collaboration with the private sector
- Public Sector Engagement: The SBCD requires the commitment of all primary stakeholders to deliver the Deal
- Public Sector Delivery: The SBCD requires primary stakeholders to progress the wider economic regeneration plans relating to City Deal funding
- Statutory Consents and Planning Approval: Several the City Deal projects will require statutory consents and planning approval

Even though the portfolio works towards common strategic Investment Objectives and the impact of the portfolio depends on the combined delivery of the programmes and projects, there are no interdependencies at portfolio level. The interdependencies that do exist will be at project/programme level and dealt with accordingly by the project/programme teams.

Regional stakeholder interdependencies may also exist and these will be identified and managed through stakeholder management and the SBCD governance committees to identify risks and opportunities relating to synergistic regional projects outside of the remit of SBCD that may impact the SBCD portfolio.

2. THE ECONOMIC CASE

2.1. Introduction

The Economic Case describes how the options for the potential scope of the Swansea Bay City Deal, set out in the Strategic Case, were developed and appraised. It details the overall social value that the Portfolio will deliver during its timeframe, taking into account economic, social and wider benefits that will accrue.

This updated version of the Portfolio Business Case includes the following changes:

- Updated business case development and approval status (Table 2.5) – All programmes and projects have received regional and government approval and the SBCD Portfolio is now in full delivery
- Updated economic appraisal information for portfolio, programmes and projects (Table 2.6) with updates for Homes as Power Stations, Supporting Innovation and Low Carbon Growth, Skills and Talent and Campuses projects. Overall Portfolio NPSV now £1,114.27m

The SBCD will deliver a portfolio of programmes and projects that are most likely to offer best value for money and maximum social and economic value to the SBCR. The SBCD portfolio is estimated to generate a Net Present Social Value (NPSV) of £1,114.27 million from a public sector cost of £462.22 million. These figures are detailed below in the economic appraisal section and are derived from SBCD programmes and projects as of March 2022. These estimates for the portfolio are subject to change as business cases become more mature and develop into full business cases for the entire portfolio.

The region began the process to identify and prioritise projects in 2015/16, moving from a long to a short list of projects via an appraisal process. At this time, the region was not required to strictly follow and respond to the Green Book guidance. Since inception, all projects and the portfolio have become better aligned to ensure that the nine shortlisted projects/programmes meet the SBCD investment objectives set out in the Strategic Case.

A timeline of the development of the Portfolio and the key milestones is shown in Figure 2.1 below:

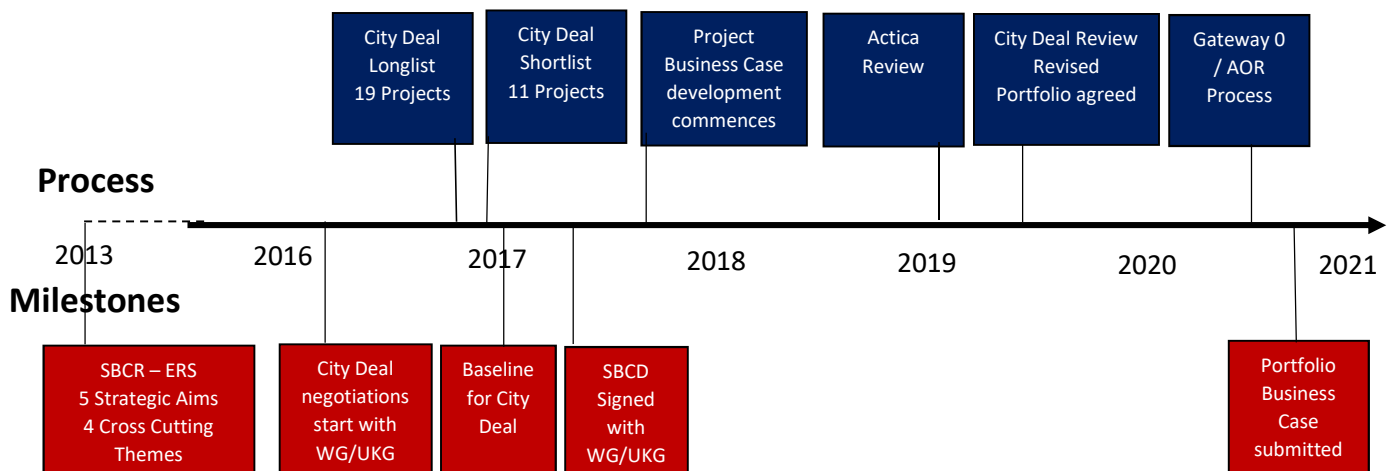


Figure 2.1. SBCD Portfolio Timeline

The nine shortlisted SBCD project/programmes are summarised in Table 2.1. below:

Economic Acceleration	Swansea City & Waterfront Digital District	To boost Swansea city centre’s economic well-being at the heart of the City Region’s economy, while retaining local tech, digital and entrepreneurial talent. This programme includes: <ul style="list-style-type: none"> • A digitally enabled indoor arena in the city centre for concerts, exhibitions, conferences and other events • A ‘digital village’ development in the city centre to accommodate the city’s growing tech and digital business sector • A ‘Innovation Matrix’ and the wider innovation precinct development at the University of Wales Trinity Saint David’s new Swansea waterfront campus to enable start-up company support and growth
	Yr Egin	To support and further develop the region’s creative industry sector and Welsh language culture. The two-phased programme in Carmarthen, led by the University of Wales Trinity Saint David, features: <ul style="list-style-type: none"> • National creative sector anchor tenants • World class office space for local and regional creative sector SMEs, with opportunities for expansion • Facilities for the community and business networking • Facilitation of engagement between businesses and students
	Digital Infrastructure	To significantly improve digital connectivity throughout the City Region for the benefit of businesses and residents, also helping to attract inward investment. The programme is made of up of three themes: <ul style="list-style-type: none"> • Connected places • Rural connectivity • Next generation wireless (5G and IOT networks)
	Skills and Talent	To develop a sustainable pipeline of regional talent to benefit from the high-value jobs City Deal projects/programmes will generate in growth sectors for the region. This includes the potential to develop skills through courses and training and apprenticeship opportunities aligned to City Deal projects and regional priorities, as well as a partnership approach involving schools, universities, businesses and training providers across the region to identify need and resolve skills development gaps.
Life Science & Well-being	SBCD Campuses Project	To develop digital health and platform technologies and clinical innovation to help prevent ill-health, develop better treatments and improve patient care. Advanced research and development facilities will be created, building on the success of the Institute of Life Sciences at Swansea University and expanding on regional expertise in sport and exercise science. This project will be located at Morriston Hospital and Swansea University’s Singleton Campus.
	Pentre Awel	Previously named the Life Science & Well-being Village, this development will comprise research, business incubation and development facilities co-located alongside clinical delivery and research. The development will include education , skills and training facilities focussed on health and care in partnership with both further and higher education providers. Zone One will also include a state of the art leisure and aquatics centre. Adjacent zones of the development will see further business expansion space created alongside a wide range of assisted living accommodation and associated test bed opportunities. This project will benefit from and

		further develop regional expertise in life sciences, while providing training and high-value job opportunities for local people.
Energy and Smart Manufacturing	Homes as Power Stations	<p>A co-ordinated project across the City Region, Homes as Power Stations will see energy-saving technologies introduced to thousands of homes as part of a smart, low carbon new-build and retrofit programme.</p> <p>The project will:</p> <ul style="list-style-type: none"> • Tackle fuel poverty • Further decarbonise the regional economy • Improve residents' health and well-being • Reduce burden on regional health and social services • Benefit regional supply chain businesses • Potentially develop a UK-wide industry in the City Region, with global export opportunities
	Pembroke Dock Marine	<p>This programme will place Pembrokeshire at the heart of UK and global zero carbon, marine and off-shore energy innovation, building on the expertise of a marine energy cluster in Pembroke Dock. Facilities will be provided for marine energy innovators to build, test and commercialise their technologies. Programme features include:</p> <ul style="list-style-type: none"> • Pembroke Dock Infrastructure (PDI) improvements • A Marine Energy Engineering Centre of Excellence (MEECE) • Marine Energy Test Area (META) developments • The Pembrokeshire Demonstration Zone (PDZ)
	Supporting Innovation and Low Carbon Growth	<p>This programme will help further decarbonise the regional economy, while safeguarding the regional steel industry and providing high-quality space for the innovation, ICT and research and development sectors.</p> <p>Programme features include:</p> <ul style="list-style-type: none"> • SWITCH - A purpose-built facility and specialist equipment to support the steel and metals industry and supply chain • Electric vehicle infrastructure and mapping • Real-time air quality modelling • Hydrogen production to power hydrogen vehicles • Cutting-edge business spaces to meet evidenced demand including a Technology Centre, Advanced Manufacturing Production Unit and Property Development Fund

Table 2.1. SBCD Project Summaries

The preferred way forward and project selection

2.2. Preferred way forward

To realise the ambitions within the Swansea Bay City Region Economic Regeneration Strategy 2013 to 2030, the four local authorities and other key stakeholders worked collaboratively as the SBCR Board. The Board was initially led by Sir Terry Matthews, supported by the four local authority Leaders and

senior representatives from health boards, universities and the private sector. See Appendix 2.1 for the full Board membership.

During the development of the Swansea Bay City Region Economic Regeneration Strategy, the regional partners agreed to discount the business as usual and ‘do minimum’ options as they would fail to realise the economic ambition for the region. The preferred option was to proceed with establishing a Growth/City Deal programme to deliver a set of prioritised projects that would realise the potential scope set out in the strategic case by creating infrastructure, inward investment and job opportunities.

The SBCR Board agreed on the 10th October 2016 to establish an oversight working group with representation from the four local authorities, two universities and two health boards. The purpose was to review a long list of City Deal projects. Membership of the oversight working group can be found in Appendix 2.1.

2.3. Critical Success Factors (CSFs)

The SBCR oversight working group defined the following CSFs, which at the time were not directly aligned to the current Green Book:

No.	Critical Success Factor	Chosen CSF’s for Portfolio
1	Strategic Fit And business needs	Regional Spread GVA impact Impact on UK plc Job Creation
2	Potential Value for money	Consideration that the overall benefits are greater than the individual parts
3	Potential achievability	Skills readiness Readiness in 5yr context
4	Supply side capacity and capability	Private sector engagement Readiness in 5yr context
5	Potential affordability	Private sector investment Readiness inc affordability within programme

Table 2.2. Critical Success Factors

These CSFs were retrospectively aligned to HM Treasury guidance, as shown in Appendix 2.2.

2.4. Long-listed Options and Preferred Way Forward

The submission of 19 project proposals were received by the SBCR Board at 6pm on Tuesday 11th October 2016. The oversight working group conducted a prioritisation process by reviewing the projects against the CSFs and categorised them as:

- Supported
- Supported for either second phase City Deal or alternative funding sources
- Not supported

	Project title	Lead Organisation	Brief description	Outcome
1	Buildings as Power Stations	Swansea University	A programme of regional low carbon homes development and	Supported

2	Innovative Smart Low Carbon Homes	Local Authorities	retrofit with supply chain development. Combine as one project	
3	ARCH Campuses (Phase 1)	City & County of Swansea /Swansea University / Health Boards	The extension of Institute of Life Sciences facilities at the Morriston and Singleton campuses	Supported
4	(CENGs) revenue	City Region Team	Centre of Excellence in Next Generation Services. Combine as one project. CENGs revenue and SBCR CENGs Technology Centre capital	Supported
5	SBCR CENGs Technology Centre	City Region Team		
6	Digital Infrastructure & Test Beds	City Region Team	Digital Infrastructure upgrades & test beds following the themes of Rural, Transport Corridor and Connected City	Supported
7	Swansea City Digital District	City and County of Swansea	Combine as one project. Arena, new offices and public realm development as part of a wider City Centre regeneration programme including the development of a box village and innovation precinct in SA1	Supported
8	Swansea Waterfront	University of Wales Trinity Saint David		
9	Distributed Generation Cluster Hub - Dulais Valley	Neath Port Talbot CBC	Creation of a Dulais Valley Smart Energy Network and a Smart energy network in Milford Haven, Pembrokeshire. Combine as one project	Supported for alternative funding sources
10	Distributed Generation Cluster Hub - Milford Haven	Milford Haven Port Authority		
11	Energy Conversion and Storage Innovation Platform (ECSIP)	Swansea University	Future-proofing new energy generation and storage with carbon reduction	Not supported
12	Factory of the Future	Swansea University	State of the art prototyping facility for Industry 4.0 growth	Supported
13	Innovation System	City and County of Swansea	Creation of The Innovation System that will provide an integrated regional approach to supporting enterprise and innovation, with sector-specific efforts targeting each internet theme	Not supported
14	Pembroke Dock Marine	Milford Haven Port Authority	Expansion of off-shore renewable energy infrastructure and test areas	Supported
15	Skills and Talent	Regional Learning Partnership	Regional skills and talent growth focused facilities	Supported
16	Steel Science Centre for UK Primary Steelmaking	Excalibur Steel UK Ltd	Combine as one project. Establishment of a Steel Science Centre for UK Primary Steelmaking and Strip Steel Production	Supported
17	Sustain	Swansea University		

18	Health & Well Being Village Phase 1	Swansea University/ Health Boards Carmarthenshire CC	New build Community Well-being Hub as catalyst to wider development	Supported
19	Yr Egin	University of Wales Trinity Saint David	New build creative hub with national anchor tenant	Supported

Table 2.3. Long list project options

Below is a summary of the decisions made for the 19 long-listed projects, of which 11 were supported by the oversight working group:

- **Seven projects approved:** Projects subject to no change or revised budgets were 3, 6, 12, 14, 15, 18 and 19.
- **Four projects are the accumulation of 8 projects:** Several of the submitted proposals were deemed more impactful if combined as a result of their scope and synergies. The Board unanimously agreed to combine eight of the projects into the following four projects:
 - Projects 1 & 2 as they were similar in concept
 - Projects 4 & 5 were both focused on the Centre of Excellence for Next Generation Services (CENGS), with one being revenue based and the other capital based
 - Projects 7 & 8 formed part of a wider vision for the region with similar outcomes
 - Projects 16 & 17 both focussed on supporting the steel industry
- **Two projects signposted to a second phase or alternative funding:** The Board agreed that projects 9 and 10 were worthy projects to take forward, but they did not fully meet the City Deal requirements. It was agreed that they would be supported for either a second phase City Deal or for alternative funding sources.
- **Two projects not supported:** 11 and 13 were not supported as they were not aligned.

Details on the oversight working group appraisal for the long-list options can be found in Appendix 2.2.

2.5. Short-listed options

The 11 shortlisted projects with project lead authorities are summarised in Table 2.4. below:

Economic Acceleration	Swansea City & Waterfront Digital District	C&C of Swansea/UWTSD
	Yr Egin	Carmarthenshire CC/UWTSD
	Digital infrastructure	Carmarthenshire County Council
	Skills and Talent Initiative	Carmarthenshire County Council
	Centre of Excellence Next Generation Digital Services (since withdrawn)	Neath Port Talbot CBC
Life Science & Well-being	SBCD Campuses Project	C&C of Swansea/ Swansea University/ Health Boards
	Pentre Awel (LS&WB Village)	Carmarthenshire County Council
Energy	Homes as Power Stations	Neath Port Talbot CBC
	Pembroke Dock Marine	Pembrokeshire Council
Smart Manufacturing	Factory of the Future (since withdrawn)	Neath Port Talbot CBC/Swansea University
	Steel Science (merged with Supporting Innovation and Low Carbon Growth)	Neath Port Talbot CBC/Swansea University

Table 2.4. Long list project options

Changes were made to the shortlisted options following the SBCD review in late 2018 and early 2019. The external review undertaken by Actica recommended that the SBCD should be managed as a portfolio, rather than as a set of pre-determined and immutable projects.

As a response to the climate change emergency declared by the Welsh Government in April 2019, a revised programme of projects entitled Supporting Innovation and Low Carbon Growth was approved for inclusion in the City Deal portfolio by Neath Port Talbot County Borough Council’s Cabinet in July 2019. This was subsequently approved by the City Deal Joint Committee.

The new project met the original CFSs and subsumed relevant parts of the Centre of Excellence in Next Generation Services (CENGs) and Steel Science projects. Factory of the Future was also no longer supported as one of the prioritised projects. This led to the SBCD portfolio comprising of the nine shortlisted projects as detailed in Table 2.1. above.

2.6. Phased approach and desirability

Commencing in 2017, the SBCD portfolio has a 15-year funding and delivery profile, which was established when the Heads of Terms agreement was signed. The model is a focused period of construction funded by Local Authority borrowing and stakeholder contributions followed by implementation, benefits realisation and repayment by the UK Government and the Welsh Government.

Phase	Term	Delivery
1	Short-term (0-5 years)	Initial investment with focused spend on construction and project development
2	Medium-term (5-10 years)	Implementation, operational, benefits realisation and repayment
3	Long-term (10-15 years)	Operational, benefits realisation and repayment

The SBCD portfolio will be periodically assessed through internal and external reviews to ensure that the portfolio and project desirability is valid and viable. As of March 2022, the desirability categories for each project and its components are deemed core/essential by the SBCD. This is summarised in Table 2.5. below:

Project / Programme name	Years 0 - 5	Years 5 - 10	Years 10 - 15
Swansea City & Waterfront Digital District: <ul style="list-style-type: none"> Arena & Digital Square Digital Village Innovation Matrix / Innovation Precinct 	Core/essential	Core/essential	Core/essential
Yr Egin, Creative Digital Cluster: <ul style="list-style-type: none"> Phase 1 Phase 2 	Core/essential	Core/essential	Core/essential
Digital Infrastructure: <ul style="list-style-type: none"> Connected places Rural connectivity Next generation wireless 	Core/essential	Core/essential	Core/essential
Skills and Talent Initiative	Core/essential	Core/essential	Core/essential

SBCD Campuses Project: <ul style="list-style-type: none"> • Singleton • Morriston 	Core/essential	Core/essential	Core/essential
Pentre Awel (Life Science & Well-being Village): <ul style="list-style-type: none"> • Phase 1 (Business, education skills and training, clinical delivery and research.) 	Core/essential	Core/essential	Core/essential
Homes as Power Stations	Core/essential	Core/essential	Core/essential
Pembroke Dock Marine: <ul style="list-style-type: none"> • Pembroke Dock Infrastructure (PDI) • Marine Energy Engineering Centre of Excellence (MEECE) • Marine Energy Test Area (META) • Pembrokeshire Demonstration Zone (PDZ) 	Core/essential	Core/essential	Core/essential
Supporting Innovation and Low Carbon Growth <ul style="list-style-type: none"> • Swansea Bay Technology Centre • SWITCH building • Hydrogen Stimulus project • Air Quality Monitoring project • Low Emission Vehicle Charging Infrastructure • Advanced Manufacturing Production Facility • Property Development Fund 	Core/essential	Core/essential	Core/essential

Table 2.5. Portfolio Desirability Categories

2.7. Economic appraisal

Each SBCD project business case contains economic appraisals to determine the expected costs and benefits for the chosen options for each project. The current economic appraisal status and summary for each SBCD project/programme is summarised in Table 2.6. and 2.7. below. Appendix 2.3 provides further details on the available economic and financial appraisals for each project.

Project/programme	Business Case Status	Economic appraisal Status
Yr Egin	Approved regionally and by WG / UKG	Current
Swansea Waterfront	Approved regionally and by WG / UKG	Current
Pembroke Dock Marine	Approved regionally and by WG / UKG	Current
Homes as Power Stations	Approved regionally and by WG / UKG	Current
Supporting Innovation and Low Carbon Growth	Approved regionally and by WG / UKG	Current
Pentre Awel	Approved regionally and by WG / UKG	Current
SBCD Campuses Project	Approved regionally and by WG / UKG	Current
Digital Infrastructure	Approved regionally and by WG / UKG	Current
Skills and Talent	Approved regionally and by WG / UKG	Current

Table 2.6. Business Case and Economic Appraisal Status

The status of each project/programme business case will result in the economic appraisal for the SBCD portfolio changing once the appraisals have been updated.

		SBCD Portfolio	Yr Egin	Swansea Waterfront	PDM	HAPS	SI&LCG	Pentre Awel	Campuses	Digital	Skills
A	Net Present Social Value (£m)	1,114.27	150.02	407.51	87.2	16.63	44.7	63.86	18.8	319.2	6.35
B	Public sector cost (£m)	462.22	21.8	138.37	42.7	14.67	127.4	39.11	14.15	38.5	25.52
C	Appropriate BCR	-	3.7	3.95	2.63	2.5	1.6	2.63	2.33	1.5-11	1.4
	Significant unmonetizable costs/benefits		- skills and training opps - new business floorspace - new businesses	- skills and training opps - new business / leisure floorspace - new business start ups	- contribution to decarbon - new floorspace and infrastructure	- homes benefitting from renewable tech - Energy savings - CO2 reduction	- new infrastructure - new enterprises supported - innovation / new patents	- skills and training opps - life science programmes - new business floorspace - R&D	- skills and training opps - life science programmes - new business, R&D, floorspace	- rural community schemes - connectivity improvements - new infrastructure	- increase in higher skills - new apprenticeships - increase in STEM subjects
E	Significant unquantifiable factors		- improved start up opps - improved academic facilities - promotion of Welsh lang	- improved leisure facilities - improved profile - enhanced innovation ecosystem	- innovation in marine/energy - attraction of new investment - people / skills retention	- proof of concept / mainstreaming - reduction in fuel poverty - health and wellbeing - regional supply chain	- future reduction in carbon - job retention in steel industry and related enterprise - centre of excellence	- integrated approach to health care - health and wellbeing	- integrated approach to life science / wellbeing - health and wellbeing	- accelerate 5G - commercial investment - connectivity wellbeing - rural development	- new employment opportunities - people retention - benefits to wider regional initiatives
F	Risk costs by type and residual optimism bias	-	10%	10%	10%	10%	10%	20%	20%	-	20%
G	Switching values (for the preferred option only)	-	86%	-30.5%	-62%	81%	61%	-	-37% benefit reduction	-	-13.33
H	Time horizon and reason	15-year appraisal period for the portfolio. All infrastructure projects will have a residual value at the end of this term.									
I	Preferred option	-	Option 4	Option 2	Option 2	Option 4	Blended	Option E	Option D	Blended	Option 3
J	Date of appraisal	-	July 2018	Nov 2018 Orig. Sept 2019 Rev.	Sept 2019	Aug 2020 Orig. May 2021 Rev.	Jan 2021 Orig. May 2021 Rev.	Nov 2018 Orig. April 2020 Rev.	Sept 2020 Orig. Jun 2021 Rev.	Aug 2020	Jun 2021
K	Appraised by	-	Amion	Amion	Amion	Value People	Value People	Swansea University	Swansea University	Cube	DS Consulting

Table 2.7. Portfolio Summary Appraisal

The initial analysis and assessment for the Gross Value Added (GVA) and jobs created targets were undertaken by a team of specialist economists at Swansea University, who assessed the short-listed projects. Since then, each project/programme has undertaken a more in-depth analysis of these two indicators as part of their economic appraisal of shortlisted options.

The original SBCD heads of terms estimated the creation of £1.8bn GVA and 9,000 skilled jobs. The current estimates show a 32% increase in GVA and 7% increase in jobs created across the SBCD portfolio and are summarised at project and portfolio levels in Table 2.8. below:

Project theme/name	15-year Impact	
	GVA £m	Net Jobs
Economic Acceleration		
Swansea City & Waterfront Digital District	669.8	1,281
Yr Egin	89.5	427
Digital infrastructure	318.8	-
Skills and Talent Initiative	-	-
Life Science & Well-being		
SBCD Campuses Project	150.0	1,120
Pentre Awel (Life Science & Well-being Village)	467.0	1,853
Energy and Smart Manufacturing		
Homes as Power Stations	251	1,804
Pembroke Dock Marine	343.4	1,881
Supporting Innovation and Low Carbon Growth	93	1,320
SBCD Portfolio total	2,382.5	9,686

Table 2.8. SBCD Portfolio Impact Deliverables overarching

It should be noted that the Skills and Talent project, although not contributing directly to regional GVA and jobs, will play a crucial role in the attainment of the impacts detailed for the individual programmes and projects.

In addition to the above strategic benefits, each project has identified further benefits within their business cases, which will be reviewed and revised on a regular basis. Bespoke to each project where construction is a component, additional community benefits will be achieved via the initial procurement process. This will include:

- Construction Jobs
- Supply chain opportunities
- Targeted recruitment and training clauses
- Contributions to education
- Community initiatives

Further details on the process to obtain the community benefits can be found in the Commercial Case Section 3.3.

2.8. Summary

The appraisal contained in the Economic Case has demonstrated the scale of the economic and social value that the delivery of the Portfolio will achieve. The chosen way forward represents a coherent, balanced and achievable portfolio that will meet the Critical Success Factors and will deliver real and lasting benefits to the region. The impacts of the Portfolio will contribute directly to the achievement

of the Portfolio Investment Objectives and to the strategic aims of the economic strategy for the City Region, generating new jobs and investment and contributing to increased GVA and productivity within the regional economy. The appraisal information will continue to be updated and refined as programmes and projects are progressed.

3. THE COMMERCIAL CASE

The purpose of the Commercial Case is to provide the overarching principles, objectives and arrangements for the procurement of the programmes and projects within the portfolio. The SBCD will aim to continue to secure social value through the delivery of its constituent programmes and projects, maximising benefits to the region through procurement.

This updated version of the Portfolio Business Case includes the following changes:

- Current UK and Welsh Government procurement policies
- Updated portfolio procurement principles
- Current information for EU Funded projects
- Updated register of programme and project community benefits
- Updated register of planned procurement activities at a programme and project level to assist the private sector in identifying potential tender opportunities at an early stage.

3.1 Procurement strategy and route

SBCD programmes and projects are led by a lead delivery organisation, which may be a local authority, university, health board or private/third sector organisation. These lead delivery organisations are responsible for conducting their own procurement exercises in line with their own organisational policies and procedures.

Public sector led procurement requires the procuring bodies to comply with the following:

- Public Contracts Regulations 2015 and the Public Procurement (Amendment etc) (EU Exit) Regulations 2020
- Welsh Procurement Policy Statement 2021
- The Welsh Government Welsh Procurement Policy Note WPPN 0320 which provides the Welsh public sector contracting authorities an update on public procurement, and on the use of Sell2Wales and the new UK e-notification service Find a Tender after the end of the EU Transition Period.

<https://gov.wales/wppn-0320-post-eu-transition-public-procurement-including-find-tender-service-fts-html>

In 2012, the Welsh Government issued the Wales Procurement Policy Statement which was subsequently reviewed and updated in 2021. The statement sets out the principles by which it expects public sector procurement to be delivered in Wales. Projects will be expected to meet the requirements of this policy statement which seeks to open procurement contracts up to more innovative solutions to ensure that the money that goes into procurement is spent in a way that stimulates development.

The rules aim to minimise bureaucracy for companies bidding and to make it easier for small and medium-sized firms to participate.

EU funded projects

Welsh Government has stated that there will be no change in the existing arrangements for current EU funded projects. For previously approved projects that are receiving funding, all existing EU rules and regulations will continue to apply. The way that projects are managed will not change. This includes:

- submitting and payment of claims

- verification checks
- retention of records

As such, SBCD projects in receipt of EU funding will need to be aware of any conditions within the European Public Contracts Directive 2014/24/EU that relate to procurement.

Any new procurements for WEFO funded programmes after the end of the transition period must continue to be advertised on OJEU/TED. See Welsh Government Welsh Procurement Policy Note WPPN 0320 referenced above for more information.

3.2 City Deal Procurement Principles

Aligned to the Wales Procurement Policy Statement, the SBCD's Joint Committee approved a supplementary set of procurement principles in November 2020 that aim to encourage project/programme teams to consider wider benefits that can be achieved through procurement. These principles link procurement activities with UK and Welsh Government policy and best practice, especially with meeting the objectives of the Well-Being of Future Generations (Wales) Act 2015. The principles also draw on the need for net zero carbon and carbon offset contributions to be considered as part of the procurement exercises.

The principles have been drafted in collaboration with industry, as well as legal and procurement specialists, with a view to ensuring that the regional supply chain and local businesses can have the opportunity to achieve the maximum benefit from the City Deal.

Project/programme teams will be required to think innovatively with their procurements, considering all options. This will include considering what best deals can be achieved via the procurement process and whether collaborative purchasing across projects can add value.

High value procurements should be broken down into smaller lots so that regional companies are not excluded from the process. Where this is not possible due to economies of scale or risk, for example, then Tier 1 contractors should be contractually obliged to undertake the lotting process where existing frameworks allow.

Procurements should be planned well in advance, allowing time for collaborative bidding to take place where appropriate. The Sell2Wales procurement platform provides this facility (see 3.6 – Key contractual arrangements below).

Projects/programmes will be encouraged to work across the portfolio where possible to consider economies of scale where collaborative bidding and purchasing will offer benefit.

3.3 Community Benefits

The use of Community Benefit clauses as a core requirement will bring added value and ensure long-term benefits realisation. Clauses that may be used in community benefit contracts include:

- Supply chain opportunities: Creating opportunities for Small to Medium Enterprises (SMEs) to bid for work through the supply chain. Tier 1 contractors will be contractually obliged to undertake effective 'Meet the Buyer' events as early market engagement
- Targeted recruitment and training clauses: Providing opportunities to specific groups such as the economically inactive or young people who are Not in Education, Employment or Training (NEETs). Work experience placements will be offered to pupils and students in local schools,

colleges and universities, along with apprenticeship opportunities for local people during contract periods. Projects/programmes will work in collaboration with the Skills and Talent initiative to ensure maximum benefits are achieved and retained within the region

- Contributions to education: Particularly focused on engaging with schoolchildren, this may involve offering opportunities such as site visits or delivering related information sessions
- Community initiatives: Demonstrating active participation in the community through volunteering days in local communities, sponsoring community initiatives or engaging with local community groups to maintain SBCD communication

Project/programme teams will be required to:

- Provide the PoMO with details of community benefits clauses either included in procurement contracts or agreed with suppliers following appointment
- Provide quarterly updates to the PoMO on the progress made on the delivery of community benefits
- Continual engagement with the PoMO on planned community benefit activity to promote good news stories and identify opportunities for support
- Formally report their community benefit outputs via the Welsh Government Community Benefits Toolkit, or another agreed platform, and provide a copy of this to the SBCD PoMO on an annual basis

The PoMO will maintain a register of community benefits, attached as Appendix 3.1.

3.3 Service requirements, Outputs and Risk allocation

Portfolio business risk will be managed by the SBCD PoMO within the established governance structure, as detailed in the Management Case. The identification of service requirements, outputs and risk allocation will be managed by the individual project/programme sponsors according to their situation and standing orders. Each project lead authority will have its own internal structure and process for procurement and risk apportionment. The detail on how each sponsor manages its business, service and external risk will be provided in individual project/programme business cases. Projects/programmes will also be required to provide regular updates on procurement activities to the SBCD PoMO. This will include the assessment of risks, progress and deliverables. Project/programme teams will work with the SBCD PoMO to promote major procurement exercises and any 'Meet the Buyer' or local supply chain events.

3.4 Charging mechanisms

Each programme/project will undertake its own assessment of the appropriate charge mechanisms for pre-delivery, design and build phases and whether to apply a fixed price/cost mechanism or to use payment on delivery of agreed outputs/targets. To protect the supply chain and ensure fair and prompt payment, programmes/projects will be required to put in place Project Bank Accounts (PBAs) for all significant procurements. This requirement is in line with Welsh Government policy whereby all procurements with a value of £2m or more and lasting longer than 6 months must consider doing this. Note: Other criteria will also apply - see Welsh Government guidance at <https://gov.wales/wppn-0321-project-bank-accounts-policy-html> for more details.

3.5 Key contractual arrangements

Each programme/project will undertake its own contract assessment processes aligned to its own organisational requirements. In addition to the standard form of contract chosen, several supplementary requirements will be placed on programme/project teams as outlined in the Portfolio Procurement Principles in Appendix 3.2. The template for evidencing the consideration and contribution of a programme/project to the Procurement Principles is attached in Appendix 3.3. The PoMO have developed a register of planned procurement showing the pipeline, timescale and route to procurement of the individual projects to assist potential contractors in identifying and accessing tender opportunities. The pipeline template is shown in Appendix 3.4 and will be updated on a regular basis in consultation with the programme/project leads.

Industry has told us that effective communication and early market engagement is critical. Contractors and the wider supply chain need to have advance notification of future tender opportunities. Early notification and supply chain engagement is a key part of this. Where SBCD funding is part of the package, all contracts must be published on the Sell2Wales platform and linked to the City Deal programme/project page at the earliest opportunity.

The SBCD page on Sell2Wales will promote all SBCD procurement opportunities under one banner. This includes those where Procurement Frameworks are to be used and, in doing so, will help to provide consistent and clear communications to the wider supply chain. For opportunities to be promoted well in advance, projects will be required to provide the SBCD PoMO with a procurement plan and timeline at the earliest opportunity.

The use of Community Benefit clauses within SBCD developments as core requirements will ensure the long-term benefits realisation integral to this plan for economic change.

The Welsh Government 'Ethical Employment in Supply Chains' Code of Practice (2017) states that the Government expects all public sector bodies to sign up to the code and the wider public sector supply chain to adopt it. Tier 1 contractors should be made aware of this and encouraged to sign up to the code.

Programmes/projects will be required to work closely with the Skills and Talent initiative to ensure that targeted recruitment and training objectives are met. Each major procurement will be required to produce a plan of engagement with education establishments and delivery of community benefits.

3.6 Personnel implications

Portfolio level - The SBCD has administrative support roles shared between the four partner Local Authorities, with Carmarthenshire County Council as the Accountable body role for the portfolio. A SBCD PoMO has been established with the capacity to manage the governance, assurance and decision-making mechanisms of the portfolio, along with the day-to-day duties required to service the portfolio. This includes senior financial, legal and monitoring personnel and a Senior Responsible Owner (SRO) for the portfolio. See the Management Case for further details.

Programme/Project Level - Sponsors will be required to ensure that key personnel and resources are in place to deliver their programmes/projects accordingly. Programmes/Projects will establish internal lines of communications to include internal stakeholders. These include programme/project managers, procurement teams, community benefits teams, legal and financial assistance, and marketing. Other departments should be included as required.

Matters of concern should be recorded and escalated to the SBCD PoMO at the earliest opportunity. Any significant business issues will be managed by the SBCD PoMO via its governance process.

Significant service issues will be addressed by the client organisation supported by the PoMO where appropriate.

3.7 Accountancy treatment

Assets that have physical substance and are held for use in the production or supply of goods or services, for rental to others, or for administrative purposes and that are expected to be used during more than one financial year are classified as Property, Plant and Equipment. Assets constructed or held as part of a programme/project delivered within the portfolio will be disclosed and held on the Balance Sheet within the lead organisation responsible for the delivery of such programme/project. Assets constructed or held as part of a regional project or programme within the portfolio will be proportioned accordingly or reside within the balance sheet of the Lead Authority in which the asset resides. The Joint Committee will hold no such physical asset as categorised above within its legal remit.

3.8 Updating Business Cases

In line with Better Business Case guidance and standard programme / project management principles, programmes and projects within the SBCD portfolio are required to update their business cases from Outline Business Case to Full Business Case status as and when procurement activities have been completed to ensure compliance with process.

4. THE FINANCIAL CASE

The purpose of the Financial Case is to demonstrate the affordability and funding of the portfolio, including the support of stakeholders. The Financial Case provides detail on the amount, timing and source of financial investments to ensure the fundability of the programmes and projects. The Case also details the impact upon the balance sheet, income and expenditure and accountancy arrangements of the SBCD.

This updated version of the Portfolio Business Case includes the following changes:

- Updated funding and investment information including breakdown of private and public sector investment. Investment now demonstrated at £1.240bn from £1.14bn in previous business case (original heads of terms £1.274bn)
- Updated income, expenditure and cashflow forecasts
- Reprofile of working budget to show a small slippage in the delivery period with no effect on total outputs, investment or benefits of the Portfolio
- Updated information on grant drawdown and dissemination with £54m received to date and a further estimated £23.5m expected this financial year. To date £17m has been dispersed from the city deal to programmes and projects
- Revised financial information for the SBCD Campuses Project and Swansea Waterfront – Campuses investment now £130.43 (previous investment figure £37.81m), Swansea Waterfront investment increased by £500k due to additional WEFO funding secured to support the development of the 71/72 the Kingsway project.
- NNDR update on retention of yield generated.
- Anti Fraud Strategy Update.

4.1. Swansea Bay City Deal Investment Summary

The SBCD portfolio Heads of Terms signed on 17th March 2017 demonstrated an anticipated investment of £1.3 billion for the Swansea Bay City Region. On the approval of all nine businesses cases this budget has now been revised to establish a portfolio working budget. The budget revision shows a variance of £34m (2%) against the original Heads of terms demonstrated below:

	<u>WG & Central Government Funding</u>	<u>Other Public Funding</u>	<u>Private Funding</u>	<u>Total (£)</u>
Original Heads of Terms (£m)	£ 241.00	£ 396.00	£ 637.40	£1,274.40
Working Budget (as per business Cases) (£m)	£ 235.70	£ 381.85	£ 622.56	£1,240.11
Variance	-£ 5.30	-£ 14.15	-£ 14.84	-£ 34.29

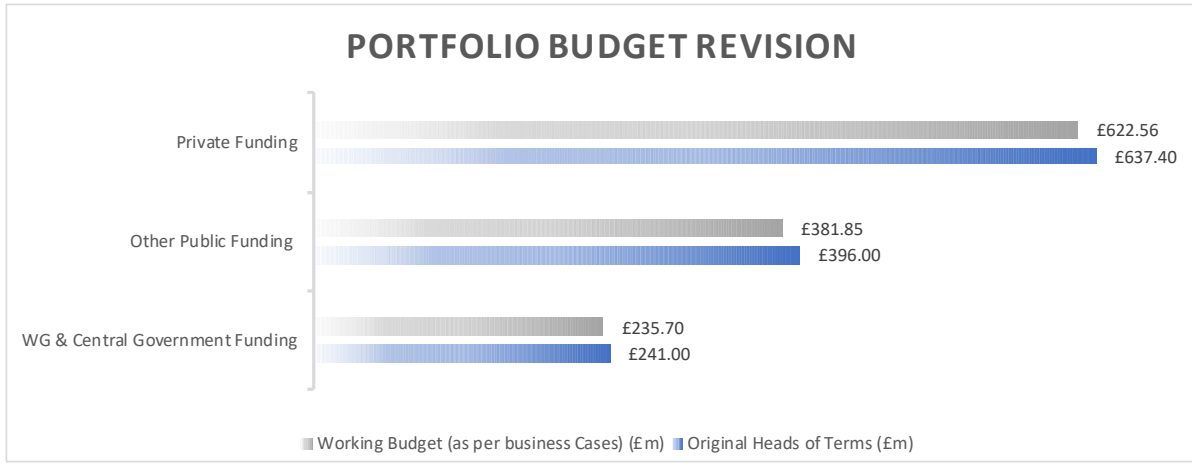


Table 4.1 and Figure 4.1. Funding Apportionment

Investment is categorised under three themes, with each designed to stimulate economic growth, increase GVA and increase the number of high-level skilled jobs in the region. Investment in these areas is summarised in Figure 4.2. below:

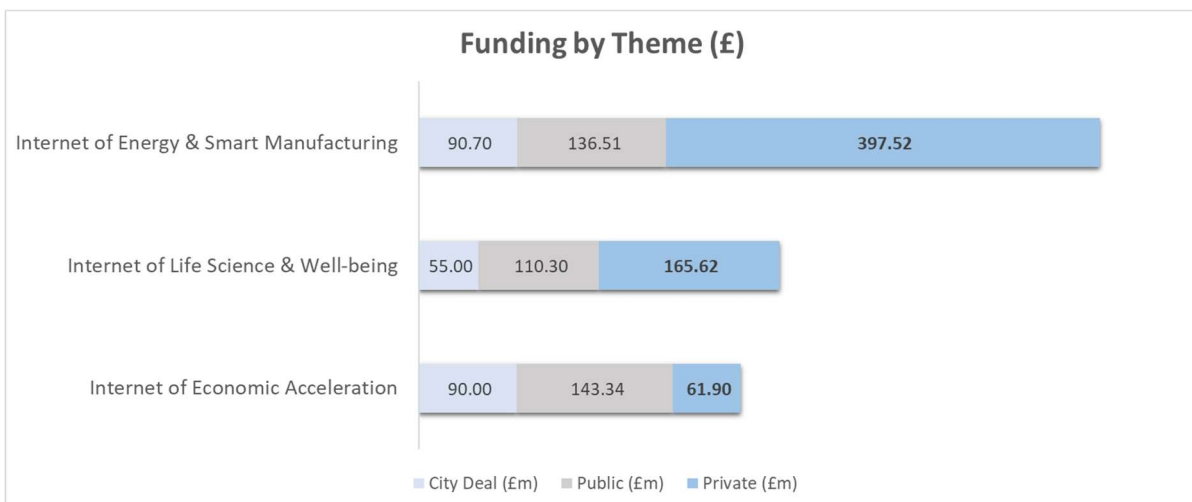


Figure 4.2. Funding by Theme

4.2. Updated Swansea Bay City Deal Investment Summary

The SBCD partnership, through the Internet Coast publication and subsequent discussions with the Welsh and UK Governments, has developed a clear strategy which has been underpinned by identified interventions to deliver widespread and sustainable economic growth across the region. These interventions, subject to the submission and approval of detailed business cases for the nine identified

projects/programmes by the Welsh and UK Governments, along with the agreement of necessary governance arrangement and delivery models, make up the SBCD.

The current portfolio investment breakdown presented in Table 4.2. below is based on forecasted investment as of 31st December 2021:

Theme	City Deal (£m)	Public (£m)	Private (£m)	Total (£m)	Working Budget (as per BC)(£m)	Variance (£m)
Internet of Economic Acceleration						
Swansea Waterfront	50.00	85.38	39.90	175.28	175.35	-0.07
Yr Egin	5.00	18.67	1.50	25.17	25.17	-0.00
Skills & Talent	10.00	16.00	4.00	30.00	30.00	0.00
Digital Infrastructure	25.00	13.80	16.50	55.30	55.30	-0.00
Total	90.00	133.85	61.90	285.75	285.82	-0.07
Internet of Life Science & Well-being						
Pentre Awel	40.00	52.30	108.19	200.48	199.19	1.30
LS&WB Campuses	15.00	58.01	57.43	130.44	130.43	0.01
Total	55.00	110.30	165.62	330.92	329.62	1.30
Internet of Energy						
Homes as Power Stations	15.00	114.60	375.90	505.50	505.50	0.00
Pembroke Dock Marine	28.00	16.41	16.12	60.53	60.47	0.06
Total	43.00	131.01	392.02	566.03	565.97	0.06
Smart Manufacturing						
Supporting Innovation and Low Carbon Growth	47.70	5.50	5.50	58.70	58.70	0.00
Total	47.70	5.50	5.50	58.70	58.70	0.00
Portfolio Total	235.70	380.66	625.04	1,241.40	1,240.11	1.29

Table 4.2. Portfolio Investment Breakdown

These figures are the current financial investment forecast which the SBCD is currently projecting over its 15-year term and is marginally exceeding the approved working budget (£1.29m). Funding elements are subject to change as the portfolio evolves. All business cases have been successfully approved and on implementation of funding agreements, Government funding will be released to projects/programmes up to the value of the agreed project allocation by the Accountable Body.

It is the aim of the SBCD that all projects/programmes will be delivered in a ten-year period in order to maximise the full benefits realisation of the operational schemes during the lifetime of SBCD funding, which is to be released to the SBCR from both the UK and Welsh Governments within a 15-year period.

The overall investment composition comprises of the three following investment components:

- The **City Deal investment** component consists of the government grants awarded by the UK and Welsh Governments, totalling £241m (UKG £115.6m and WG £125.4). Currently only £236m is forecast, with the balance of £5m being further considered for investment. City Deal Grant is awarded to projects over a 15-year term up to a maximum of the allocated value.
- **Public sector** investment consists of investment from local authorities and other public funded and public service organisations. Public sector investment will also consist of match-funded WEFO grant funding. The public sector investment package will differ from project to project as to its composition. The majority of public sector investment will be provided through Local Authority borrowing. Each Local Authority shall be responsible for borrowing to provide funding or otherwise securing funding for projects located in its own area.
Local Authorities may agree that borrowing for a Regional Project should be made by all the Authorities equally or in proportions agreed, or that borrowing should be carried out by one Local Authority on behalf of others if they so agree. Decisions on whether borrowing for any project shall be carried out by one regional Local Authority on behalf of the others – as well as the proportions - shall be determined by the Local Authorities as a matter reserved to them.
- **Private sector** investment includes regional investment from local and national private sector partners.

4.3. Swansea Bay City Deal Income and Expenditure Summary

The UK Government and Welsh Government capital grant contribution to the SBCD is awarded over a 15-year period. It is currently forecasted at £236m, with the remaining £5m balance being considered for further investment. The portfolio will disperse funding to the regional Project Lead Authorities to support the projects on which the grant funding was awarded. Funding will only be released from the portfolio on the successful approval of business cases by both the UK and Welsh Governments, up to a maximum of the agreed grant allocation.

An inherent temporary funding gap is recognised, with the funding being released to the portfolio over a 15-year period. Each Project Lead Authority is responsible for managing the cashflows in respect of the projects in which they hold responsibly for delivery. They are also therefore subsequently accountable for managing inherent risks and the funding gaps recognised. Each Local Authority shall be responsible for borrowing to provide funding or securing funding for projects in its own area.

The portfolio expenditure profile is presented in Table 4.3 below:

Portfolio Annual Investment Forecast

Investment Component	Cumulative Actuals (20th Mar 2017 to 31st Mar 2021)	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast
		Year 4 2021-22	Year 5 2022-23	Year 6 2023-24	Year 7 2024-25	Year 8 2025-26	Year 9 2026-27
Capital/Revenue Investment	(£m)	(£m)	(£m)	(£m)	(£m)	(£m)	(£m)
Capital Investment	91.74	47.43	144.18	161.60	176.48	190.99	210.28
Revenue Investment	5.61	3.28	10.61	12.59	12.07	10.68	0.43
Total	97.35	50.70	154.79	174.20	188.55	201.67	210.71
Funding							
City Deal Investment	11.20	20.90	53.04	35.17	26.02	23.77	24.93
Public Sector Investment	72.93	24.20	48.38	56.39	37.56	56.85	67.89
Private Sector Investment	3.60	3.67	32.79	45.17	123.55	132.28	137.01
Total	87.73	48.78	134.21	136.73	187.12	212.90	229.83

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Investment Component	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Total
	Year 10 2027-28	Year 11 2028-29	Year 12 2029-30	Year 13 2030-31	Year 14 2031-32	Year 15 2032-33	
Capital/Revenue Investment	(£m)	(£m)	(£m)	(£m)	(£m)	(£m)	(£m)
Capital Investment	163.43	-	-	-	-	-	1,186.13
Revenue Investment	-	-	-	-	-	-	55.27
Total	163.43	-	-	-	-	-	1,241.40
Funding							
City Deal Investment	23.15	4.13	3.35	3.35	3.35	3.35	235.70
Public Sector Investment	16.47	-	-	-	-	-	380.66
Private Sector Investment	146.97	-	-	-	-	-	625.04
Total	186.58	4.13	3.35	3.35	3.35	3.35	1,241.40

Table 4.3. Portfolio Annual Investment Forecast

Public and Private Investment Breakdown

A breakdown of public and private sector investment is shown in Table 4.4 below.

Description	Public	Private
Formally Committed	£ 316.22	£ 15.55
Final Approval	£ -	£ -
Advanced Engagement	£ -	£ 116.26
Early Engagement	£ 73.93	£ 493.23
Total	£ 390.15	£ 625.04

Table 4.4. Public and Private Investment Breakdown

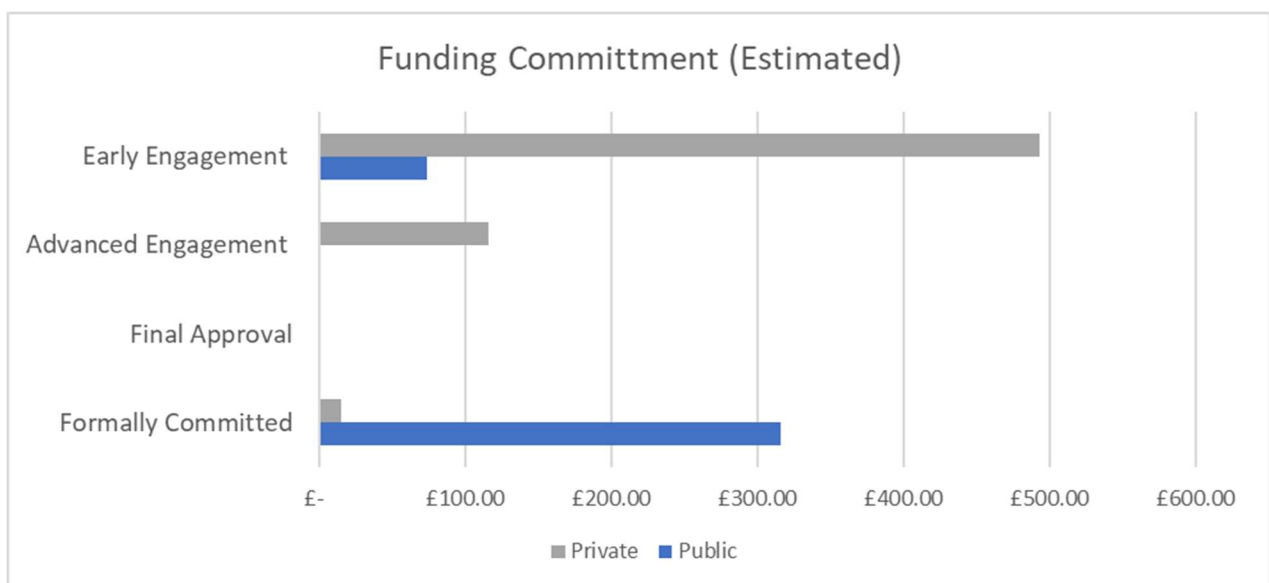


Figure 4.3 Public and Private Investment Breakdown

The public and private investment breakdown demonstrate the current level of commitment within the SBCD portfolio.

The funding status has been dissected in to four distinct categories outlining the status at which the commitment is engaged. These categories are demonstrated below:

Formally Committed – this represents the investment proportion confirmed to support the portfolio.

Final Approval - this represents the investment proportion engaged at a conclusive level, prior to formally committing.

Advanced Engagement - this represents the investment proportion engaged at an outline level, with details in a progressive stage of discussion.

Early Engagement - this represents the investment proportion that are currently at a stage of initial discussions.

Portfolio Cashflow (Estimated)

Grant Payment Profile - to City Deal Projects	Cumulative Actuals (20th Mar 2017 to 31st Mar 2021)	Forecast Year 4 2021-22	Forecast Year 5 2022-23	Forecast Year 6 2023-24	Forecast Year 7 2024-25	Forecast Year 8 2025-26	Forecast Year 9 2026-27
Programme/Project	(£m)	(£m)	(£m)	(£m)	(£m)	(£m)	(£m)
Total Grant Expenditure	11,203,320	11,595,237	62,348,310	35,169,290	26,019,209	23,765,005	24,928,195
Grant Receipt Profile (Anticipated)	54,000,000	23,504,761	23,504,761	23,504,761	23,504,761	23,504,761	23,504,761
Net Cumulative Total - Surplus	42,796,680	54,706,204	15,862,655	4,198,126	1,683,678	1,423,434	-

Grant Payment Profile - to City Deal Projects	Forecast Year 10 2027-28	Forecast Year 11 2028-29	Forecast Year 12 2029-30	Forecast Year 13 2030-31	Forecast Year 14 2031-32	Forecast Year 15 2032-33
Programme/Project	(£m)	(£m)	(£m)	(£m)	(£m)	(£m)
Total Grant Expenditure	23,145,564	4,129,240	3,349,157	3,349,157	3,349,157	3,349,159
Grant Receipt Profile (Anticipated)	23,504,761	5,293,334	4,293,334	4,293,334	4,293,334	4,293,337
Net Cumulative Total - Surplus	359,197	1,523,291	2,467,468	3,411,645	4,355,822	5,300,000

Table 4.5 Portfolio Cashflow

Both UK and Welsh Governments have agreed to frontload the City Deal Grant award to support the Lead Authorities with managing the funding requirements of the portfolio programmes and projects.

This has increased the grant award to £18m in the first three years, further increasing the award to an estimated £23.5m to year ten, with the balance over the remaining years. This significantly eases the borrowing requirement on the portfolio and as such the financial pressures attached to associated borrowing costs. The frontloading equates to an estimated £38m with an estimated saving of between £2m-£4m in interest costs.

The SBCD has receipted £54m to date with a further estimated £23.5m expected this financial year.

To date £17m has been dispersed from the city deal with a further £5m estimated by year end.

The current profiles have been revised and are subject to change annually.

Budget Reprofile

During quarter 4 2021 the portfolio revised the approved working budget to accurately align to project delivery. The revised budget has indicated that there has been slight slippage in the delivery period, however this has not affected the outputs, total investment or benefits of the Portfolio. The reprofiled budget is shown below in Table 4.6.

Revised Profile Analysis (£)	Actual	Actual	Actual	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	
Programme/Project	Year 1 2018-19	Year 2 2019-20	Year 3 2020-21	Year 4 2021-22	Year 5 2022-23	Year 6 2023-24	Year 7 2024-25	Year 8 2025-26	Year 9 2026-27	Year 10 2027-28	Year 11 2028-29	Total	
Working Budget (as per BC)	22,342,905	40,616,015	86,263,796	172,993,749	213,873,596	229,769,713	166,941,000	207,999,200	59,617,000	36,770,000	2,923,558	1,240,110,531	
Revised Budget (as at Feb 2022)	40,581,242	20,371,261	34,835,908	50,704,715	154,789,126	174,196,500	188,551,963	201,673,350	210,710,479	163,432,000	-	1,239,846,544	
Variance	18,238,337	-20,244,753	-51,427,887	-122,289,033	-59,084,470	-55,573,213	21,610,963	-6,325,850	151,093,479	126,662,000	-2,923,558	-263,986	

Revised Profile Analysis (£)	Actual	Actual	Actual	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	
Programme/Project	Year 1 2018-19	Year 2 2019-20	Year 3 2020-21	Year 4 2021-22	Year 5 2022-23	Year 6 2023-24	Year 7 2024-25	Year 8 2025-26	Year 9 2026-27	Year 10 2027-28	Year 11 2028-29	Total	
Percentage of Delivery	1.80%	3.28%	6.96%	13.95%	17.25%	18.53%	13.46%	16.77%	4.81%	2.97%	0.24%	100.00%	
Anticipated Delivery	3.27%	1.64%	2.81%	4.09%	12.48%	14.05%	15.21%	16.27%	16.99%	13.18%	0.00%	100.00%	
Variance	1.47%	-1.63%	-4.15%	-9.86%	-4.76%	-4.48%	1.75%	-0.51%	12.19%	10.22%	-0.24%	0.00%	

	Years 2-6	Years 7-10	Balance
Average slippage %	-4.98%	4.73%	-0.25%
Average Years	1.33		

Table 4.6 Portfolio Budget Re-profile Q4 2021

4.4. City Deal Flow of Funding

The release of funds from the Accountable Body will follow one of two funding routes. This is determined on a project-by-project basis, depending on whether funding is being released to a regional project or a Local Authority project. The flow of funding is shown in Figures 4.4. and 4.5. below:

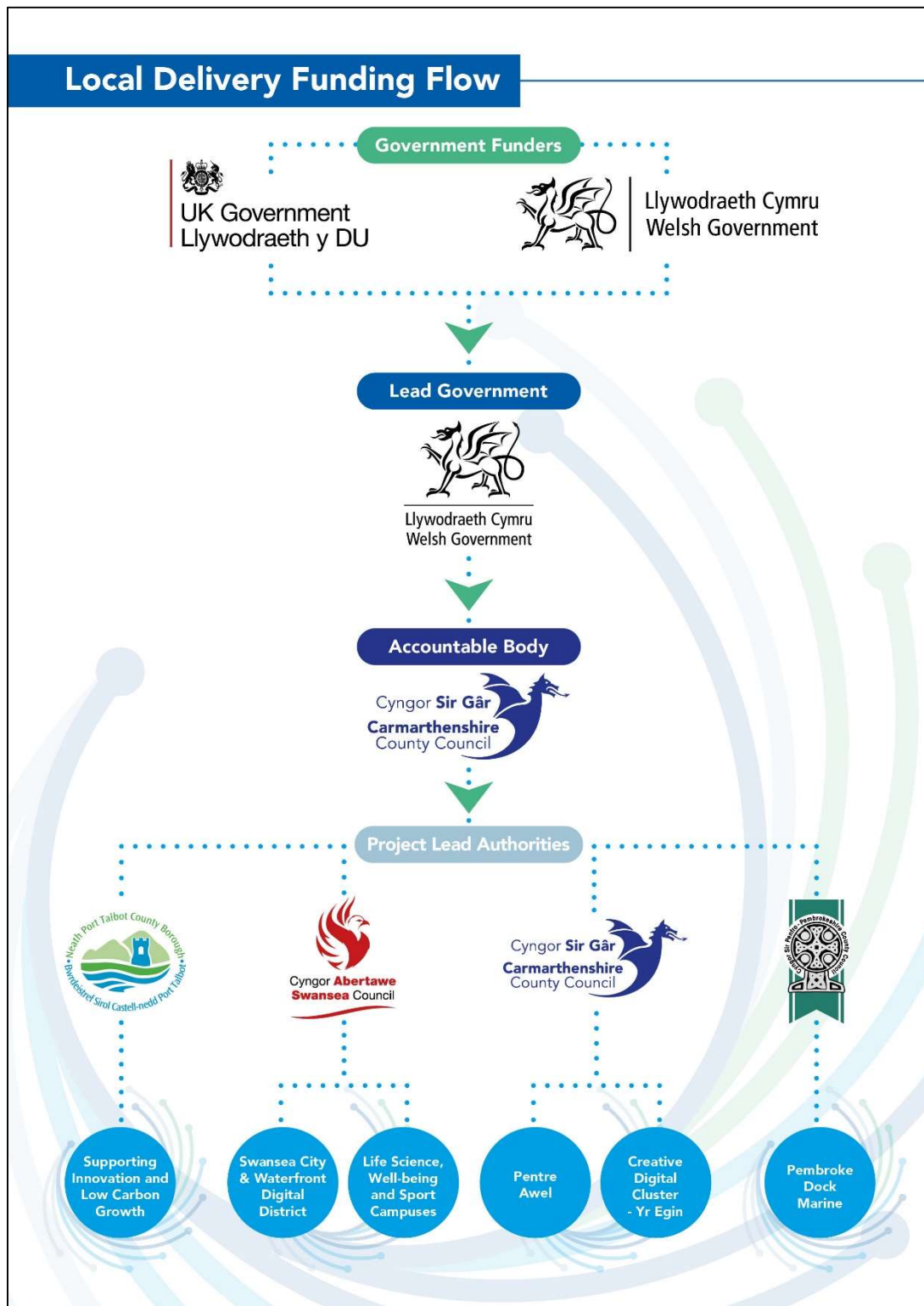


Figure 4.6. Funding Flow for Local Delivery Projects

Regional Delivery Funding Flow

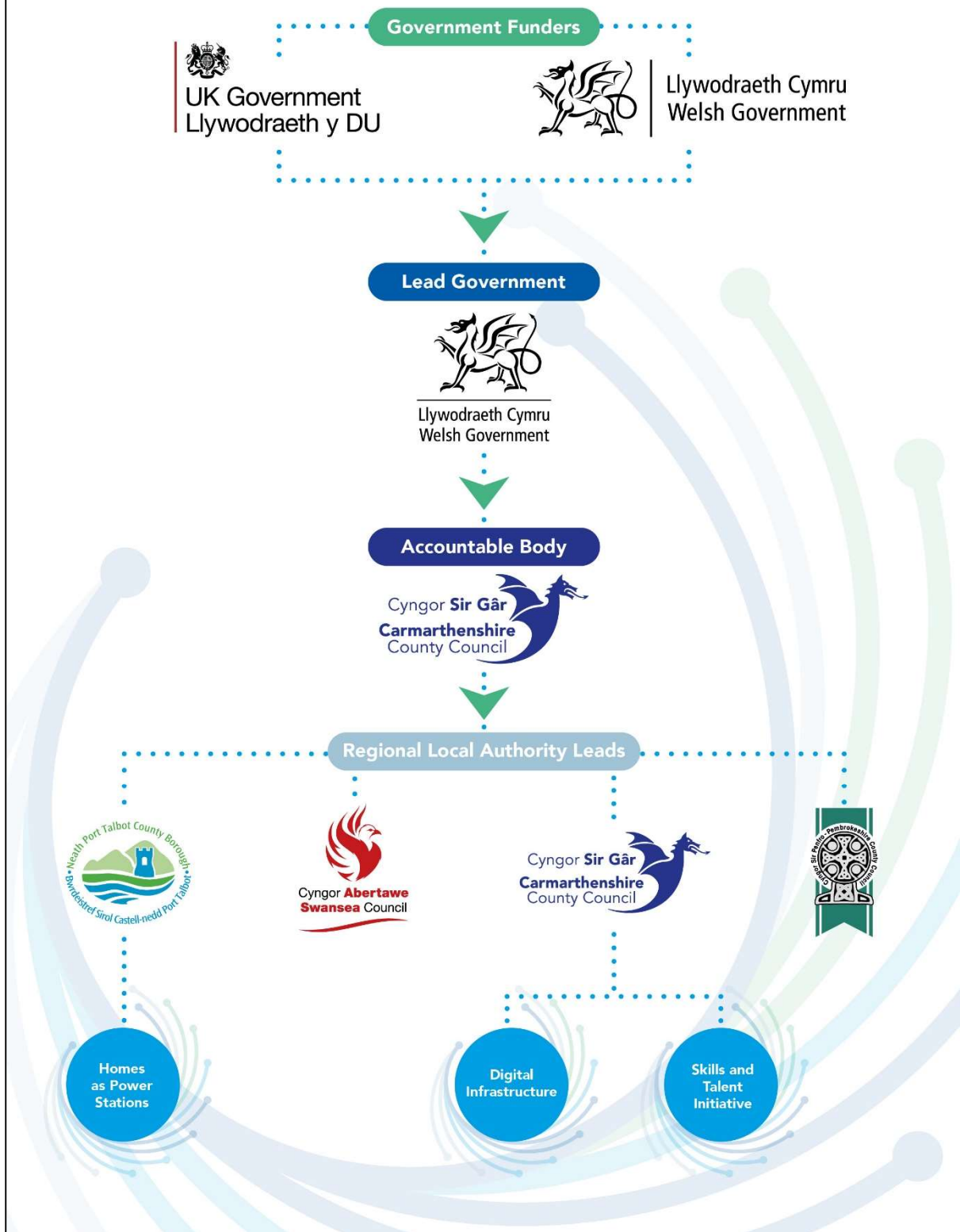


Figure 4.7. Funding Flow for Regional Projects

4.5. Portfolio Financial Overview

The Joint Committee has ultimate responsibility and accountability for decisions taken in relation to the SBCD. It is the role of Programme (Portfolio) Board to ensure that all schemes are developed in accordance with the agreed package, while analysing the financial viability, deliverability and risk of each City Deal project proposal to inform reports to the Economic Strategy Board and Joint Committee.

Private sector investment is fundamental to the overall success of the City Deal. There is a requirement for each City Deal project/programme to have in place from the outset a credible and robust financial profile. Letters confirming both private and public sector funding contributions are to be in place for the project prior to SBCD funding being approved where possible, confirming the amount and timing as set out in the project's approved financial profile. Existing projects where necessary will obtain and detail funding commitments when approved. The Project Authority Lead and Project Delivery Lead are to put in place effective financial and project monitoring processes, which will involve quarterly returns from Project Lead Authorities detailing funding and spend updates, with associated commentary on fluctuation. Financial risks are detailed at project/programme level and managed through the Portfolio Risk Register. Funding agreements will be signed at the outset between Project Authority Leads and Project Delivery Leads, setting out funding conditions.

For all projects, in addition to the five-case model assessment process, the Accountable Body will undertake an assessment of the Project's Financial Profile to check that the private and public sector contribution(s) are in line with that set out in the initial project business case from the Project Lead. All variances and changes, including the implications of these, will be reported to the Programme (Portfolio) Board, Economic Strategy Board and Joint Committee for consideration and decision on a course of action as deemed necessary before City Deal funding is approved for the project.

As set out in the Joint Committee Agreement, making decisions on borrowing and on securing other sources of funding other than Government funding for projects is a matter reserved for the Local Authorities associated with the SBCR. Each Local Authority (LA) shall be responsible for borrowing or providing other funding for projects located in its area. If a project is located in the areas of more than one Local Authority, each of the Local Authorities may agree that borrowing or providing other funding should be shared between all of the LAs equally, or in agreed proportions by all of the LAs in whose areas the project is located.

The Programme (Portfolio) Board will ensure that all schemes are developed in accordance with the agreed package and will prepare recommendations to Joint Committee on all schemes.

Regional Projects

The Joint Committee is responsible for overseeing the proportion of each Local Authority's responsibility for borrowing to provide funding for regional projects. The capital borrowing in respect of the Government funded elements of the City Deal projects will be re-paid by identified Government funds (UK & Welsh Government) over the 15-year period.

The exact level of borrowing and the structure and terms of the borrowing are yet to be confirmed at this point in time, although it will be calculated based on the amount required per relevant Local Authority and will be in line with the individual LA's internal requirements. This is being determined by the four Section 151 Officers of the four regional LAs. All borrowing will be agreed based on the principles of the Prudential Code and Treasury Management Policy and Strategy for each Local Authority. When further details of the investments required for each project are known, a full business case appraisal for each individual project will be completed and submitted to the relevant LA for

approval before submission to the Joint Committee. These full business cases will include the detailed funding proposals and requirements of the Local Authority.

Project Revisions

Life Science and Well Being Campuses Project

The SBCD Campuses project led by Swansea University on behalf of the City and County of Swansea Council revised their project, increasing investment to £131m from the original Heads of Terms figure of £45m.

The increase in investment reflects the widened scope of the project to include the development of two major sites at Singleton and Morriston for Life Sciences, Sports Tech and Med Tech developments. The City Deal funding will act as the catalyst for the development of these sites and the realisation of additional funding from the private and public sector.

The SBCD Campuses Project was approved by the SBCD Joint Committee in October 2021 for submission to the UK Government and Welsh Government for consideration. The project was approved by Governments in December 2021. The effect of the project revision has increased investment in the project by £85 million.

The reprofiled investment is incorporated in the financial analysis section of this business case.

<u>Life Science & Wellbeing Campus</u>	<u>City Deal (£m)</u>	<u>Public (£m)</u>	<u>Private (£m)</u>	<u>Total (£m)</u>
Original Heads of Terms (£m)	15.00	20.00	10.00	45.00
Forecast 2020/21 (as per Portfolio Business Case 2020/21)	15.00	9.03	13.78	37.81
Working Budget (as per business case) (£m)	15.00	58.00	57.43	130.43
Variance (Forecast 2020/21 v's Working Budget)	-	48.97	43.65	92.62

Table 4.7. SBCD Campuses Reprofile

Swansea Waterfront

Within the financial year the City and county of Swansea Council obtained additional funding in the form of European Funding through the Wales European Funding Office. This additional funding of £500k is to support the development of the 71/72 the Kingsway project.

4.6. Joint Committee Financial Overview

The financial structure of the portfolio has been split into two distinct delivery areas:

- Joint Committee** - The Joint Committee has ultimate responsibility and accountability for decisions taken and delivery of the Portfolio. As such, the need for revenue funding to support the Joint Committee and administration functions has been recognised. This was acknowledged by all partners, which led to agreement for an amalgamation of funding consisting of partner contributions (£50k per partner) and applying a 'top slice' to Government grants of 1.5%. The above has subsequently resulted in an annual operating budget of £1.123 million per annum over a five-year period. The 'Top Slice' agreement results in a small funding gap for projects which will be supported through Project Delivery Lead Organisations and partner commitments.
- Portfolio Investment Fund** - The Portfolio Investment Fund is overseen and upheld by the Accountable Body, which administers the receipt and distribution of SBCD grants on behalf of

the Portfolio. The Accountable Body is accountable to the Joint Committee and manages the investment pool in line with Carmarthenshire County Council's Treasury Strategy Policy.

The SBCD provides grants on a project-by-project basis to responsible Lead Authorities. An annual grant award is received from the Welsh Government on behalf of both Governments and is then distributed on actuals in arrears, whilst ensuring clear financial governance is pursued. The agreement with both the UK Government and the Welsh Government totals £1.3 billion, with the grant totalling £241 million relating to the Portfolio Investment Fund (UK Government £115.6m and Welsh Government £125.4m). Any portfolio balances are invested to ensure effective optimisation of resources until approval is confirmed to initiate the release of funds to the Portfolio. Joint Committee has formally agreed it will afford Lead Authorities to borrow from any such balances that reside in the portfolio. This is done at a set rate on a 12-month term, as cash flow determines.

To support the two financial delivery areas, the following has been approved by the Joint Committee:

- **Government Grant 'Top Slice'** - Annually, up to 1.5% of the Portfolio Investment Fund, specifically the government grants awarded, will be earmarked to support the Joint Committee and central administration functions required to support the delivery of the Portfolio. This is referred to as 'Top Slice' of Government Grants.
- **Retention of National Non-Domestic Rates** - The Welsh Government has agreed in principle (as per below) that 50% of the additional net yield generated through SBCD developments can be retained by the region to support revenue costs associated with the portfolio. This has been acknowledged by the Lead Authorities within the Joint Committee Agreement (JCA - 29th April 2018). On April 11th 2018, the Welsh Government stated that it intends to initiate arrangements to allow the region to retain 50% of the additional net yield in Non-Domestic rates generated by the nine projects/programmes which are to be delivered by the SBCD. There is ongoing dialogue with WG to establish the detail required and formalise a mechanism in respect of how the amount to be retained is to be administered.
- **Interest on Investments** - It is recognised that throughout the lifecycle of the City Deal portfolio, cash balances will arise through cashflow movements as and when projects become live and actual expenditure is incurred. Cash balances held by the Joint Committee will be invested through Carmarthenshire County Council as the Accountable Body. Income generated from cash investments will be ring-fenced and redistributed direct to projects based on the allocation outlined within the original Heads of Terms.
- **Borrowing** - The Joint Committee is responsible for overseeing the proportion of each Council's responsibility for borrowing to provide funding for regional Programmes. The capital borrowing (in respect of the Government funded element) for the City Deal Programmes will be re-paid by identified Government funds (UK & Welsh Government) over the 15-year period.

4.7. Monitoring and Evaluation

The total City Deal portfolio expenditure covering all projects/programmes has been reprofiled to an anticipated £1.241 billion funding package. The City Deal portfolio finances will be monitored through the Programme (Portfolio) Board and Joint Committee, with the Economic Strategy Board also making recommendations on possible additional funding opportunities or alternative portfolio expenditure. Regular reports will also be presented by the Accountable Body to the regional Local Authority Directors of Finance and Regional Section 151 Officers' working group.

The monitoring process will allow for the control of project cost variations and visibility of variations at a portfolio level. The financial monitoring template has been developed and will be reported quarterly to Welsh Government.

The monitoring requirements of the Portfolio will require the project authority lead to submit a claim for project funding to the Accountable Body at a frequency to be determined by the Accountable Body. The claim shall include a progress report on the project. The progress report shall include an assessment of risks associated with the project and details of progress against the agreed outputs. After the parties have agreed in accordance with clause 6.7 of the funding agreement that the project has achieved practical completion, the project authority lead shall not be required to submit claims for project funding. Thereafter, the project authority lead shall complete annual monitoring returns in a form to be specified by the Accountable Body prior to the Accountable Body releasing any project funding to which the project authority lead is entitled. The annual monitoring forms will include an obligation to report on the progress in achieving the agreed outputs. The Accountable Body reserves the right to impose additional monitoring requirements at a frequency and for such period as it considers reasonable in all the circumstances.

In addition to the above monitoring requirement the Accountable Body will require quarterly financial updates on project spend to support the cashflow management of the portfolio. These will detail the actual spend to the period, with forecast outturn over the 15-year duration of the portfolio.

Project lead authorities are also obligated to support the Accountable Body with any progress update reporting as required by the Welsh and UK Governments.

4.8. Accounting Treatment of Portfolio Transactions

Accounting for Income and Expenditure

All income and expenditure in relation to projects outlined within the heads of terms are accounted for within the financial statements of the lead organisation responsible for the delivery of a programme/project or the host project lead Authority in respect of regional projects.

Only income and expenditure incurred directly by the Joint Committee's activities and the disbursement of City Deal grants is accounted for through the portfolio and the financial management systems of the Accountable Body (Carmarthenshire County Council).

The Joint Committee is required to prepare financial statements in accordance with proper accounting practices. Carmarthenshire County Council as the Accountable Body is required to prepare the Swansea Bay City Deal annual statement of accounts by the Accounts and Audit (Wales) Regulations. These practices primarily comprise the Code of Practice on Local Authority Accounting in the United Kingdom 2018/19 and the Service Reporting Code of Practice 2019/20, supported by International Financial Reporting Standards (IFRS).

Revenue Requirement

It has been recognised by the Joint Committee and by both Governments that an element of revenue funding is required to support the central services employed to deliver the City Deal Portfolio. Revenue income to support the portfolio has been agreed as an amalgamation of partner contributions (£50k per partner) and a 'Top Slice' of Government grants (1.5%), with any in-year surpluses transferred to a ring-fenced reserve and managed by Carmarthenshire County Council as the Accountable Body.

The Welsh Government has acknowledged that revenue funding will be required to support the delivery of projects/programmes within the City Deal portfolio. The revenue requirements by projects/programmes of the City Deal are to be managed locally by the Project Lead Authorities. The Welsh Government recognises that the four Local Authorities will need to manage their capital funding to enable revenue expenditure to be supported. To achieve this through the use of the Local Authorities' capital receipts, Local Authorities will reference to the latest direction from Welsh Government Ministers on the use of capital receipts. This was issued under section 15(1) (a) of the Local Government Act 2003, along with accompanying guidance. Specific revenue funding will be detailed within project business cases and funded through partner investment.

Balance Sheet Accounting

Current assets held by the Joint Committee will be accounted for accordingly under the relevant International Accounting Standard, in line with The Code of Practice on Local Authority Accounting in the UK. Currently only such assets classified as current assets are held by the Joint Committee. These consist of cash/cash equivalents and debtor balances. See section 3.7 in the Commercial Case for more information.

Financial Instruments

Financial instruments held by the Joint Committee consist of only cash and cash equivalents. It is recognised that throughout the lifecycle of the City Deal Portfolio, cash balances will arise through cashflow movements as and when projects become live and actual expenditure is incurred.

Portfolio balances are invested in line with Carmarthenshire County Council's Treasury Management Policy to optimise the return on cash surpluses. Interest is calculated on an average rate and is ring-fenced to the City Deal portfolio. Throughout the year balances have been invested through approved institutions in short-term financial instruments in adherence to the protocols set out within the applied Treasury Policy. Within the Treasury strategy, investments are only employed with counterparties whose risk appetite is very low.

Carmarthenshire County Council carries out its treasury management activities in accordance with the Prudential Code of Practice first developed for public services in 2002 by the Chartered Institute of Public Finance and Accountancy (CIPFA). This Code was last revised in 2017. The Council also carries out its treasury management activities in accordance with the CIPFA Treasury Management Code of Practice 2017.

The revised Code identifies three key principles:

1. The Council should put in place formal and comprehensive objectives, policies and practices, strategies and reporting arrangements for the effective management and control of their treasury management activities.
2. The Council's policies and practices should make clear that the effective management and control of risk are prime objectives of their treasury management activities and that responsibility for these lies clearly within their Council. The Council's appetite for risk should form part of its annual strategy and should ensure that priority is given to security and liquidity when investing funds.
3. The Council should acknowledge that the pursuit of value for money in treasury management, and the use of suitable performance measures, are valid and important tools for responsible Councils to employ in support of their business and service objectives; and

that within the context of effective risk management, the Council's treasury management policies and practices should reflect this.

The Council's Director of Corporate Services maintains a counterparty list in compliance with the criteria listed below and revises the criteria and submits them to Council for approval as necessary. This criteria is separate to that which approves Specified and Non-Specified investments as it selects which counterparties the Council will approve rather than defining what its investments are. The rating criteria use the lowest common denominator method of selecting counterparties and applying limits. This means that the application of the Council's minimum criteria will apply to the lowest available rating for any institution. For instance, if an institution is rated by all three agencies and two meet the Council's criteria, and the other does not, the institution will fall outside the lending criteria.

Investment Counterparty Selection Criteria

The primary principle governing the Council's investment criteria is the security of its investments, although the yield or return on the investment is also a key consideration. To meet this main principle the Council will ensure:

- It maintains a policy covering both the categories of investment types it will invest in, the criteria for choosing investment counterparties with adequate security, and monitoring their security. This is set out in the Specified and Non-Specified investment sections.
- It has sufficient liquidity in its investments. For this purpose it will set out procedures for determining the maximum periods for which funds may prudently be committed. These procedures also apply to the Council's prudential indicators covering the maximum principal sums invested.

Furthermore, to support projects with cashflow pressures, the Joint Committee agreed to afford lending of any cash surpluses held within the Portfolio (JC - 29 Oct 2019) to Lead Authorities. This lending will attribute a charge of 0.25% above the Bank of England base rate and will be offered on a 12-month term as portfolio cashflows determine. This portfolio lending option is advantageous to Local Authorities as it allows for reduced borrowing at no detriment to the portfolio or its partners.

All cash and cash equivalents are demonstrated within the Joint Committee Statement of Accounts. These are representative of their fair value, which equates to their carrying value, in accordance with the requirements of IFRS 9 Financial Instruments.

Value Added Tax

Value Added Tax (VAT) is included where appropriate within the forecasts and estimates demonstrated. For projects delivered by local authorities, VAT is excluded from forecasts and estimates under the application of Section 33 of the VAT Act 1994. This Act refunds to (mainly) local government bodies the VAT attributable to their non-business activities and exempt business activities, providing it is considered an insignificant proportion of the total tax they have incurred. Projects or components of projects that are delivered by parties, other than that of local authorities, are subjected to VAT in the manner as regulated by the industry or sector in which they operate, except where regulatory standards dictate a specific treatment or application. Project business cases will identify and detail the application of VAT and include within forecasts and estimates as appropriate.

4.9. Financial Risk Management and Assurance

Financial Risks

The portfolio financial risks are monitored and managed as part of the City Deal's overall risk management arrangements. The City Deal projects maintain, manage and monitor their own risks in line with guidance from the Green Book and the City Region's Accountable Body and SBCD Portfolio Management Office. The Joint Committees operates a portfolio risk register and issues log, specifically including any financial risks identified. These risks will be monitored and updated with mitigating control actions through the Section 151 Officers' group as a standing item and then regularly presented to the Programme (Portfolio) Board and Joint Committee.

Financial Issues, Dependencies and Interdependencies

The Accountable Body will work through the Section 151 Officer Working Group to determine any actions necessary to address identified issues and will present recommendations for required action to the Programme (Portfolio) Board, Economic Strategy Board and Joint Committee for approval. Regular updates on financial issues, dependencies and interdependencies will also be provided to the Programme (Portfolio) Board and Joint Committee via the PoMO/SRO as appropriate.

Assurance - Internal Audit

The review of the effectiveness of the system of Internal Control and Governance arrangements is informed by the work of the Internal Auditors, from which the Joint Committee gains assurance. Internal Audit is required to undertake their work in accordance with the standards as set out in the Public Sector Internal Audit Standards (PSIAS) established in 2013, which are the agreed professional standards for Internal Audit in Local Government.

As required by these Standards, the Head of Internal Audit (Pembrokeshire County Council) prepares an annual report for consideration by the Joint Committee. The format of the Annual Report complies with the requirements of the Code of Practice. The Strategic and Annual Audit Plans are approved annually by Joint Committee and regular reports are presented to the Joint Committee throughout the year on progress and any significant weaknesses identified. In addition, the Internal Audit Unit undertakes fraud investigation and pro-active fraud detection work.

Assurance - External Regulators

The Wales Audit Office as External Auditor to the Joint Committee reviews and comments on the financial aspects of Corporate Governance which include the legality of financial transactions, financial standing, systems of Internal Financial Control and standards of financial conduct and fraud and corruption.

Anti-Fraud and Anti-Corruption Strategy

In line with internal audit requirement, an Anti-fraud and anti-corruption strategy was developed and implemented. This detailed the expectation on officers, members and stakeholders in regard to conduct and reporting. The strategy outlines the Joint Committees zero tolerance approach to fraud and corruption, and the preventative measures taken to safeguard SBCD assets. In the event of fraud or corruption being identified, clear reporting lines and responsibilities are outlined, with the Joint Committees responsibility should appropriate support be required in the event of an investigation.

5. MANAGEMENT CASE

The purpose of the Management Case is to demonstrate that robust arrangements are in place for the delivery, monitoring and evaluation of the portfolio and that delivery is being managed in accordance with best practice, subjected to independent assurance and that the necessary arrangements are in place for change management, benefits realisation and risk management.

This updated version of the Portfolio Business Case includes the following changes:

- Updated monitoring and evaluation information for the portfolio including updated M&E plan and current information for risks, issues, benefits and financial monitoring
- Structural diagram illustrating the extent of project / workstream activity contained within the headline programmes and projects
- Enhanced independent assurance arrangements for the Portfolio defined in the SBCD Assurance Framework
- Arrangements for the development and approval of Full Business Cases
- Updated Communications and Marketing Plan
- Updated Business Case status summary across all programmes and projects
- Updated Portfolio delivery roadmap for all programmes and projects

5.1 Introduction

The SBCD management case provides the SBCD Joint Committee and other key stakeholders with confidence that the capability and capacity to govern and deliver the portfolio at pace is in place, and that they and other governance and delivery structures receive information in a timely and transparent manner to help them make informed decisions and monitor progress. This has been achieved by establishing and operating capacity and capability to implement and manage robust governance and approvals through people, structures, strategies and processes based around Portfolio, Programme and Project Management (P3M) practices and principles. Having these arrangements in place to consider how the SBCD manages business cases, organisation, quality, plans, risk, change and progress will overcome challenges by reducing complexity or increasing portfolio success, and in doing so will require regular revisits to the strategic, economic, commercial and financial cases, and analysis of the SBCD.

The SBCD is a portfolio, strategically owned by the Joint Committee and operationally managed by the Programme (Portfolio) Board. This approach will provide oversight and flexibility in the methodologies that the diverse set of programmes and projects will utilise to manage their development and delivery. More specifically, the portfolio will oversee the SBCD delivery where all nine programmes/projects will provide monitoring and evaluation updates aligned to the planned timescales, budgets, resources and deliverables set out in their business cases and the Portfolio monitoring and evaluation plan.

The SBCD governance and assurance arrangements have further advanced in 2021 with the addition and implementation of the change management process, benefits realisation reporting and independent assurance arrangements. This is reflected in the satisfaction of the external and regional audit review recommendations on the SBCD and successful draw down of further City Deal funds from the Welsh Government and UK Government.

All governance committees have been established and are fully operational. Robust governance and approvals of the SBCD are through its people, structures, strategies and processes as detailed in the following Management Case.

The Welsh Government and UK Government conducted an Accounting Officer Review (AOR) process in July-September 2020 to assure and review the previous iteration of the SBCD Portfolio Business Case. The AOR process set out a series of 15 recommendations which the SBCD PoMO and Welsh Government have now actioned and completed.

The SBCD portfolio underwent a second Gateway 0 external review during July 2021. The review returned an Amber/Green Delivery Confidence Assessment with four key recommendations having been received and acted upon. An Action Plan demonstrating progress made with the recommendations is attached at Appendix 5.1. Progress made on the Action Plan is reported with the quarterly monitoring report for the portfolio through SBCD governance arrangements.

The SBCD portfolio is fully in delivery with all programmes and projects now approved regionally and by Welsh and UK Governments.

The portfolio will be periodically reviewed by the PoMO and external stage gate reviews to assess and improve its governance, assurance and communications arrangements. This will ensure that the ambition of the portfolio and its associated programmes / projects are aligned in delivery and realised. These arrangements will also ensure that progress and deliverables are communicated effectively through transparency, while demonstrating value for money to the region and people of Wales. To this end a further Gateway 0 review will take place in the summer of 2022.

Governance Arrangements

5.2 Governance and Delivery Structures

The SBCD established a legal governance document - the Joint Committee Agreement (JCA) - in May 2018, which was updated in December 2019. Leading to the establishment of the SBCD Joint Committee, this document outlines the principles, rights and obligations of City Deal arrangements. Under the terms of the JCA, the four regional local authorities have pledged to work in partnership to discharge their obligations to one another, and to the Welsh Government and the UK Government, to promote and facilitate programmes / projects funded under the SBCD. The management processes and procedures outlined in the JCA include financial cash flow, programme / project approval, risk management and progress updates.

Over the summer of 2021 the JCA was further reviewed by the PoMO with several amendments requested in order to ensure the accuracy and currency of the document. These changes are anticipated to be presented to the SBCD governance committees for approval in Q1 of 2022-23.

The SBCD governance and delivery structure, as outlined below in Figure 5.1., is operational with established Terms of Reference, membership/post holders, and plans and processes in place to govern and deliver the SBCD portfolio.



Figure 5.1 SBCD Governance Structure

Table 5.1. below summarises the key elements of the SBCD governance and delivery structure which includes committees, boards and key roles

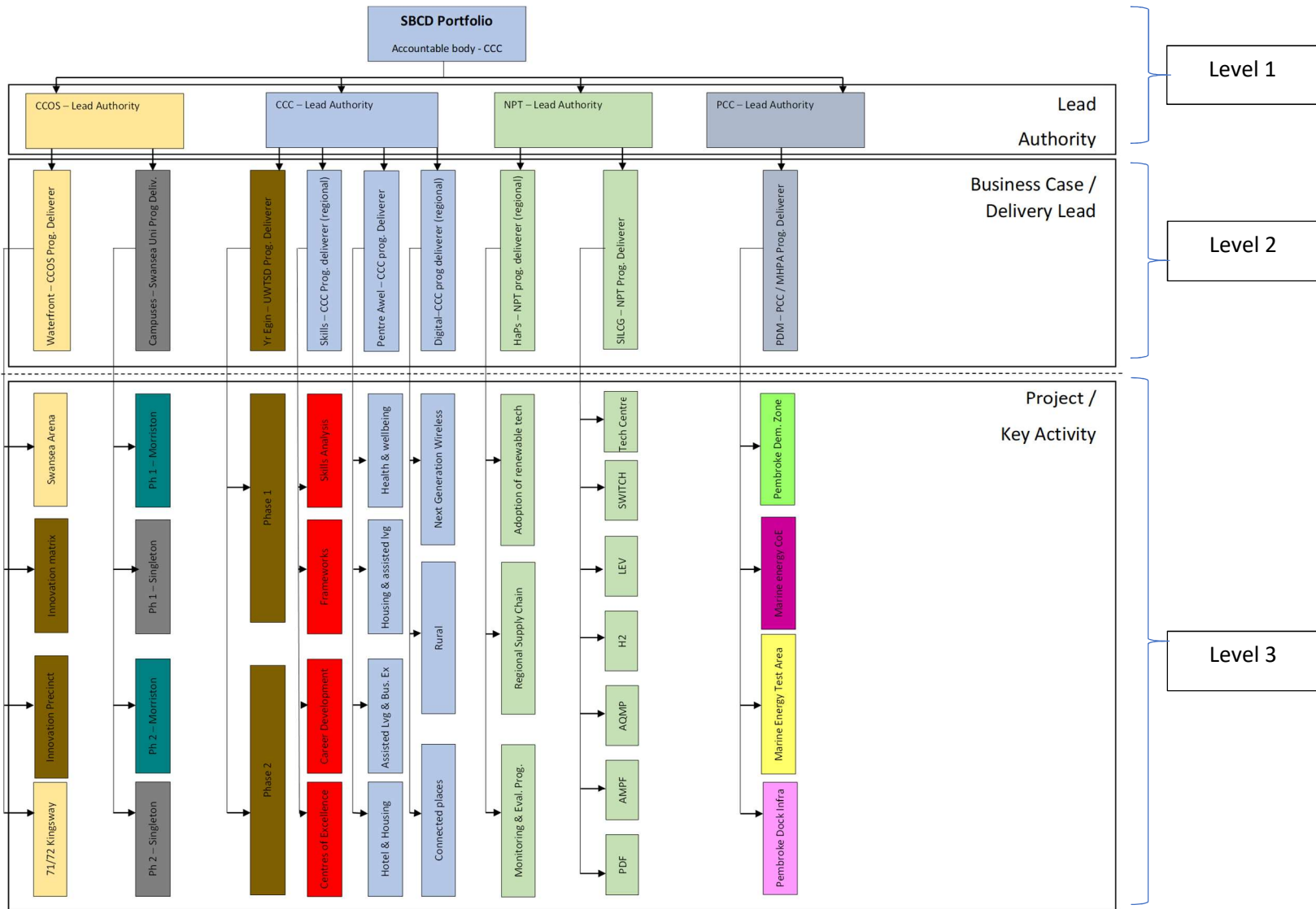
Governance entity	Purpose	Owner/ Lead	Meets	Reports to
Joint Committee	Executive board with overall responsibility for scrutiny and business case approvals. It holds the Programme (Portfolio) Board and PoMO to account. Comprises of the four Local Authority Leaders of Carmarthenshire, Neath Port Talbot, Pembrokeshire and Swansea.	Cllr Rob Stewart	Monthly	WG/UKG
Programme (Portfolio) Board	Oversees the operations of the SBCD. Responsible for reviewing business case developments and portfolio progress. Consists of the head of paid service of each of the eight primary partners for the SBCD, and is chaired by the SBCD Senior Responsible Owner.	Wendy Walters	Monthly	Joint Committee
Senior Responsible Owner	Appointed by the Joint Committee, the SRO is also the chairperson of the Programme (Portfolio) Board to champion the SBCD and drive its successful implementation by overseeing portfolio delivery and ensuring that appropriate governance arrangements are in place. The SRO holds the Portfolio Director to account.	Wendy Walters	-	Joint Committee
Portfolio Director	Responsible for delivering the Portfolio Business Case and Project Development Roadmap.	Jonathan Burnes	-	Joint Committee and SRO
Programme / Project managers	Experienced individuals who manage the development of the programme / project Business Cases and implement the	PM for each City	Monthly	Project / Programme Boards /

	Assurance and Approval plan and project plan. Also works with the Portfolio Director and PoMO to apply the Portfolio Development Roadmap. Depending on the size and complexity of the programme / project the Programme / Project Manager will run the Programme / Project Team and manage external advisers.	Deal project		SRO and SBCD Portfolio Director
Portfolio Management Office	Responsible for the day-to-day management of matters relating to the Joint Committee and the SBCD.	SRO Wendy Walters	Weekly team meetings	Joint Committee /SRO
Economic Strategy Board	Private sector advisory body which acts as the voice of business. Provides strategic direction for the City Deal through advice to the Joint Committee on matters relating to the City Region. The Chair is accountable to the Joint Committee.	Chris Foxall	Monthly	Joint Committee
Joint Scrutiny Committee	Provides advice, challenge and support to the Joint Committee for the SBCD Portfolio and associated cross-cutting regional projects/programmes. The full terms and reference for the Joint Scrutiny Committee are set out in the Joint Committee Agreement.	Cllr Rob James	Bi-monthly	Joint Committee
Accountable Body	Carmarthenshire County Council is the Accountable Body responsible for discharging City Deal obligations for the four Local Authorities including financial and staffing matters, for example. The Accountable body is the primary interface for the City Deal with the Welsh Government and the UK Government.	CEO Wendy Walters Leader Cllr Emlyn Dole	-	Joint Committee

Table 5.1. SBCD Governance and Delivery Structure Overview

The individual Programmes and Project Managers also report to their designated Boards and through their organisational governance processes, using the Programme (Portfolio) Board as the mechanism for formally reporting to the Portfolio.

As the nine programmes and projects making up the Portfolio move into delivery a further diagram outlining the composition and complexity of the SBCD has been devised, this can be seen below as figure 5.2



This diagram provides a pictorial representation of who is responsible for the overarching governance and delivery aspects of the Swansea Bay City Deal Portfolio, Programmes and Projects. Further collaborators and delivery partners will be involved and themselves have cascaded accountability and responsibility as detailed in funding agreements or memorandums of understanding. Where appropriate, details of these arrangements can be provided at an individual programme/project/workstream level on request.

5.3 Portfolio Management Office (PoMO) and Senior Responsible Owner (SRO)

The SBCD PoMO structure (illustrated below in Figure 5.3) is led by the Portfolio Director, who reports to the Portfolio SRO. The SRO role is fulfilled by the Chair of the Programme (Portfolio) Board. See table 5.1 and Appendix 5.2.

The PoMO functions are based on P3M (Portfolio, Programme and Project) development and delivery, which includes aspects of assurance, risk and issue management, benefits and value, communications and stakeholder engagement, information management, finance, resource management, reporting and administration.

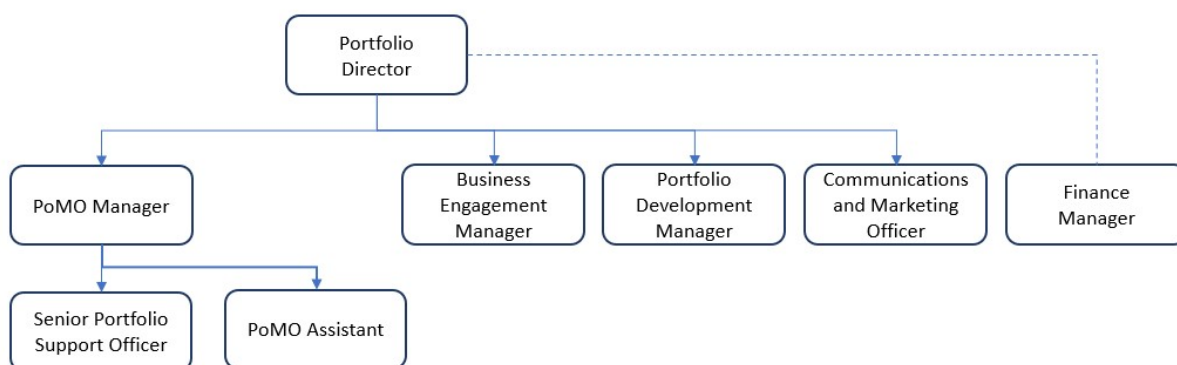


Figure 5.3 Portfolio Management Office (PoMO) Structure

In addition to these roles, all SBCD Programme / Project Leads report into the SBCD PoMO and will be consulted and required to help shape and engage the governance and assurance arrangements and reporting for the portfolio.

Local Authorities provide support services for the operation of the SBCD governance arrangements, as detailed in Table 5.2. below:

Support Service	Purpose	Provider
Financial	Financial leadership and advice from the SBCD host Authority	Section 151 Officer, Carmarthenshire County Council
Legal and Democratic	Legal service support for the JCA and support for the Joint Committee	Monitoring Officer and Head of Democratic Services, City and County of Swansea Council
Internal Audit	Periodic internal audit on the SBCD operations	Pembrokeshire County Council
Joint Scrutiny	Regional test and challenge from Elected Members of the four Local Authorities	Neath Port Talbot County Borough Council

Table 5.2 SBCD Support Services

As the programmes and projects move into the delivery phases of their respective schemes and workflows, many have formalised their governance arrangements and implemented local or regional programme and project boards as part of their governance, reporting and decision making arrangements. The PoMO has representation on these boards, providing support and guidance from a Portfolio perspective, but also providing the capacity to seek clarity and escalate on behalf of the respective board in a more proactive manner.

5.4 Use of specialist advisors

The PoMO will utilise the services of specialist advisors where appropriate for the development of the Portfolio Business Case and to assist in the delivery of the Portfolio. . Table 5.3. below summarises the use of specialist advisors to date that have helped inform and shape the SBCD Portfolio Business Case:

Focus area	Purpose	Timeframe	Provider
Management and reporting	P3M management software	Q1 FY 22-23 and then ongoing	Currently being passed through governance
Assurance	Draft Assurance Framework and Integrated Assurance and Approval Plan (IAAP)	On-going	Facilitated by the Welsh Government Integrated Assurance Hub
Assurance	Gateway 0 review	July 2022	External review team provided through the WG Integrated Assurance Hub
Business case	Better Business Case awareness training	2017	Joe Flanagan and Joseph Lowe, Consultants
Business case	Portfolio business case workshops	July 2020	Joe Flanagan, Consultant
Business case	Business Case Reviewer Masterclass	May 2021	HM Treasury
Economic Analysis	Swansea Bay City Region Economic Context which fed into the Strategic case, case for change	2013-2016	SQW for Regional Economic Strategy 2013-30
Economic Analysis	To determine the investment objective indicators for the SBCD portfolio (GVA, Jobs created and inward investment)	2015	Swansea University, School of Management, Gareth Davies

Table 5.3 SBCD Specialist Advisers

In addition, the SBCR Economic Strategy Board (ESB) is made up of business sector representatives from sectors including energy, finance, life sciences, manufacturing, housing and economic acceleration. While also applying private sector rigour to the assessment of City Deal programme / project business cases, the ESB makes recommendations to the Joint Committee for consideration. New members were appointed as specialist advisors in 2020 to broaden the representation of further sectors including skills and micro businesses. All ESB member appointments used an open recruitment process and all members are unpaid for their SBCD contributions.

5.5 P3M Methods & Tooling

The SBCD portfolio utilises several methodologies to deliver the nine programmes and projects. The SBCD will apply project, programme and portfolio management (P3M) methods, procedures, techniques and competence to achieve its objectives. This will ensure the co-ordinated delivery of required objectives to stakeholders in a planned and controlled manner, while governing and

managing the processes that deliver the objectives effectively and efficiently. This has been established through the introduction and continued development of consistent systems, procedures and processes, whilst optimising the co-ordination and allocation of limited resources.

The two primary methodologies adopted across the SBCD are Managing Successful Programmes (MSP) and PRINCE2 (Projects in Controlled Environments). The latter is a project management standard widely used for infrastructure projects, such as many of those within the SBCD portfolio. The Programme/Project Management teams will be responsible for the day-to-day running of their programmes/projects and will be competent in seven aspects of delivery:

- Scope management
- Schedule management
- Finance management
- Risk management
- Stakeholder management
- Resource management
- Change management

There are many similarities between managing projects and programmes. With programmes being made up of multiple projects and/or phases, the latter is used in order to accommodate different degrees of complexity of scope and can differ in terms of co-ordination, managing interdependencies, transformational change, and benefits management.

The PoMO is working to further support P3M methodology and best practice by implementing programme and project management software to provide a standardised approach to day-to-day management for the portfolio office, along with the wider portfolio team including the respective programme and project teams.

The SBCD PoMO team has previously undertaken a skills audit of its team in order to help inform the selection of potential software. Accompanying this there has been regular discussions with other Welsh City and Growth Deals around what technologies and software they utilise which will be followed by an initial assessment and trial of several suitable packages.

5.6 Monitoring and Evaluation arrangements for performance and benefits

The SBCD Monitoring and Evaluation (M&E) Plan, as detailed in Appendix 5.3, has been established to provide structure and sets out the expectations for the SBCD programme / project teams when undertaking and reporting programme / project monitoring and evaluation. The plan is targeted at Programme / Project SROs, the PoMO and SBCD Programme / Project delivery teams. The Programme / Project SRO is responsible for ensuring that the programme / project team makes appropriate arrangements to collate, monitor and communicate project milestones, deliverables and benefits realisation, meeting the requirements outlined within the SBCD M&E Plan. The M&E Plan aligns to the revised HM Treasury Green and Magenta books and the UK Government’s Project Delivery Guidance.

The M&E plan applies at portfolio and programme / project level where a two-way cascade of outputs and outcomes is required to understand performance and impact of the SBCD portfolio. The tools and templates used to monitor and evaluate activity are summarised in the table below, along with their frequency:

Document	Frequency
1. Highlight report	Monthly

2. Monitoring report	Quarterly
3. Annual report	Annually
4. Benefits realisation plan	Continually updated, reported quarterly as part of the monitoring report and reported annually through a dedicated benefits realisation report.
5. Milestone evaluations (mid-term and final evaluations)	Years 5, 10 and at the end of the portfolio

Table 5.4 M&E Tools and Templates

The M&E Plan framework summarised in the diagram below was approved by the SBCD Joint Committee in July 2020.

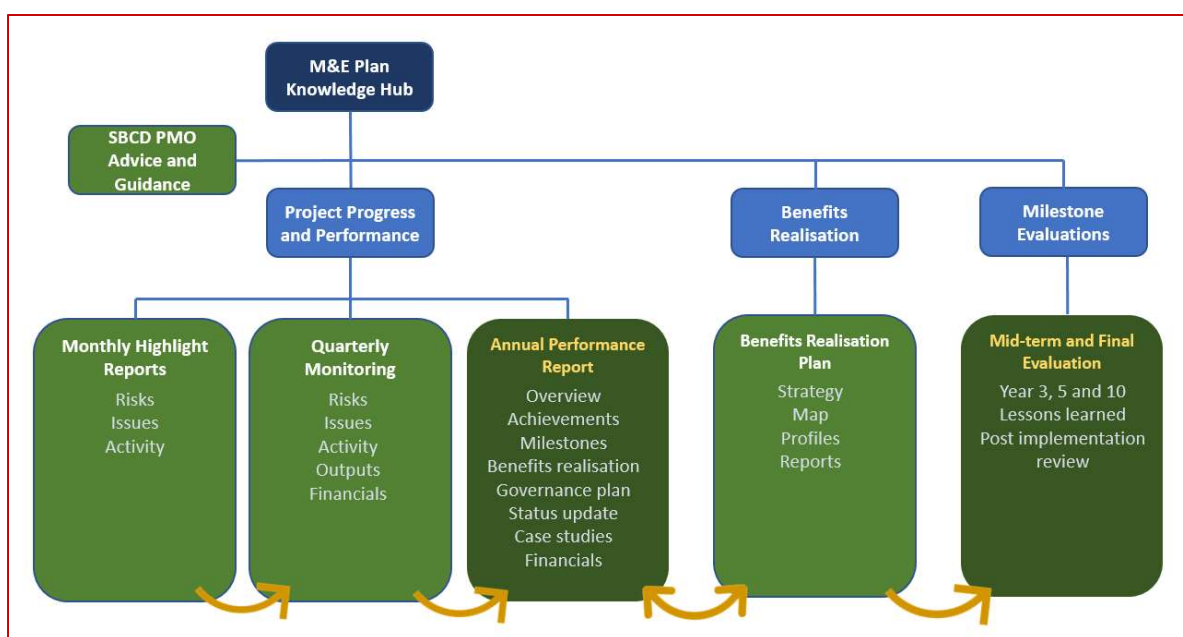


Figure 5.4 M&E Plan Framework

The M&E Plan considers two primary components. Firstly, Progress and Performance, which is a periodic assessment of programme / project delivery, implementation and performance activities; and secondly, Programme Benefits Realisation/Evaluation, which is the evaluation of their results in terms of relevance, effectiveness, and impact. The M&E Plan provides the SBCD governance structures, namely the Joint Committee, Programme (Portfolio) Board, Economic Strategy Board and Joint Scrutiny Committee, with information on the progress and impact made towards achieving the portfolio’s milestones, outputs and outcomes. This information will be shared with the Welsh and UK Governments through periodic updates, reports and reviews, while also being made available to the public on an annual basis. The quarterly monitoring (Appendix 5.4) includes portfolio communications, RAG rating and summary status, key achievements, key planned activities, key risks and issues, output deliverables, IAAP, Covid-19 Impact Assessment, benefits realisation summary and financial monitoring.

The benefits management will assess and review the outcomes that result in change that were achieved as part of the activities undertaken by the SBCD. The milestones to review benefits will be agreed at programme / project level to ensure that benefits are realistically and meaningfully measured, but as a minimum an annual update will be reported. These will be aligned to the IAAP and external stage gate review process. Further work has taken place throughout 2021/22 to further develop the plan and associated strategy, map, profile, and reports.

Programmes and projects and their delivery partners will also be required to use the Welsh Government Community Benefits Toolkit to capture the full range of Community Benefits outcomes achieved through procurement and will form part of the annual performance review and reported on a quarterly basis for projects / programmes in delivery

5.7 Assurance process and approvals

Working closely with the Welsh Government’s Integrated Assurance Hub, the SBCD PoMO has established a Portfolio Integrated Assurance and Approval Plan (IAAP), as detailed in Appendix 5.5, to ensure that the planning, coordination and provision of assurance activities and approval points throughout the City Deal portfolio are proportionate to levels of cost and risk. All SBCD Programmes / Projects have also established an IAAP, which are live documents and are regularly updated and shared with the appropriate governance structures at programme / project and portfolio levels. Portfolio and programme / project level IAAPs will be updated monthly by programme / project teams and reported through the SBCD governance on a quarterly basis.

Approvals

Once the Programme / Project SRO and Manager have satisfactorily completed the Strategic and Outline Business Case, it is then passed through a 14-point assessment and approval process as outlined in the table below. Once approved regionally by the Joint Committee, the Business Case undergoes an external Stage Gate review before progressing to the UK Government and Welsh Government for Ministerial approval.

	Process	Owner
1.	PM submits Business Case to PoMO	PM
2.	SBCD PoMO reviews business case	SBCD PoMO
3.	SBCD PoMO feedback session	SBCD PoMO/PM/SRO
4.	Business case amendments incorporated	PM
5.	Business case and associated documents shared with ESB members	SBCD PoMO
6.	ESB test and challenge meeting	ESB, SBCD PoMO, PM, SRO
7.	Business case amended with ESB feedback	PM
8.	Business case shared with Programme (Portfolio) Board	SBCD PoMO
9.	Lead organisation(s) Executive Board approval	PM/SRO
10.	Programme (Portfolio) Board presentation to decide whether to take forward to Joint Committee	SBCD PoMO/PM/SRO
11.	Programme / Project presented for Joint Committee regional approval	SBCD PoMO/JC/PM/SRO
12.	External stage gate review (Risk Potential Assessment, 3-day review and recommendation report)	SBCD PoMO/WG/PM/SRO
13.	Business case and recommendation report sent to WG/UKG for approval	SBCD PoMO/WG
14.	WG/UKG review and approval process	WG/UKG

Table 5.5 Business Case Approvals Process

It should be acknowledged that even though this process is largely sequential, timings of the assessment points can be flexible in the process depending on circumstances, but this must be agreed with the PoMO and the respective approvers.

For completeness Appendix 5.6 provide details of the WCGIB assurance processes for the project business case development phase and the portfolio / programme / project delivery phase.

With all OBCs approved and the Portfolio now in full delivery, it is essential that business cases are regularly updated with current information. Full Business Cases (FBCs) will be developed where appropriate to include updated information on procurement as each of the project elements reach this stage. Other areas of the business case will also be updated to ensure that the project remains aligned to policy, meets existing needs and is value for money, affordable and deliverable. FBCs will be approved by the lead deliverer/authority and reported through the City Deal regional governance and shared with Governments for information only unless there is a change request that needs regional and / or Governments' approval.

Assurance

The SBCD Portfolio has been subject to a number of assurance reviews throughout its development. An audit undertaken by Pembrokeshire Council in 2021 reported a Substantial (Green) assurance finding with 7 recommendations which have either been completed or are in progress. The Gateway 0 Review in July 2021 reported an Amber / Green Delivery Confidence Assessment with 4 recommendations which are currently being actioned.

The recommendations from the WG Accounting Officers review 2020, Gateway 0 review 2020, the Actica Consulting external review 2019 and Pembrokeshire Council internal governance review 2019 have been actioned.

Following these reviews and the implementation of the recommendations the progress made by the SBCD has been rapid, now having all 9 programmes and projects approved by government and moving into delivery.

As detailed in the IAAP and in line with Green Book and Better Business Case guidance, the SBCD Portfolio and programmes / projects are subject to OGC (Office of Government Commerce) Gateway Reviews. The SBCD uses the relevant Gateway Assurance product that is appropriate and proportionate to assure successful progression and overall delivery, while supporting the Portfolio and Programme / Project SROs in the successful discharge of their duties.

Stage Gate reviews are instigated and led by the Portfolio or Programme / Project SRO and progressed through the Risk Potential Assessment (RPA) process. All Welsh Government sponsored Programmes and Projects are mandated by Welsh Government Permanent Secretary to complete an RPA form for review/appraisal by the Office of Project Delivery.

All Gateway Assurance reviews are completed on behalf of the SRO. The SRO is the main recipient of a Gateway Assurance report, although the PoMO should agree and include a distribution list for the Gateway report for wider circulation if using in conjunction with an approval process. Detail on the headline portfolio, programme and project reviews are contained in Table 5.6 below.

There is a recognition that appropriate, workable and proportionate assurance needs to be established and undertaken for the projects and workstreams contained within the 9 headline programmes and projects. The PoMO, with the agreement of Programme (Portfolio) Board and working in partnership with the Welsh Government Assurance Hub, has developed a draft SBCD Assurance Framework which will ensure assurance coverage throughout the Portfolio (Appendix 5.7). This Framework describes the assurance arrangements for each level of the SBCD Portfolio together with details on the management and operation of assurance reviews. The proposal is summarised in the table below:

Level	Assurance Arrangements
Level 1- Portfolio (1)	Gateway 0 – annual review
Level 2 – Headline Programmes and Projects (9)	Gateway 0 / Gateways 1-5 / PARs – periodic reviews with the option of undertaking Gateway 1-5 to incorporate key decision points of component projects and workstreams
Level 3 – Projects and Workstreams (35)	Primarily internal (regional) independent reviews managed and resourced through a SBCD Assurance Sub-Hub. Provision for some high risk / value projects to be undertaken through the formal Gateway Review process

Table 5.6 Proposed Assurance Arrangements

The implementation of the assurance arrangements will require the establishment of a SBCD regional resource, operating as an assurance hub that will organise and undertake reviews and overseen by a joint SBCD / WG / UKG Panel.

5.8 Risk and issue management arrangements

Risk is defined as the uncertainty of outcome, whether positive **opportunity** or negative **threat**, of actions and events. The risk must be assessed in respect of the combination of the likelihood of something happening, and the impact which arises if it does actually happen. Risks that have occurred, or will do so imminently, are no longer risks, but are known as **issues**. They are no longer risks because the uncertainty about whether they will occur has been removed.

A SBCD Portfolio Risk Management Strategy was developed in, 2020 and is aligned to HMT Green Book supplementary guidance: The Orange Book. The strategy (see Appendix 5.8) defines the risk appetite and tolerance of the SBCD, as well as principles of the strategy, along with a documented process for identifying, assessing, addressing and measuring risk and issues. The risk management strategy is led from the top of the SBCD and is embedded in standard practices and processes of the SBCD governance arrangements.

The purpose of the Risk Management Strategy is to provide a systematic and effective method by which risks can be consistently managed throughout the SBCD Portfolio. This will:

- Inform stakeholders how risks will be identified, assessed, addressed and managed
- Provide a common strategy and understanding of portfolio management that will enhance the capability, willingness and understanding of appropriate governance and assurance, thereby increasing the likelihood of successful delivery of the SBCD aligned to the regional ambitions
- Detail the key roles and responsibilities of groups and individuals associated with the SBCD with respect to programme management
- Signpost to additional resource, support and training
- Provide standard definitions and language to underpin the risk management process
- Implement an approach that follows best practice

The PoMO risk management approach is based on P3M (Portfolio, Programme and Project) and HM Treasury Orange Book best practices.

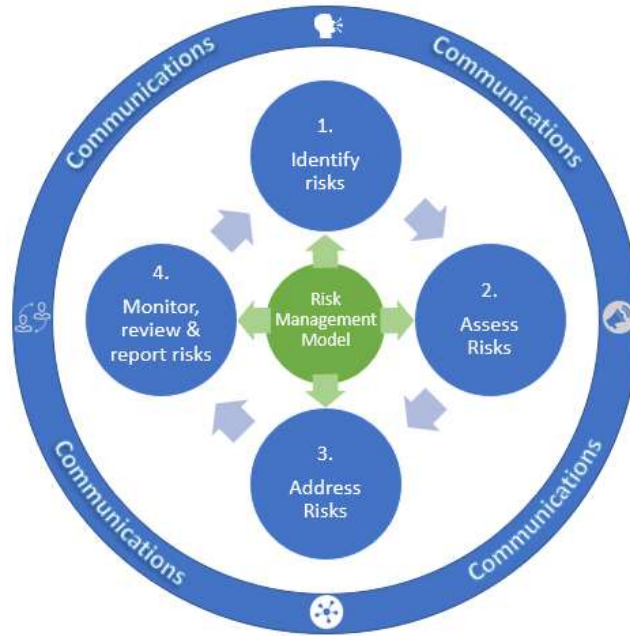


Figure 5.5 SBCD Risk Management Approach

The SBCD currently has a portfolio risk and opportunities register (Appendix 5.9) and regularly reports on prioritised risks through its governance structures. The risk register is sub-divided into the themes of development, implementation, operational and financial. Each risk or opportunity provides details of the description, owner, consequence and a review update, accompanied by a scoring based on probability and impact for each risk. The identification and assessment of risks in the risk register are aligned to the UK and Welsh Government Guidance, where risks and opportunities fall into three main categories:

Business	Business related risks and opportunities remain with the public sector and can never be transferred
Service	Service-related risks and opportunities occur in the design, build, funding and operational phases of a portfolio and may be shared between the public and private sectors
External	External systemic risks and opportunities are those throughout society and are unpredictable and random in nature

Business-related risks and opportunities that can affect the scope, time and cost at portfolio level are summarised as follows:

- Displacement as a result of competing with other regions across Wales
- Funding from Welsh and UK Governments
- Inward investment from private sector
- Quality human capital within the region
- Political changes at Regional, UK and Welsh Government levels

Service-related risks and opportunities will be managed by each of the City Deal programmes and projects, who will maintain, manage and monitor their own risk and opportunity registers in line with guidance from the Green Book and the PoMO governance arrangements. Any significant risks or opportunities that may affect portfolio deliverables will be escalated to the PoMO and reported and managed/exploited via the regional governance structure.

External Risks and Opportunities: Although not within the control of the portfolio, external risks and opportunities are significant to portfolio delivery, regional betterment and are therefore monitored and acted on accordingly. Key business risks captured in a SBCD Portfolio Risk Register and SBCD Covid-19 Impact Assessment (Appendix 5.10) include SBCD partner withdrawal, delays to programme and project approval, shortfall in private sector investment forecasts, funding draw-down and portfolio delivery delays, availability and cost of construction materials and resources, consequences of changes to Natural Resource Wales TAN 15 flood risk management criteria, achievement of targets, reputational effect and change to scope and objectives.

The Portfolio Risk Register is considered by Programme (Portfolio) Board and Joint Committee on a quarterly basis. This document is also considered by Joint Scrutiny Committee.

The Portfolio Risk Register is an important tool that forms an integral part of the SBCD Portfolio Risk Management Strategy and helps the PoMO document risks, track risks and address them through preventative controls and corrective measures.

Throughout 2021 it has become evident that there are significant changes across the Construction Industry in relation to cost, material availability and resource availability. Therefore, in Quarter 1 2022 the PoMO introduced a Construction Impact Assessment as part of the Quarterly reporting requirements.

Similarly to the COVID impact assessment the Construction Impact assessment sets out to review, record, report, monitor, escalate and mitigate the potential challenges faced in the delivery of the Infrastructure elements of the Portfolio. This will continue to be reported on quarterly throughout 2022-23 in order to understand any changes in the Construction landscape and provide a proactive approach to any risks identified through this assessment.

The Swansea Bay City Deal Portfolio Issues Log (Appendix 5.11) captures and monitors key portfolio issues that could impact the success of SBCD aims and objectives. When responding to issues, a definitive action is needed in order to resolve the issue, this differs from a risk, threat or opportunity, because its occurrence is no longer subject to uncertainty and is having an impact of the respective Programme, Project or the Portfolio. However, the information that needs to be recorded for the issue remains the same as that for a risk, as does the way it is managed through identification and implementation of control actions, and monitoring and review to determine if what mitigation actions are required.

The SBCD Issues Log is updated quarterly and reported on by exception through the Governance structure via the Quarterly Monitoring Report.

5.9 Stakeholder Management and Engagement

SBCD stakeholders broadly fall into two categories:

Primary stakeholders: Organisations involved in portfolio/programme/project development, delivery, monitoring and evaluation. This includes the UK Government and Welsh Government, the four SBCR local authorities, the two regional health boards and both Swansea University and the University of Wales Trinity Saint David. The primary stakeholders are managed and engaged with via the governance and reporting structures outlined in this Management Case.

The four local authorities form the Joint Committee and have regional control of the SBCD with the other four primary stakeholders having separate letters of engagement creating agreement of a collaborative approach to the successful delivery of the SBCD between all eight primary stakeholders.

Secondary stakeholders: This category includes, among others, communities of interest in business, construction, education, local politics, residents and the media. The secondary stakeholder group may interact with the SBCD in different capacities at different times.

As such, a Communications & Marketing Plan has been established (Appendix 5.12) which will be used as the tool to co-ordinate engagement with all stakeholders and to disseminate information to these communities of interest. The plan has been updated in February 2022 and will be supported by a forthcoming Business Engagement Framework that outlines the City Deal's approach to business focused activities and inward investment.

The Communications & Marketing Plan is a live, evolving document, which forms the basis for content for the SBCD's social media platforms and website. The plan and framework include key SBCD messaging, helping inform content that is regularly distributed to the local, regional, national and specialist media, and to regional businesses, regional business networks, primary stakeholders and other groups.

This approach continues to ensure that positive media coverage is generated, with both the business engagement manager and communications officer acting as an interface between the media and businesses with senior SBCD officers and Joint Committee members. The SBCD Business Engagement manager and communications and marketing officer provide updates through the SBCD governance boards.

5.10 Change Management Strategy

The SBCD Change Control Procedure was approved through the SBCD governance process in February 2021. Recognising that all projects, programmes and portfolio are subject to change, the SBCD Change Control process is vital to ensure the appropriateness of key changes and report them through the correct SBCD and host organisations' governance arrangements. This is aligned to good practice including the Association of Project Management, which defines Change Control as *"the process through which all requests to change the approved baseline of a project, programme or portfolio are captured, evaluated and then approved, rejected or deferred."* The approved change control procedure and flow chart can be found in Appendix 5.13. It is owned and updated by the Programme (Portfolio) Board and will be used to highlight relevant changes at project, programme and portfolio level.

The process considers several aspects of change that impact on scope, delivery and benefits which are detailed in the business cases of the associated portfolio, programmes or projects, where a change is likely to affect at least one of the following categories:

- Impact the total cost / financials
- Impact the completion of delivery of output(s) / key milestones
- Impact the quality outlined within the business case for the specified Programme / Project
- Impact the benefits outlined within the business case for the specified Programme / Project
- Impact the GVA, jobs created or inward investment

Any change, positive or negative, resulting in a variance in these considerations must follow the agreed change control process. The change categorisation is currently set as a minor or major change with the latter encompassing any of the above criteria, with the view to established evidenced based threshold limits as programmes and projects present change and move through delivery.

Following the approval of the change process the PoMO will worked with Programme / Project leads to implement Change Control across the Portfolio for the aspects outlined in the Business Cases in

order to ensure that any change does not have a detrimental impact to the successful delivery of the programmes / projects.

This was successfully achieved in the Summer of 2021 where the SBCD's first formal change request was approved at all levels required, confirming the appropriateness of the process.

5.11 Contingency arrangements and plans

The City Deal's Joint Committee Agreement outlines contingency arrangements for several scenarios. The scenarios identified include the withdrawal of a programme / project from the City Deal portfolio, the change of a project local authority lead, and the withdrawal of a partner from the City Deal portfolio. All these scenarios and contingency arrangements will be managed via the portfolio and programme / project risk registers and issue logs and reported accordingly. Risk management is not the same as contingency planning. Risk management is about identifying, assessing, avoiding, mitigating, transferring, sharing and accepting risk; while a contingency plan is about developing steps to take when an actual issue occurs.

The PoMO will establish contingency plans at a programme / project level to develop steps to take when an issue occurs.

When a Risk has undergone all mitigation and the situation becomes certain, the occurrence becomes an issue. The PoMO adopts the following process to ensure the issue is managed appropriately.

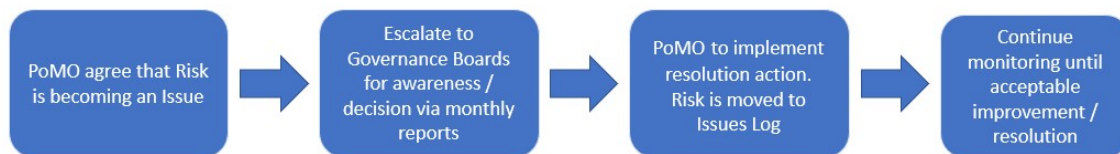


Figure 5.6 Moving a Risk to an Issue

All four local authorities are subject to the JCA, which will be kept under review.

The PoMO will ensure that contingency arrangements are considered and in place at a programme and project level to manage potential scenarios in the development, delivery and operational phases of the individual schemes.

5.12 Portfolio status and key milestones

Table 5.6 provides the status of the nine programme / project business cases for the SBCD portfolio with the current Gateway Review Delivery Confidence Assessment rating, Lead Authority, Programme / Project Lead and Senior Responsible Owner. All business cases have now been approved and are in delivery.

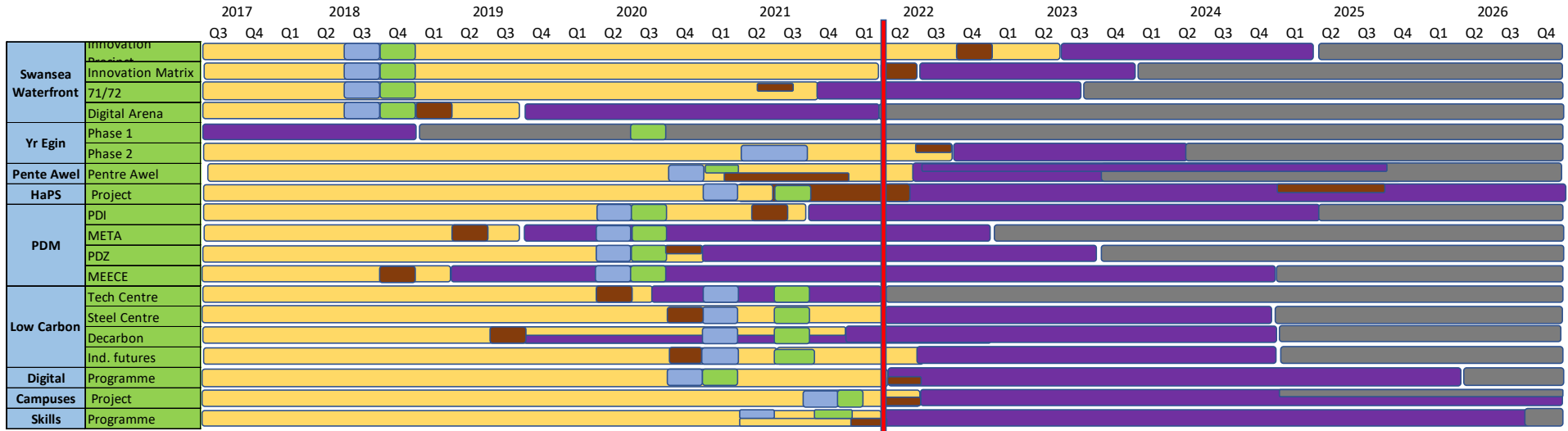
Table 5.7 details a high-level summary of programme / project activity and milestones including the project lifecycle phases of business case development, approvals, procurement, delivery and operational phases. Further details on the programme / project delivery plans can be found in Appendix 5.14.

The PoMO have established a Joint Committee forward work programme, as detailed in Appendix 5.15, covering specific SBCD Portfolio activity that Joint Committee are planning to consider in 2021/22. This also provides an overview of items that have been achieved over the last 12 months.

Project Ownership and Business Case Status Summary – Table 5.7

Project Ownership and Business Case Status Summary – Table 5.7					Business Case Status			Gateway DCA	
Project / Programme name	Component	Lead Authority	SRO	Project Lead	Status	SOC	OBC		FBC
Swansea City & Waterfront Digital District	Arena & Digital Square	Swansea	Martin Nicholls	Huw Mowbray	Delivery				Q3 (2022)
	Digital Village / Kingsway								
	Innovation Matrix								
	Innovation Precinct								
Creative Digital Cluster - Yr Egin	Phase 1	Carmarthen	Steve Baldwin	Geraint Flowers	Delivery				Green (Nov 2021)
	Phase 2								
Digital Infrastructure	Connected places	Carmarthen	Jason Jones	Gareth Jones	Delivery				Amber/Green (Oct 2020)
	Rural connectivity								
	Next generation wireless								
Skills and Talent Initiative		Carmarthen	Barry Liles	Samantha Cutlan	Delivery				Green (June 2021)
SBCD Campuses Project	Singleton	Swansea	Keith Lloyd	Tony Harris	Delivery				Amber/Green (Aug 2021)
	Morrison								
Pentre Awel (Life Science & Well-being Village)	Zone 1 (Business, education skills and training, clinical delivery and research.)	Carmarthen	Chris Moore	Sharon Burford	Delivery				Amber (Sept 2020)
Homes as Power Stations		Neath Port Talbot	Nicola Pearce	Lisa Willis	Delivery				Amber (June 2020)
Pembroke Dock Marine	Pembroke Dock Infrastructure (PDI)	Pembrokeshire	Steven Jones	Steve Edwards	Delivery				Amber (Feb 20)
	Marine Energy Engineering Centre of Excellence (MEECE)								
	Marine Energy Test Area (META)								
	Pembrokeshire Demonstration Zone (PDZ)								
Supporting Innovation and Low Carbon Growth	Swansea Bay Technology Centre	Neath Port Talbot	Nicola Pearce	Lisa Willis	Delivery				Amber (June 20)
	SWITCH								
	AMPF								
	Air Quality Monitoring								
	Hydrogen Stimulus Project								
	LEV Charging Infrastructure								
	Property Development Fund								
SBCD Portfolio	All projects above	Carmarthenshire	Wendy Walters	Jonathan Burnes	Delivery				Gate 0 Review Amber/Green (July 21)

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Key	
	Final BC development Regional approval BC
	Govt. approval decision to invest received
	Pre-delivery period inc. BC development
	Procurement period
	Delivery Period
	Operational Period
	Current date line

Please note these quarters are calendar quarters

Table 5.8 Portfolio Delivery Roadmap

Strategic Alignment

Strategy / Policy	Core Principles	How the Project Aligns
UK		
Industrial Strategy 2017 Page 150	<p>UK Government long term strategy to boost productivity through the creation of jobs and by increasing the earning power of people throughout the UK with investment in skills, industries and infrastructure. The strategy is supported through 5 Foundations of:</p> <ul style="list-style-type: none"> • Ideas: the world’s most innovative economy • People: good jobs and greater earning power for all • Infrastructure: a major upgrade to the UK’s infrastructure • Business Environment: the best place to start and grow a business • Places: prosperous communities across the UK. <p>The Strategy also recognises the Grand Challenges of</p> <ul style="list-style-type: none"> • Artificial Intelligence and data • Ageing society • Clean growth • Future of mobility 	<ul style="list-style-type: none"> • Ideas – directly addresses the second and third challenges, by creating the supportive environment needed (in Box Village & Innovation Precinct) for graduates to turn ideas into successful products and services and creating a local ecosystem that will support innovation and sustained growth in the technology sector. • People – The project is working closely with the City Deal Skills & Talent Initiative and local employability projects to ensure local individuals have the skills needed to take advantage of the job opportunities that will be created through the project. • Infrastructure – The project will enable the right infrastructure to be put in place in Swansea to support graduate start-ups (through UWTSD’s Box Village & Innovation Precinct) and the growth of the technology sector. • Business Environment – as outlined in the Strategy, more opportunities to operate in an environment with advice and challenge, especially from other entrepreneurial business people, can help businesses succeed initially and through their stages of development. The project will provide this environment for start-up and growing businesses in Swansea, combining flexible space, co-located with other similar businesses, with access to extensive support and curation through UWTSD and its wide partner network. • Places – Investment in the project through the Swansea Bay City Deal will strengthen the local economy, and facilitate the growth of highly productive technology based businesses in the region.

<p>UK Digital Strategy 2017</p>	<p>This strategy sets out how the UK will develop a world-leading digital economy that works for everyone. It has seven strands:</p> <ul style="list-style-type: none"> •Connectivity - building world-class digital infrastructure for the UK •Skills and inclusion - giving everyone access to the digital skills they need •The digital sectors - making the UK the best place to start and grow a digital business •The wider economy - helping every British business become a digital business •Cyberspace - making the UK the safest place in the world to live and work online •Digital government - maintaining the UK government as a world leader in serving its citizens online •The data economy - unlocking the power of data in the UK economy and improving public confidence in its use 	<p>One of the seven strands within the UK Digital Strategy focuses on “Making the UK the best place to start and grow a digital business”. This includes an emphasis on supporting and growing new businesses, and growing digital clusters across the UK. The project directly responds to this, by facilitating the creation and expansion of innovative technology based businesses in Swansea Bay.</p>
<p>Digital Strategy and Leadership DCMS</p>	<p>Developing a local digital infrastructure strategy:</p> <ul style="list-style-type: none"> ▪ A senior digital champion to lead the process ▪ Bringing together local teams involved in deployment of digital infrastructure ▪ Putting in place the required skills and resources ▪ Collaborating with network providers 	<p>The project directly responds to this, by facilitating the creation and expansion of innovative technology based businesses in Swansea Bay.</p> <p>Attracting inward investment by working with operators on full fibre planning.</p> <p>City Centre digital strategy underway linking in with regional City Deal business case strands – initial priority is to ensure robust infrastructure over next few years</p>

Climate Change Act	<p>The Climate Change Act established a target for the UK to reduce its emissions by a minimum of 80% from 1990 levels by 2050 with five-yearly interim targets.</p> <p>To note, the Welsh Government has set a more ambitious target of reducing emissions in Wales by at least 40% by 2020 from 1990 levels with a target to reduce emissions by 3% per annum, measured against a baseline of average emissions between 2006 and 2010. This includes all 'direct' greenhouse gas emissions in Wales except those from heavy industry and power generation that are covered by the EU Emissions Trading Scheme</p>	<p>Supporting the growth of low carbon technology based business sectors.</p> <p>Low carbon strategies at heart of the new developments to reduce energy use and promote resource efficiency, with an aspiration for BREEAM Excellent rated buildings. The projects will be delivered in a globally responsible way through, for example, responsible and (where possible) local sourcing of key materials, and a focus on reduced energy consumption and resource efficiency.</p>
Climate Emergency Page 152	<p>Climate emergency declarations have been made internationally. This includes UK and Welsh Governments, and all but one of the regions covered by the Swansea Bay City Deal (Neath Port Talbot has instead announced a Decarbonisation and Renewable Energy Strategy). The focus is to increase ambition to <u>adopt more ambitious targets for reaching net zero</u></p>	<p>Supporting the growth of low carbon technology based business sectors.</p> <p>Low carbon strategies at heart of the new developments to reduce energy use and promote resource efficiency, with an aspiration for BREEAM Excellent rated buildings. The projects will be delivered in a globally responsible way through, for example, responsible and (where possible) local sourcing of key materials, and a focus on reduced energy consumption and resource efficiency.</p>
Powering our Net Zero Future (Energy White Paper Dec 2020)	<p>This white paper builds on the Government's Ten Point Plan to set the energy-related measures the Plan announced in a long-term strategic vision for the energy system, consistent with net zero emissions by 2050. It establishes the goal of a shift from fossil fuels to clean energy, in power, buildings and industry, while creating jobs and growing the economy and keeping energy bills affordable. It addresses how and why our energy system needs to evolve to deliver this goal. And it provides a foundation for the detailed actions the <u>Government will take to realise the vision</u></p>	<p>For Digital Village (71-72 Kingsway), high environmental performance is proposed to be achieved by coupling the use of sustainably sourced (certified) materials (including those with high thermal mass), to exceed current building regulations in terms of energy efficiency, harnessing means of natural heating and cooling, and the appropriate use of proven low-carbon technologies. The building has been designed to achieve a BREEAM Excellent rating, and has already achieved this in its design stage. The building has been designed to be a Carbon Zero building in operation. The building incorporates green/blue infrastructure which is a significant aspect of the scheme.</p>

Wales

Wellbeing of Future Generations Action 2015

The Well-being of Future Generations Act requires public bodies in Wales to think about the long-term impact of their decisions, to work better with people, communities and each other, and to prevent persistent problems such as poverty, health inequalities and climate change.

There are 7 Wellbeing Goals:

- A Prosperous Wales
- A Resilient Wales
- A More Equal Wales
- A Healthier Wales
- A Wales of Cohesive Communities
- A Wales of Vibrant Culture and Thriving Welsh Language
- A Globally Responsible Wales

The Act also identifies 5 Ways of Working:

- Long Term
- Integration
- Involvement
- Collaboration
- Prevention

The project delivers the goals and ways of working of the Wellbeing of Future Generations (Wales) Act 2015, particularly:

- A Prosperous Wales – supporting innovative, productive and low carbon activities, and generating wealth and employment opportunities for Swansea Bay City Region residents;
- A More Equal Wales – reducing regional differences, and utilising social benefit clauses to create employment and training opportunities for workless individuals;
- A Wales of Cohesive Communities – revitalisation of a run-down part of the City Centre to create a new connected living and working environment, and supporting the technology based business community;
- A Healthier Wales – New green spaces and high quality public realm will contribute to healthy urban environment that supports health, recreation and wellbeing.

<p>Prosperity for All 2017</p>	<p>Wales Strategy for prosperity and wellbeing to take forward the 4 key themes of Taking Wales Forward Programme for Government:</p> <ul style="list-style-type: none"> • Prosperous and Secure • Healthy and Active • Ambitious and Learning • United and Connected <p>And based around the 5 Priority Areas of:</p> <ul style="list-style-type: none"> • Early Years • Housing • Social Care • Mental Health • Skills and Employability 	<p>The project aligns with the Welsh Government's Prosperity for All strategy, and in particular the Prosperous and Secure theme by generating new secure and sustainable employment opportunities and creating the right environment in Swansea for technology based businesses to grow and thrive.</p>
<p>Economic Action Plan 2017</p> <p style="writing-mode: vertical-rl; transform: rotate(180deg);">Page 154</p>	<p>The purpose of the Economic Action Plan is to support delivery of Prosperity for All – the national strategy for Wales. The Plan sets out a vision for inclusive growth, built on strong foundations, supercharged industries of the future and productive regions. The Plan focusses on boosting productivity and addressing inequality. The Plan presents Calls to Action on a number of areas including:</p> <ul style="list-style-type: none"> • Decarbonisation • Innovation • High quality employment and skills development • Research and development 	<p>The project supports the aspirations and objectives of the Economic Action Plan, particularly by growing higher added value activities, to drive regional growth and tackle regional inequalities, and by delivering modern and connected infrastructure to allow business to grow.</p>

<p>Commercial Property: Market Analysis and Potential Interventions</p>	<p>To inform the new Property Delivery Plan, the report sets out an analysis of the Welsh commercial property market, including current and likely demand, property market responses and the extent to which there is a gap in supply. It also considers potential priorities for, and approaches to, intervention. In line with the Welsh Government's regional approach to economic development, it outlines the priorities for intervention within South East Wales, South West and Mid Wales and North Wales.</p> <p>The report contains an analysis of the property market</p>	<p>71-72 Kingsway (Digital Viillage) will accommodate Swansea's growing technology businesses and ICT focused businesses expanding from Swansea University and UWTSD incubation facilities.</p> <p>The Digital Village will act as a catalyst for new private sector led development and refurbishment of further properties on the Kingsway to create a new Central Business District in Swansea City Centre</p>
<p>Equality Act 2010</p>	<ul style="list-style-type: none"> • Due consideration of the nine protected characteristics and promotion of the Welsh language, rooted in business / service planning 	<p>Utilising social benefit clauses to create employment and training opportunities for workless individuals.</p> <p>All signage for new project buildings will be bilingual.</p>
<p>A Living Language 2017-17</p>	<p>Welsh Government's vision is to see a thriving, living Welsh language.</p> <p>The strategy provides the framework to achieve the WG desire to see:</p> <ul style="list-style-type: none"> • an increase in the number of people who both speak and use the language • more opportunities to use Welsh • an increase in people's confidence and fluency in the language • an increase in people's awareness of the value of Welsh, both as part of our national heritage and as a useful skill in modern life • the strengthening of the position of the Welsh language in our communities • strong representation of the Welsh language throughout digital media. 	<p>All signage for new project buildings will be bilingual.</p>

<p>Digital First - Welsh Government</p>	<p>Helping the public sector provide excellent online digital services to the people and business of Wales Seek to develop the infrastructure required to support digital service delivery Digital Transformation forms a central part of the Welsh Governments plans to make public services more meaningful to users</p>	<p>Supports the growth of a collaborative and cohesive technology based business community in Swansea, that will provide employment opportunities for local people. The Digital Arena will provide the digitally enabled conference and events space required by Swansea's tech businesses and Universities</p>
<p>Visit Wales Partnership for Growth</p>	<p>Increasing visitor spend by:</p> <ul style="list-style-type: none"> • more well-being facilities • more all year round attractions, activities and innovative / distinctive experiences 	<p>The new digital arena will offer a broad programme of events that will add to the leisure and cultural offer in the city, and encourage visitors to the Swansea Bay region. The Digital Arena will provide the digitally enabled conference and events space required by Swansea's tech businesses and Universities</p>
<p>Regional</p>		
<p>Swansea Bay City Region Economic Regeneration Strategy 2013-30</p>	<p>The Economic Regeneration Strategy for Swansea Bay aims to strengthen the economy and boost productivity for the City Region area and sets out the Strategic Framework for intervention through 5 Strategic Aims Strategic Aims:</p> <ul style="list-style-type: none"> •Business Growth, Retention and Specialisation •Skilled and Ambition for long term success •Maximum job creation for all •Knowledge Economy and Innovation •Distinctive Places and Competitive Infrastructure. 	<p>The Project supports the vision of the Swansea Bay City Region Economic Regeneration Strategy to raise productivity to 90% of the UK average, by facilitating the growth of higher value activities. Under Strategic Aim 4: Knowledge Economy & Innovation , the Economic Regeneration Strategy highlights the need to support growth sectors and provide pro-actively managed grow on space for high growth firms through business incubation and innovation centres. The Digital Village, Box Village & Innovation Precinct directly respond to this need.</p>

Strategy / Policy	Core Principles	How the Project Aligns
UK		
<p>Create Together, the UK Creative Industries Council 2016</p> <p style="writing-mode: vertical-rl; transform: rotate(180deg);">Page 157</p>	<p>UK Creative Industries Council 5 Year Strategy for Cross Industry Collaboration (2016) identifies 8 key drivers for growth;</p> <ul style="list-style-type: none"> • Digital Infrastructure, • Finance for Growth, • Diversity, • Education and Skills, • Intellectual Property, • International, • Regions and Clusters • Regulation. <p>Regarding Regions and Clusters, it states that with rising demand for creative services globally, it will be vital to strengthen creative economies in every region to enhance the UK's creativity, productivity and competitiveness and identifies 3 Big Wins:</p> <ol style="list-style-type: none"> 1. Local infrastructure plans to incentivise growth in the creative economy, 2. Local Enterprise Partnerships (LEPs) to work with local Universities, other education providers and employers to ensure a sustainable skills pipeline for their region 3. The distinctive contribution of the creative industries to the wider economy of each region should be recognised, with improved investment flows 	<p>The project contributes directly to these Big Wins through:</p> <ol style="list-style-type: none"> 1. The City Deal proposals prioritise investment in digital infrastructure. 2. The University's objective to develop a sustainable skills pipeline, working with Carmarthenshire County Council and other providers is at the heart of the project. 3. The University's strategy is both to engage in commercial partnerships with Yr Egin occupiers and co-invest with private sector investors in the small and start-up businesses which will develop at the Yr Egin cluster. <p>The strategy also recognises the creative industries have already proven to be powerful drivers in regenerating individual cities and neighbourhoods, raising their profile, making them more distinctive and more attractive and stimulating places for people to work and live. Yr Egin will meet these objectives creating a locally sustainable cluster delivering high value jobs and skills retention but also providing the means by which much greater commercial interaction and growth can take place with other UK creative clusters to the benefit of each.</p>
Wales		

Wellbeing of Future Generations Action 2015

The Well-being of Future Generations Act requires public bodies in Wales to think about the long-term impact of their decisions, to work better with people, communities and each other, and to prevent persistent problems such as poverty, health inequalities and climate change.

There are 7 Wellbeing Goals:

- A Prosperous Wales
- A Resilient Wales
- A More Equal Wales
- A Healthier Wales
- A Wales of Cohesive Communities
- A Wales of Vibrant Culture and Thriving Welsh Language
- A Globally Responsible Wales

The Act also identifies 5 Ways of Working:

- Long Term
- Integration
- Involvement

Yr Egin project will help to deliver on the seven strategic goals of the Wellbeing of Future Generations Act (2015) in part by its inclusion of a major public body as the anchor occupier. The University is committed to the goals of the Act, and considers sustainable, strong performance to be one of the critical measures by which the success of the project will be judged. By relocating such a major public body to Carmarthen, the University will be helping to build a stronger, fairer economy for West Wales and will be enabling people from the region to attain better paid, more highly skilled jobs in their local area. Key to this will be the provision of courses structured around the working environment, leading to the upskilling of the local community that results in a better, fairer job market and economy. The Business Case contains a detailed appraisal of the direct contribution of the project to the Wellbeing Goals and Ways of Working.

Prosperity for All /
Taking Wales Forward
2017

Wales Strategy for prosperity and wellbeing to take forward the 4 key themes of Taking Wales Forward Programme for Government:

- Prosperous and Secure
- Healthy and Active
- Ambitious and Learning
- United and Connected

And based around the 5 Priority Areas of:

- Early Years
- Housing
- Social Care
- Mental Health
- Skills and Employability

Yr Egin proposal is fully aligned to Taking Wales Forward, and will support the overall Welsh Government strategy to provide more and better jobs in the creative industries. Yr Egin will assist in the practical delivery of all four strands of Taking Wales Forwards, and will ensure sustainable growth and development in both the region and Wales as a whole.

- Prosperous and Secure - An important aspect of Yr Egin is providing highly skilled, creative jobs for the local population, removing the need for these individuals to relocate out of West Wales. This will also build on the University's strategy of delivering enhanced skills and jobs to the region with the goal of reducing poverty and reducing the current levels of economic deprivation
- Healthy and Active - The opportunities provided by the Yr Egin creative cluster will enrich jobs in the local economy and provide a dynamic environment for talent to flourish. By securing
- intellectual and creative capital the 'halo' effect of Yr Egin will extend to positive impact on the health and well-being of the local population.
- Ambitious and Learning - Yr Egin will support this by bringing together education and industry, enabling innovation and entrepreneurship between the University and both public and private sectors. Yr Egin will also provide the capability to enhance both academic and vocational routes for learners into education, as well as providing the opportunity for significant, industry based upskilling of the local community.
- United and Connected - Yr Egin will deliver extensively on the strategic theme of United and Connected and will transform the way that public service delivery is undertaken by becoming wholly digital. It will also actively assist in delivering the target of achieving 95% of citizens having digital skills by 2021. Another key aspect of Yr Egin (assisted by the inclusion of S4C) will be to provide a creative and digital environment where business can be conducted in Welsh.

Tackling Poverty
Action Plan

The key objectives of our Tackling Poverty actions are:

- to prevent poverty, especially through investment in giving children the best possible start in life. From conception through to early adulthood, our aim will be to reduce inequality at the earliest possible stage and break the link between socio-economic disadvantage, educational underachievement and the impaired life chances that flow from these;
- recognising that the best route out of poverty is through employment, we will continue to help people to improve their skills and enhance the relevance of their qualifications. We will also remove other barriers to employment – from practical barriers such as the accessibility of transport and buildings to less tangible barriers such as poverty of aspiration - helping people to move on to and up the employment ladder;

The University is committed to positively influencing the regions and areas in which it operates through its position as a major institution. Part of this influence is the positive actions and steps that the University can take towards making Wales a fairer society and tackling poverty in areas such as Carmarthen that have historically underperformed economically when compared to the metropolitan areas of Cardiff and Swansea (Source: ONS 2014). The University believes that this influence is best targeted by working to upskill the local population as well as by directly and indirectly providing employment. By situating a large public organisation within Carmarthen which will in turn attract many other businesses and by providing more opportunities for employment and growth, the Yr Egin project will inject a substantial economic stimulus into the Carmarthen area and will help to reduce poverty in the surrounding region.

Welsh Government's vision is to see a thriving, living Welsh language.
The strategy provides the framework to achieve the WG desire to see:

- an increase in the number of people who both speak and use the language
- more opportunities to use Welsh
- an increase in people's confidence and fluency in the language
- an increase in people's awareness of the value of Welsh, both as part of our national heritage and as a useful skill in modern life
- the strengthening of the position of the Welsh language in our communities
- strong representation of the Welsh language throughout digital media.

Yr Egin will be the catalyst for promoting and strengthening bilingualism throughout the South West Wales region and will address the priorities set out in Welsh Government strategy for the recovery of the national language. Historically it has been recognised that there are not enough opportunities for business to be conducted in Welsh and the development of both Welsh speaking and bilingual workplaces is a central element of the strategy. Yr Egin will address this by providing employment opportunities within the cluster to Welsh speakers and will develop an ethos of bilingual capability, enabling Welsh speakers to conduct business in their native language. This will be coupled with Yr Egin working with its tenants to ensure that a clear commitment to bilingualism is achieved, developing brand new entrepreneurial opportunities that take advantage of both languages. The inclusion of S4C will be critical to Yr Egin achieving this goal. By relocating the Welsh national broadcaster to Carmarthen (an area of Wales with a higher percentage of Welsh speakers), it is the vision of Yr Egin that Welsh will be seen as a comparable language to English within the cluster, driving and developing an increase in Welsh language skills within the business community and the surrounding area.

The Wales Infrastructure Investment Plan for Growth and Jobs sets out the Welsh Government's strategic investment priorities, provides a detailed account of sectoral investment plans and sets out the key elements of a new approach to infrastructure investment. The Plan identifies the following investment priorities:

- Improving transport networks, in particular east-west links in North and South Wales.
- Improving telecommunications networks.
- Supporting the development of the energy industry in Wales.
- Investing in housing.
- Delivering more efficient and economical public services.
- Improving the quality of the educational estate.
- Developing our Enterprise Zones.

The Yr Egin project aligns with the intentions and aims of the Wales Infrastructure Investment Plan and supports its overall delivery in a variety of ways. The creative industry is highlighted as one of nine major industries, in terms of economic development, focused on through the plan. Key to this is the substantial growth in creative industries in recent years (23% between 2005 and 2009), making it one of the fastest growing industries in the UK. The Plan highlights that the support of the industry is key for improvements to GVA and to growth in Wales as a whole. Yr Egin will create precisely the environment required for the creative and digital industries to flourish. The WIIP also highlights the opportunity that clusters can provide in securing additional economic growth through increases in economic activity.

Swansea Bay City
Region Economic
Regeneration Strategy

The Economic Regeneration Strategy for Swansea Bay aims to strengthen the economy and boost productivity for the City Region area and sets out the Strategic Framework for intervention through 5 Strategic Aims Strategic Aims:

- Business Growth, Retention and Specialisation
- Skilled and Ambition for long term success
- Maximum job creation for all
- Knowledge Economy and Innovation
- Distinctive Places and Competitive Infrastructure.

The Region suffers from a series of overarching economic issues including low GVA, lack of well-paid job opportunities, skills shortages and outward youth migration. This has been recognised within the South West Wales Economic Regeneration Strategy. Yr Egin will directly assist in resolving these issues by the creation of a creative and digital cluster taking advantage of the new infrastructure proposals of the Internet Coast. The economic stimulus that Yr Egin will deliver through the creation of high value, highly skilled jobs and the regional impact of positioning major tenants the Region will provide the springboard for the regeneration of both the local the wider area. Yr Egin will also deliver on the key objective of the City Region's strategy to substantially increase the capacity and capability of the City Region to create and distribute digital content. The clustering effect of Yr Egin will provide opportunities for local businesses, SMEs and startups to take advantage of their proximity to major broadcasters, creating the perfect environment for creative content, leading to increased and more efficient productivity, an increase in opportunity and a rise in GVA for the area as a whole.

Strategic Alignment

Strategy / Policy	Core Principles	How the Project Aligns
UK		
Industrial Strategy 2017 Page 164	<p>UK Government long term strategy to boost productivity through the creation of jobs and by increasing the earning power of people throughout the UK with investment in skills, industries and infrastructure. The strategy is supported through 5 Foundations of:</p> <ul style="list-style-type: none"> • Ideas: the world's most innovative economy • People: good jobs and greater earning power for all • Infrastructure: a major upgrade to the UK's infrastructure • Business Environment: the best place to start and grow a business • Places: prosperous communities across the UK. <p>The Strategy also recognises the Grand Challenges of</p> <ul style="list-style-type: none"> • Artificial Intelligence and data • Ageing society • Clean growth • Future of mobility 	<p>Put the UK at the forefront of the AI and data revolution - AI and Data require widespread and high capacity digital connectivity</p> <p>Harness the power of innovation to help meet the needs of an ageing society - Key enabler is technology that has fixed and mobile connectivity widely available and high capacity</p> <p>Maximise the advantages for UK industry from the global shift to clean growth - Reduction in the need to travel and the 'Smart' control of energy systems</p> <p>We will become a world leader in shaping the future of mobility- Mobility demands high capacity and widespread mobile communications</p>

This strategy sets out how the UK will develop a world-leading digital economy that works for everyone. It has seven strands:

- Connectivity - building world-class digital infrastructure for the UK
- Skills and inclusion - giving everyone access to the digital skills they need
- The digital sectors - making the UK the best place to start and grow a digital business
- The wider economy - helping every British business become a digital business
- Cyberspace - making the UK the safest place in the world to live and work online
- Digital government - maintaining the UK government as a world leader in serving its citizens online
- The data economy - unlocking the power of data in the UK economy and improving public confidence in its use

Building World Class Digital Infrastructure, including full fibre and 5G - A central part of what Digital Infrastructure project will deliver

Give everyone access to the digital skills they need - Widespread deployment and hot-spots of 5G will drive the development of skills

Making the UK the best place to start and grow a digital business - Digital Infrastructure is a pre-requisite, alongside the other central SBCD projects in digital media

Helping every British business become a digital business - Making high quality digital connectivity widely available is a critical enabler

Maintaining the UK government as a world leader in serving its citizens online - Digital transformation requires digital infrastructure to deliver the services

Unlocking the power of data in the UK economy - Data analytics is core to new digital services

Fixed and mobile networks will be the enabling infrastructure that drives economic growth - The Digital Infrastructure project is based upon this

Nationwide Full Fibre connectivity, there must be a sharp increase in the pace of full fibre roll out - Full Fibre is a one of the key objectives under the connected Cities element of Digital Infrastructure project

Making the cost of deploying fibre networks as low as possible by addressing barriers to deployment - Part of Digital Infrastructure is the deployment of publicly owned infrastructure assets to reduce roll out costs

Supporting market entry and expansion by alternative network operators - Open procurements are planned for all Digital Infrastructure

<p>Future Telecoms Infrastructure DCMS</p> <p style="writing-mode: vertical-rl; transform: rotate(180deg);">Page 166</p>	<ol style="list-style-type: none"> 1.Fixed and mobile networks will be the enabling infrastructure that drives economic growth 2.Nationwide Full Fibre connectivity, there must be a sharp increase in the pace of full fibre roll out 3.Making the cost of deploying fibre networks as low as possible by addressing barriers to deployment 4.Supporting market entry and expansion by alternative network operators 5.An ‘outside in’ approach to deployment that means gigabit capable connectivity across all areas of the UK is achieved at the same time 6.A switchover process to increase demand for full fibre services 7.We want the UK to have high quality mobile connectivity where people live, work and travel 8.Alongside finishing the roll out of 4G networks to meet existing mobile demand, we want the UK to be a world leader in 5G 	<ol style="list-style-type: none"> 1.The Digital Infrastructure project is based upon this 2.Full Fibre is a one of the key objectives under the connected Cities element of Digital Infrastructure project 3.Part of Digital Infrastructure is the deployment of publicly owned infrastructure assets to reduce roll out costs 4.Open procurements are planned for all Digital Infrastructure 5.Rural connectivity is a key objective of Digital Infrastructure project 6.Demand and Supply simulation are both planned within Digital Infrastructure 7.Support for supply side actions and lowering build costs for 4G are included 8.Construction of 5G hot-spots is a key objective
<p>5G Strategy for the UK</p>	<p>Government has a clear ambition for the UK to be a global leader in the next generation of mobile technology – 5G</p> <p>Digital infrastructure is a building block of the Government’s modern Industrial Strategy</p> <p>Deliver three main outcomes:</p> <ul style="list-style-type: none"> ▪ accelerating the deployment of 5G networks ▪ maximising the productivity and efficiency benefits to the UK from 5G ▪ creating new opportunities for UK businesses at home and abroad, and encouraging inward investment 	<p>5G in support of specific and key projects is included</p> <p>Several aspects of the SBCD deal and specifically Digital Infrastructure addresses this directly</p> <p>Accelerating deployment through direct intervention and supporting infrastructure roll-out</p> <p>Projects will demonstrate productivity and efficiency gains across several sectors</p> <p>Availability of leading edge connectivity through Digital Infrastructure project will encourage inward investment</p>

Digital Strategy and Leadership DCMS	Developing a local digital infrastructure strategy: <ul style="list-style-type: none"> ▪ A senior digital champion to lead the process ▪ Bringing together local teams involved in deployment of digital infrastructure ▪ Putting in place the required skills and resources ▪ Collaborating with network providers 	A central SBCD team under a single leadership is proposed Coordination of the 4 Local Authorities is proposed Development and recruitment of key skills and resources is proposed Working closely with communications Service Providers is proposed
5G Briefing Paper - UK Parliament	Gives a date of 2027 for most of the UK POPULATION to have 5G coverage Acknowledges the need for wider fibre deployments to support 5G Acknowledges the costs and commercial risks for MNOs to roll out 5G	The papers are more aspirational than concrete requirements on CSPs to roll out 5G. However, the commitments are there and engagement by the SBCD team with the intent and how these evolve into full policy and perhaps intervention funding should be kept under constant review
SRN Ofcom notice of 5G Coverage Compliance Page 167	SRN is a joint agreement with MNOs to cover the UK with 4G services, Match funded £1bn 90% of the UK Landmass must be covered 87% of Wales landmass must be covered Baseline in 2020, additional coverage must be in NotSpots	The timescales for SRN are unclear, 14 years is identified as the period this will apply, but no end date is given for the 88% or 90%+ The SBCD team would have the opportunity to examine the proposals of the MNOs for coverage in Q3/4 of 2020 and thereby lobby for changes or to be early in additional deployments
Innovate UK Industrial Challenge Fund	Next Generation services are predicated on leading edge digital infrastructure Transforming construction envisages digital design and IoT Robotics across a wide number of sectors Next Generation services for AI and embedded digital technology Leading edge healthcare, including digital technologies Driverless Cars Creative Industries clusters	Includes digital technologies as a key component which will require leading edge connectivity in fibre and 4G/5G Distributed design and IoT are all included in the project Robotics require leading edge fixed and mobile connectivity AI and analytics require leading edge fixed and mobile connectivity Healthcare requires leading edge fixed and mobile connectivity, particularly the new wave of wearable devices Autonomous vehicles need widespread 5G Creative industries are primarily digitally based and need leading edge fixed and mobile connectivity
Catapults	Various Streams, including: Digital, Energy, Future Cities, High Value Manufacturing, Offshore renewable energy and transport systems	Although these are not government entities, they are closely linked with Innovate UK and act as a delivery partner in many cases. A large number of their interest areas align directly with the Digital Infrastructure project
Wales		

<p>Wellbeing of Future Generations Action 2015</p> <p style="text-align: center;">Page 168</p>	<p>The Well-being of Future Generations Act requires public bodies in Wales to think about the long-term impact of their decisions, to work better with people, communities and each other, and to prevent persistent problems such as poverty, health inequalities and climate change.</p> <p>There are 7 Wellbeing Goals:</p> <ul style="list-style-type: none"> •A Prosperous Wales •A Resilient Wales •A More Equal Wales •A Healthier Wales •A Wales of Cohesive Communities •A Wales of Vibrant Culture and Thriving Welsh Language •A Globally Responsible Wales <p>The Act also identifies 5 Ways of Working:</p> <ul style="list-style-type: none"> •Long Term •Integration •Involvement •Collaboration •Prevention 	<p>Prosperous - Directly supports the goal through delivering innovation, low carbon, expands skills and employment to new highvalue roles</p> <p>Resilient - Supports economic change through digital transformation</p> <p>Healthier - Supports technology's part in delivering health of the nation</p> <p>More Equal - Supports the removal of the digital divide across all sectors</p> <p>Cohesive - Supports well connected communities and governments</p>
<p>Digital First - Welsh Government</p>	<p>Helping the public sector provide excellent online digital services to the people and business of Wales</p> <p>Seek to develop the infrastructure required to support digital service delivery</p> <p>Digital Transformation forms a central part of the Welsh Governments plans to make public services more meaningful to users</p>	<p>Delivering online services requires digital connectivity to those services, through fixed of mobile networks being supported by the project</p> <p>A key element of the infrastructure is the digital connectivity with the right coverage and quality, both delivered by the project</p> <p>Digital Transformation is enabled and driven by the availability of digital infrastructure</p>

<p>Delivering Digital Inclusion - Welsh Government</p>	<p>To ensure that everyone who wants to be online can get online, protect themselves and their friends and families online and do more online to fully benefit from the opportunities the internet and other digital technologies offer</p>	<p>The Digital Infrastructure project is directly focused on this vision and expands upon it to ensure everyone has network access, but also that access meets the demand of the user, including ultrafast and full fibre links and 4G/5G links</p>
<p>Mobile Action Plan - Welsh Government</p> <p style="writing-mode: vertical-rl; transform: rotate(180deg);">Page 169</p>	<p>The planning system has a key part to play in maximising mobile phone coverage across Wales</p> <p>The public sector in Wales has thousands of assets that could be used to site mobile telecommunications infrastructure on public land, public highway and buildings</p> <p>The topography and population density in Wales throws up specific challenges for mobile coverage. Extending coverage as far as possible is likely to require innovative solutions particularly in rural areas.</p> <p>The investment being made by the mobile industry towards regulatory targets will significantly improve mobile connectivity in Wales both in terms of voice and data. However, it is likely that there will still be areas of Wales without a usable and reliable mobile signal</p> <p>The Digital Infrastructure project is directly focused on this vision and expands upon it to ensure everyone has network access, but also that access meets the demand of the user, including ultrafast and full fibre links and 4G/5G links</p>	<p>Specific proposals are made related to a central SBCD function to support efficient planning processes</p> <p>Specific proposals are made related to a central SBCD function to support efficient asset management processes</p> <p>The use of new ways to achieve rural connectivity is included for both fixed and wireless technologies</p> <p>A central team is proposed for SBCD to act as a voice for the region in both investment and regulatory compliance and to work with the Emergency Service coverage requirements</p>

Digital Wales -
Welsh Government

1.Inclusivity: Making sure everyone can enjoy the benefits of technology is a key part
2.Skills: We will use technology to improve teaching methods and learning. Beyond schools, we will ensure that everyone in Wales can acquire the basic skills and confidence to get online and use digital technologies.
3.Economy: We want to drive economic growth. We will support Welsh companies to network with research departments to create and commercialise new digital technologies. We will help more Welsh companies to exploit these developments to innovate, grow and access new markets, especially in our priority sectors
4.Public services: We will make more public and government services digital so they are easier to access
5.Infrastructure: To deliver all the benefits of digital technology, we aim to ensure that all residential premises and businesses in Wales will have access to high speed broadband. We will continue to work to eliminate 'not spots' and to ensure that there is fair and equal access to higher speed broadband and to improve mobile coverage

1.Digital Infrastructure project has a key objective of the widest possible connectivity services
2.Utilising technology for skills and education requires underpinning digital infrastructure of the highest quality as delivery moves into video and augmented reality, both considerations for the project
3.Leading edge digital infrastructure will support inward investment and innovation directly
4.Digital Transformation in services requires access via digital networks
5.A fundamental aspect of the project is to ensure the widest possible coverage of both fixed and mobile communications

<p>Informed Health and Care Wales</p>	<p>This strategy outlines how we will use technology and greater access to information to help improve the health and well-being of the people of Wales. It describes a Wales where citizens have more control of their health and social care, can access their information and interact with services online as easily as they do with other public sectors or other aspects of their lives, promoting equity between those that provide and those that use our services in line with prudent healthcare and sustainable social services.</p> <ol style="list-style-type: none"> 1.Information for You 2.Supporting Professionals 3. Improvement & Innovation 4.A Planned Future 	<p>Digital Infrastructure is a direct enabler of all the strategic objectives within this Digital Health and Social Care Strategy for Wales.</p> <p>Specifically, some of the proposed projects under the 5G and IoT actions are directly involved with health projects such as the Well Being village. Generally, an supporting the widest deployment of digital infrastructure, many of the strategic aims become easier to deliver and maintain.</p> <ol style="list-style-type: none"> 1.Wider digital access directly promotes this aim 2.System integration directly is supported 3.Service change and data availability directly supported 4.Digital working directly supported
<p>Transforming Health and Care in Wales</p>	<p>The current situation is of great concern for service users, health and care organisations, health and social care workers, and society more broadly. Health and social care services experience workforce shortages; Wales’ outcomes for health and care are not improving as fast as desired; and service delivery is not consistently good.</p> <p>In this final report we recommend to the Welsh Government some key actions that need to be taken to do that, including: clarifying what a set of new models of care might look like; strengthening the power of citizens and users to make change; improving the local leadership and governance needed to implement change; harnessing digital, scientific, technological and infrastructure</p>	<p>Recommendations 7 – Harnessing innovation and accelerate technology and infrastructure developments is directly supported. Digital Infrastructure is a critical enabler to achieve this recommendation.</p> <p>Recommendation 8 - Align system design to achieve results. Transformative change happens at several levels, but digital transformation of services is a key driving force that is supported directly by the actions in this business case.</p>
<p>Regional</p>		

<p>Swansea Bay City Region Economic Regeneration Strategy</p>	<p>By 2030, South West Wales will be a confident, ambitious & connected City Region, recognised internationally for its emerging Knowledge and Innovation economy Strategic</p> <p>Aim 1: Business Growth, Retention & Specialisation Strategic</p> <p>Aim 2: Skilled & Ambitious for long-term success Strategic</p> <p>Aim 3: Maximising job creation for all Strategic</p> <p>Aim 4: Knowledge Economy and Innovation Strategic</p> <p>Aim 5: Distinctive Places and Competitive Infrastructures</p>	<p>Knowledge and innovation are strongly supported by digital infrastructure and digital services. The delivery of both are primary objectives for the Digital Infrastructure project</p> <p>Aim 1: Inward investment can be made more attractive by the availability of high quality digital infrastructure. Digital sector businesses tend to drive higher value jobs</p> <p>Aim 2: Digital Transformation affects many sectors and will drive skills and resources to meet the demand. Digital infrastructure is a key enabler for the transformation process</p> <p>Aim 3: High quality digital infrastructure stimulates innovation and digital/media clusters, creating new opportunities</p> <p>Aim 4: First class digital infrastructure is a prerequisite for any knowledge and innovation based approach</p> <p>Aim 5: The project directly supports the widest access to next generation fixed and mobile broadband, including</p>
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Strategy / Policy	Core Principles	How the Project Aligns
UK		
Industrial Strategy 2017 Page 173	<p>UK Government long term strategy to boost productivity through the creation of jobs and by increasing the earning power of people throughout the UK with investment in skills, industries and infrastructure. The strategy is supported through 5 Foundations of:</p> <ul style="list-style-type: none"> • Ideas: the world’s most innovative economy • People: good jobs and greater earning power for all • Infrastructure: a major upgrade to the UK’s infrastructure • Business Environment: the best place to start and grow a business • Places: prosperous communities across the UK. <p>The Strategy also recognises the Grand Challenges of</p> <ul style="list-style-type: none"> • Artificial Intelligence and data • Ageing society • Clean growth • Future of mobility 	<p>The Skills and Talent Programme will develop a sustainable pipeline of individuals to support growth of the four themes and support the future competitiveness of the region. It will nurture indigenous talent through initial education and ongoing career development, while also attracting globally-competitive skills to the region through the private sector investment which ensues from the proposal as a collective. The programme will seek to utilise and maximise the potential of city region partner organisations through the existing RLSP structure and will look to develop and support strategic skills interventions around the key themes of ICT infrastructure and digital skills, Health, Energy and Smart Manufacturing.</p>
Wales		

Wellbeing of Future Generations Action 2015

The Well-being of Future Generations Act requires public bodies in Wales to think about the long-term impact of their decisions, to work better with people, communities and each other, and to prevent persistent problems such as poverty, health inequalities and climate change.

There are 7 Wellbeing Goals:

- A Prosperous Wales
- A Resilient Wales
- A More Equal Wales
- A Healthier Wales
- A Wales of Cohesive Communities
- A Wales of Vibrant Culture and Thriving Welsh Language
- A Globally Responsible Wales

The Act also identifies 5 Ways of Working:

- Long Term
- Integration
- Involvement
- Collaboration
- Prevention

Prosperous - It will directly support an innovative and skilled Wales through developing new skills activity to support the development of the City Deal projects. It will allow for activity to become mainstream enhancing the current skills provision and allowing a greater number of talented individuals to enter the Welsh digital economy. It will support the development of local supply chains and new and innovative business activity through supporting skills development within the digital economy.

Resilient - The programme will support the economy of the region and Wales through the global transition that will arise from technological changes such as automation and artificial intelligence by ensuring residents are equipped with the skills required.

Healthier - Skills and Talent will support individuals to participate within the digital economy and access sustainable employment which benefits mental and physical well-being. There will be direct support for the life science and well-being theme which includes Pentre Awel the 'Life Science and Well-being Village' as well as the 'Life Science Campuses' projects. Increased connectivity and the skills to utilise digital technologies will help to address issues related to isolation, loneliness and well-being.

Equal - Skills and Talent will support the City Deal in its ambitions to drive through economic transformation within the region and reduce the deficit in GVA performance compared to other parts of the UK. The programme will support a reduction in poverty through providing individuals with the opportunity to access well paid sustainable employment locally.

Vibrant Culture - Skills and Talent will support skills activity bilingually where possible and support the progression of bilingual learners into the digital economy.

Globally rRsponsible - The skills developed via the programme will support the development of a low carbon economy within the region and improving sustainability, through supporting projects under the Internet of Energy and Smart Manufacturing.

Cohesive Communities - Through the Economic Acceleration and the development of skills within the digital economy ecosystem there will be growth opportunities for both

Prosperity for All

Wales Strategy for prosperity and wellbeing to take forward the 4 key themes of Taking Wales Forward Programme for Government:

- Prosperous and Secure
- Healthy and Active
- Ambitious and Learning
- United and Connected

And based around the 5 Priority Areas of:

- Early Years
- Housing
- Social Care
- Mental Health
- Skills and Employability

The Skills and Talent programme supports the key objectives of the Welsh Government's Prosperity for All strategy specifically the Ambitious and Learning theme by creating opportunities for all to achieve skills at all levels and from all ages enabling individuals to achieve a better chance of getting a rewarding job and the ability for the region to attract inward investment to the area because of a strong skills base.

Economic Action Plan

The purpose of the Economic Action Plan is to support delivery of Prosperity for All – the national strategy for Wales. The Plan sets out a vision for inclusive growth, built on strong foundations, supercharged industries of the future and productive regions. The Plan focusses on boosting productivity and addressing inequality. The Plan presents Calls to Action on a number of areas including:

- Decarbonisation
- Innovation
- High quality employment and skills development
- Research and development

The Skills and Talent programme supports the key objectives of the Welsh Government's Prosperity for All strategy specifically the Ambitious and Learning theme by creating opportunities for all to achieve skills at all levels and from all ages enabling individuals to achieve a better chance of getting a rewarding job and the ability for the region to attract inward investment to the area because of a strong skills base.

The key objectives of our Tackling Poverty actions are:

- to prevent poverty, especially through investment in giving children the best possible start in life. From conception through to early adulthood, our aim will be to reduce inequality at the earliest possible stage and break the link between socio-economic disadvantage, educational under achievement and the impaired life chances that flow from these;
- recognising that the best route out of poverty is through employment, we will continue to help people to improve their skills and enhance the relevance of their qualifications. We will also remove other barriers to employment – from practical barriers such as the accessibility of transport and buildings to less tangible barriers such as poverty of aspiration - helping people to move on to and up the employment ladder;
- at the same time, we will increase action to mitigate the impact of poverty here and now. We recognise that for more and more people, even being in work will not guarantee that they can escape poverty. We can act to improve the quality of life of these communities, families and individuals.

The aim of the Skills and Talent programme is to develop the opportunities for all to achieve higher qualifications and opportunities to work in ground breaking technology through the City Deal projects and other investment opportunities that will be generated in the region. The International opportunities through the Erasmus programme and the development of opportunities for companies and students from overseas to invest, study and work in the region

Skills Implementation Plan

The skills implementation plan was developed to inform future action in relation to post-19 skills and employment policy. The aim of the plan is to provide details of the actions to be undertaken by the Welsh Government working with employers, individuals, trade unions and delivery partners.

The four key themes of the Policy Statement are:

- Skills for jobs and growth: how Wales can stimulate demand for a more highly-skilled society that can drive forward our economy in pursuit of jobs and growth
- Skills that respond to local needs: a skills system which reflects the needs of local communities, including a streamlined and accessible employment and skills offer
- Skills that employers value: the importance of engaging employers to participate in the skills system and the level of co-investment needed alongside government if Wales is to remain competitive
- Skills for employment: the role of the skills system in providing employment support necessary to assist individuals into employment and to progress in work

The Skills and Talent programme will support the key objectives to improve literacy, numeracy and ICT skills of working adults to at least level 2 and higher.

Schools Improvement Plan

The strategy covers post 16 education and skills via further and higher education, adult and community learning and apprenticeship and aims to deliver. The aspiration of the strategy is to have aspirational young people with opportunities across all levels of education achieve the highest levels of qualifications

The Skills and Talent programme aims to increase the number of people in the region attaining a qualification and to generate opportunities for all to attain higher qualifications to meet the needs of the City deal projects.

Youth Engagement and Progression Framework

Youth Engagement Framework The Youth Engagement and Progression Framework (YEPF) sets out a new approach to developing support for young people who are at risk of or who have become NEET. The Framework has 6 key elements: Identifying young people most at risk of disengagement; Better brokerage and co-ordination of support

The Skills and Talent programme will work with all people in society with the aspiration of raising the skills levels for all across the region. There are a high percentage of individuals who fall within the NEET category and the Skills and Talent programme will work with all employability projects, stakeholders and educational establishments to ensure that the opportunities that will be generated through the whole City Deal portfolio.

Regional

Swansea Bay City Region Economic Regeneration Strategy

The Economic Regeneration Strategy for Swansea Bay aims to strengthen the economy and boost productivity for the City Region area and sets out the Strategic Framework for intervention through 5 Strategic Aims
Strategic Aims:
•Business Growth, Retention and Specialisation
•Skilled and Ambition for long term success
•Maximum job creation for all
•Knowledge Economy and Innovation
•Distinctive Places and Competitive Infrastructure.

The Skills and Talent programme will be instrumental in the success of all 5 key aims of the strategy and will deliver on the key skills requirements to meet the needs of the employers in the region.

Regional Employment and Skills Plan

The plan informs and support the Welsh Government's strategic approach to the delivery of employment and skills provision in conjunction with the other two Regional Skills Partnerships in Wales.

The Skills and Talent programme will utilise the work undertaken by the RLSP team including data being generated on the impact of Covid 19 pandemic for future skills needs.

Strategy / Policy	Core Principles	How the Project Aligns
UK		
Industrial Strategy 2017 Page 179	<p>UK Government long term strategy to boost productivity through the creation of jobs and by increasing the earning power of people throughout the UK with investment in skills, industries and infrastructure. The strategy is supported through 5 Foundations of:</p> <ul style="list-style-type: none"> • Ideas: the world’s most innovative economy • People: good jobs and greater earning power for all • Infrastructure: a major upgrade to the UK’s infrastructure • Business Environment: the best place to start and grow a business • Places: prosperous communities across the UK. <p>The Strategy also recognises the Grand Challenges of</p> <ul style="list-style-type: none"> • Artificial Intelligence and data • Ageing society • Clean growth • Future of mobility 	<p>The ILS Campuses Strategy builds upon excellent industrial, life science and clinical research strengths. The Life Science, Wellbeing & Sport Campuses also underpin wider regional efforts to support regeneration in some of the UK’s most deprived areas. The ILS Campuses Strategy builds upon excellent industrial, life science and clinical research strengths. The Life Science, Wellbeing & Sport Campuses also underpin wider regional efforts to support regeneration in some of the UK’s most deprived areas.</p> <p>The project aims to deliver:</p> <p>Development of 23.23 hectare (57 acre) International Sports village, a 55-acre Innovation park and Access road (Infrastructure) Capital build elements will comply with (Clean growth) minimum requirements. The initiatives will create a cluster of 300+ firms, 100+ Commercial and innovation opportunities within the Health, Life science, well-being, MedTech and Sports Tech sectors (Business environment) (Ideas: World’s most innovative economy) (Artificial Intelligence and data)</p> <p>The initiatives will Create over 1120 new jobs across the construction and operational phases, build skills and training within thriving sector’s that generate a wage premium of £6,000 + above the national average wage (People: Good jobs and greater earning power) (Business environment).</p> <p>Outputs of the project such as the International sports village and facilities to support innovation around Life science, Health and Well-being support the targeted output of: One additional year of good health for the region’s population (Ageing society)</p>

UK Government Strategy for UK Life Sciences	Building an integrated system of industry, academia and health service. The IL Life Science, Wellbeing & Sport Campuses are underpinned by UK/local sector strengths in industrial capacity and academic research. The alignment with HE/FE and wider skills development and global investors supports delivery of skills and talent.	Embedding innovation activity within an integrated healthcare and life sciences environment will place citizens at the centre of innovation. The focus created by the ILS Campuses will provide sustainable critical mass, and underpin services to support digital inclusion.
The Department for Culture Media and Sport's UK Digital Strategy	<p>This strategy sets out how the UK will develop a world-leading digital economy that works for everyone. It has seven strands:</p> <ul style="list-style-type: none"> •Connectivity - building world-class digital infrastructure for the UK •Skills and inclusion - giving everyone access to the digital skills they need •The digital sectors - making the UK the best place to start and grow a digital business •The wider economy - helping every British business become a digital business •Cyberspace - making the UK the safest place in the world to live and work online •Digital government - maintaining the UK government as a world leader in serving its citizens online •The data economy - unlocking the power of data in the UK economy and improving public confidence in its use 	<p>The project will develop large sites at both Singleton and Morriston and shall work with the Digital infrastructure project and key stakeholders to focus on "connectivity" ensuring requirements are achieved.</p> <p>The project aligns to the strategy / policy in the following ways:</p> <ul style="list-style-type: none"> •The digital sectors - making the UK the best place to start and grow a digital business, by aiming to grow a cluster of 300+ firms and in excess of 100 commercialisation and innovation opportunities within the MedTech, Sports Tech and Life science sectors. •Connectivity - building world-class digital infrastructure for the UK – working with stakeholders and the portfolio's "Digital infrastructure" project to across the capital elements of the project. •Skills and inclusion - giving everyone access to the digital skills they need – working with the Portfolios Skills and talent programme.

<p>The UK Governments 5G Strategy</p>	<p>Government has a clear ambition for the UK to be a global leader in the next generation of mobile technology – 5G Digital infrastructure is a building block of the Government’s modern Industrial Strategy Deliver three main outcomes: <ul style="list-style-type: none"> ▪ accelerating the deployment of 5G networks ▪ maximising the productivity and efficiency benefits to the UK from 5G ▪ creating new opportunities for UK businesses at home and abroad, and encouraging inward investment </p>	<p>Aligned to the SBCR Digital infrastructure project, the project will harness the emerging digital capabilities inclusive of ultra-fast broadband and 5G mobile connectivity to drive technology development and innovation.</p>
<p>The UK Government Building Digital UK (BDUK)</p> <p style="text-align: center;">Page 181</p>	<p>Building Digital UK (BDUK), part of the Department for Digital, Culture, Media & Sport (DCMS) is delivering broadband networks to the UK. Current activity includes:</p> <ul style="list-style-type: none"> •Investment to provide superfast broadband coverage to as many premises as possible beyond the 95% level achieved in December 2017 •Piloting a way to provide gigabit-capable broadband to the hard-to-reach places in the UK through its Rural Gigabit Connectivity programme that is currently funded through to March 2021 •Stimulating private investment in gigabit-capable connections through its UK Fibre programme, currently funded through to March 2021 	<p>Embedding innovation activity within an integrated healthcare and life sciences environment will place citizens at the centre of innovation. The focus created by the ILS Campuses will provide sustainable critical mass, and underpin services to support digital inclusion.</p>
<p>Wales</p>		

Wellbeing of Future
Generations Action 2015

The Well-being of Future Generations Act requires public bodies in Wales to think about the long-term impact of their decisions, to work better with people, communities and each other, and to prevent persistent problems such as poverty, health inequalities and climate change.

There are 7 Wellbeing Goals:

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- A Resilient Wales
- A More Equal Wales
- A Healthier Wales
- A Wales of Cohesive Communities
- A Wales of Vibrant Culture and Thriving Welsh Language
- A Globally Responsible Wales

The Act also identifies 5 Ways of Working:

- Long Term
- Integration
- Involvement
- Collaboration
- Prevention

The Life Science, Well-being & Sport Campuses project will be inclusive of all, creating diverse opportunities apprenticeships, jobs and continued skills development. Public and private sectors will jointly address the linked determinants of health & well-being between education, health and employment.

<p>Prosperity for All / Taking Wales Forward</p>	<p>Wales Strategy for prosperity and wellbeing to take forward the 4 key themes of Taking Wales Forward Programme for Government:</p> <ul style="list-style-type: none"> • Prosperous and Secure • Healthy and Active • Ambitious and Learning • United and Connected <p>And based around the 5 Priority Areas of:</p> <ul style="list-style-type: none"> • Early Years • Housing • Social Care • Mental Health • Skills and Employability 	<p>Aiming to build a Wales that is prosperous and secure, healthy and active, ambitious and learning, and united and connected. This will be delivered by securing and creating sustainable employment, shifting the approach from treatment to prevention, inspiring people to be the best they can be and building the vital links that make it easier for people to come together and for the economy to grow.</p>
<p>Economic Action Plan</p> <p style="writing-mode: vertical-rl; transform: rotate(180deg);">Page 183</p>	<p>The purpose of the Economic Action Plan is to support delivery of Prosperity for All – the national strategy for Wales. The Plan sets out a vision for inclusive growth, built on strong foundations, supercharged industries of the future and productive regions. The Plan focusses on boosting productivity and addressing inequality. The Plan presents Calls to Action on a number of areas including:</p> <ul style="list-style-type: none"> • Decarbonisation • Innovation • High quality employment and skills development • Research and development 	<p>The plan sets out the principles to support an economy that increases both wealth and well-being through inclusive growth and fair distribution of benefits across Wales, delivering better jobs closer to home. The Life Science, Well-being & Sport Campuses project responds to four of the seven “Calls to Action”. The Project will expand the capacity and capability to allow investment into training provision through expansion of apprenticeships, foundation, undergraduate, postgraduate training and continued professional development. The project will also enable the enhancement of vocational and innovative learning programmes and engage with employers from across the public and private sectors to ensure a true and sustainable pipeline of talent is commanded. Digital capacity and capabilities will be incorporated into all aspects of the project inclusive of skills development activities.</p>

Parliamentary Review of Health and Social Care in Wales	<ul style="list-style-type: none"> • Harness innovation, and accelerate technology and infrastructure developments • A Health & Care System that's always learning • Bold new models of seamless care 	<p>This initiative will support the delivery of the quadruple aim advocated within the report. In particular, whilst supporting the delivery of all 10 of the recommendations this project will significantly contribute to harnessing innovation and accelerating technology and infrastructure developments outlined in recommendation seven.</p> <p>The review concludes that while Wales is in prime position to further develop technology and innovation as a key strength in pursuit of the quadruple aim current capacity and capability hinder the ability to deliver at pace. This project will provide both the capacity and capability for technology development and innovation within the region.</p>
A Healthier Wales - Our Plan for Health and Social Care in Wales	Information to be provided	<p>The project harnesses and builds on the current life science eco system with a focus on Med tech, Sports Tech, Health, well being and preventative therapies. As such a targetted outcome of the project is One additional "QALY" - Quality of Life year per citizen or additional year of improved health.</p>
<div style="display: flex; justify-content: space-between; align-items: center;"> Page 84 Regional </div>		

Swansea Bay City Region
Economic Regeneration
Strategy

The Economic Regeneration Strategy for Swansea Bay aims to strengthen the economy and boost productivity for the City Region area and sets out the Strategic Framework for intervention through 5 Strategic Aims Strategic Aims:

- Business Growth, Retention and Specialisation
- Skilled and Ambition for long term success
- Maximum job creation for all
- Knowledge Economy and Innovation
- Distinctive Places and Competitive Infrastructure.

The Institute of Life Science, Wellbeing & Sport is an expansion for growth in GVA and employment and will main ILS-supported levels of growth throughout the SBCR programme period, delivering 1,120 jobs (directly and indirectly) based upon Life Sciences & Well-being innovation across the regional cluster by 2031 (across both R&D and wider industry).

The region will engage with Welsh Government and wider stakeholders to create the SBCR living lab/testbed environment. This will be achieved through ILS and Joint Clinical Research Facility (J-CRF) engagement and activity across SBCR. During the period, the region will utilise its RD&I assets to attract 4 significant inward investments to support balanced cluster growth and opportunity for wider UK sector. This would also involve realising a network of 300 cluster firms within the project period. Expanding technology and knowledge transfer activities between industry, academia and health service. This will involve development in excess of 100 new commercialisation opportunities during the project period, with £48m co-investment and numerous enterprise partnerships.

In response to the Case for Change and broader Strategic Case, the Campuses Project has been developed appraising options against the following Critical Success Factors in pursuit of achieving the Spending Objectives;

- To support the growth of high value employment in the sector
- To expand the pipeline of new enterprises in the sector
- To enhance the effectiveness of regional RD&I assets for local and UK-wider innovation
- To enhance the region and UK sector profile by capturing major international opportunities
- To expand the pipeline of innovation opportunities engaged and realised with SBCR RD&I assets

<p>Regional Employment and Skills Plan</p> <p style="text-align: center;">Page 186</p>	<p>Information to be provided</p>	<p>communities during the development phase (locally) and from commercialisation (UK and further afield). This will provide both local economic uplift through improved health and wellbeing and subsequent productivity along with wider societal benefit and skills uplift improving education and skills is both important to our efforts to reduce poverty and to improve the city and economy, which means transforming our education system to ensure children and young people have the necessary skills for the new economy.</p> <p>The SBCD Campuses project will work alongside RLSP to identify skills solutions, including bespoke training where required. An agreement will be developed with the Training Solutions group, resulting in:</p> <ul style="list-style-type: none"> • a better understanding of the needs of the sector within the region; • engagement with Schools to influence curriculum development and promotion of key skills required in the future by the life science sector and projects; • the creation of a skills system that will support the competitiveness of current and future life science companies; • an increase in the number of higher skilled individuals able to take up opportunities in the life science sectors, including those choosing to locate or expand within the region because of the City Deal; • an increased number and quality of apprenticeships will be supported and new opportunities developed through the projects, thereby creating a more skilled workforce in the region; and • encouraging people to learn and go on to work in life science industries in the region. <p>Expanding ILS capacity and capability will allow investment to equip existing and prospective workforces across the Region with the relevant skills for future employment, addressing skill gaps. The project will also enable the enhancement of vocational and</p>
<p>A Regional Collaboration for Health (ARCH)</p>	<p>Information to be provided</p>	<p>The SBCD Campuses project will support the health and wellbeing challenges within the region through collaborative approaches. Specifically around Skills & Workforce, Research, Enterprise & Innovation, Service Transformation and Wellbeing.</p>

Strategic Alignment

Strategy / Policy	Core Principles	How the Project Aligns
UK		
<p>Industrial Strategy 2017</p> <p style="writing-mode: vertical-rl; transform: rotate(180deg);">Page 187</p>	<p>UK Government long term strategy to boost productivity through the creation of jobs and by increasing the earning power of people throughout the UK with investment in skills, industries and infrastructure. The strategy is supported through 5 Foundations of:</p> <ul style="list-style-type: none"> • Ideas: the world’s most innovative economy • People: good jobs and greater earning power for all • Infrastructure: a major upgrade to the UK’s infrastructure • Business Environment: the best place to start and grow a business • Places: prosperous communities across the UK. <p>The Strategy also recognises the Grand Challenges of</p> <ul style="list-style-type: none"> • Artificial Intelligence and data • Ageing society • Clean growth • Future of mobility 	<p>The Wellbeing Village is an embodiment of the ‘five foundations of productivity’ outlined in the UK’s Industrial Strategy:</p> <ol style="list-style-type: none"> 1. Ideas – the world’s most innovative economy Following strategic impetus from the UK and Welsh Governments, the field of life science, with associated R&D, has taken firm footing in the region, and additional investment will increase long-term vibrancy and resiliency. The creation of dedicated life sciences business acceleration, incubation and associated R&D within the Village would be a demonstrable investment in science, research and innovation. This would ensure new ideas are developed and deployed to translate new, credible intellectual properties into industry and commercial practices that will bring improvements in health and personal wellbeing. 2. People – good jobs and greater earning power for all Employment and education / skills development are cornerstones of the Wellbeing Village, with an ambition to provide training at all levels from entry to postgraduate, in response to acute local conditions, to nurture the next generation of professionals. All services provided on site will have a training role including supported employment to improve workplace access opportunities regardless of their stage in life. 3. Infrastructure – a major upgrade to the UK’s infrastructure Driven by a green infrastructure network design philosophy, where form will follow function, improvements to local transport, water and energy supply are expected. This is likely to include provision of electric vehicle charging points, green roof, rain- water harvesting for toilet flushing, air source heat pumps and photovoltaics (roof and car park) in order to harness renewable energy to the fullest extent possible. There will be greater availability of high quality business/office space to promote the growth of small and medium-sized enterprises. Moreover, there is a commitment amongst Stakeholder Partners to develop telehealth and telemedicine, and for this networked infrastructure to be readily transferrable to all parts of the region. Finally, the provision of modern assisted living accommodation with state of the art assistive technology– care home and extra care facility – will increase stock and ensure that the county is better placed to deal with the demands of an ageing population by promoting independence. 39 4. Business environment – the best place to start and grow a business The Business Development Centre will function to provide business incubator/accelerator space offering technical, support and advice services to

		business start-ups in order to help them realise their growth potential. Growth and retention will help increase life science sector productivity – one of the underlying ambitions of the ‘Sector Deals’. In addition, with the potential for a ‘living laboratory’ linked to assisted living, the CRC, provides an attractive proposition to those developing particular types of innovation
Life Sciences Industrial Strategy	The building blocks of the Life Sciences Industrial Strategy are: a) Reinforcing the UK Science Offer b) Growth & Infrastructure c) NHS Collaboration d) Skills e) Regulation	5. Places – prosperous communities across the UK One discernible strength of the Village is its rootedness is place, with the sociodemographic and economic backdrop of Delta Lakes driving a long-term vision for sustainable growth. The Village, as a cluster led by the triumvirate of academia, industry and the public sector, incorporates the other four foundations of the UK industrial strategy. It creates an ecosystem based on the concept of work-learn-play-live bringing together the foundations of productivity in a multi-disciplinary environment to create a prosperous community and a cluster of expertise which will redress economic imbalance by leveraging its R&D capabilities, developing its competitive strengths and maximising high quality innovation. This addresses some of the most pressing challenges to regional growth whilst reducing health and socio-economic inequalities, particularly within the adjacent Communities First area.
Innovate UK Industrial Challenge Fund DBEIS Page 188	Next Generation services are predicated on leading edge digital infrastructure Transforming construction envisages digital design and IoT Robotics across a wide number of sectors Next Generation services for AI and embeded digital technology Leading edge healthcare, including digital technologies Driverless Cars Creative Industries clusters	Grand Challenges:- Healthy Ageing The Village aligns to the UK’s Industrial Strategy’s Ageing Society Grand Challenge as the activity of the Village, particularly research-based businesses development, will harness the power of innovation to help meet the needs of an ageing society and introduce new, more effective and efficient life science and care products to the market. Utilising digital technology and innovative application of R&D to industry the Village will bring together business, academia and civil society to work together to develop new technologies and care products in the field of life-science and well-being. In bringing together public sector services, businesses and research and development in one multi-disciplinary environment the Village will support care providers from all sectors to adapt to meet the needs of changing care demands and introduce new products and services which meet important social and well-being needs of the ageing population. In addition, other activities in the Village such as a state-of-the-art care facility, assisted living technologies and accessible leisure facilities will promote independent living, well-being and good quality of life for all.
Equality Act 2010	• Due consideration of the nine protected characteristics and promotion of the Welsh language, rooted in business / service planning	Equality of opportunity will be promoted across all Village domains, including employment, education and training and service access. In rudimentary form this will encompass unfettered access to buildings, ‘changing places’ facilities, dementia friendly practices, a bilingual and diverse workforce, entry-level training, work placements accessible through the medium
Wales		

<p>Wellbeing of Future Generations Action 2015</p>	<p>The Well-being of Future Generations Act requires public bodies in Wales to think about the long-term impact of their decisions, to work better with people, communities and each other, and to prevent persistent problems such as poverty, health inequalities and climate change.</p> <p>There are 7 Wellbeing Goals:</p> <ul style="list-style-type: none"> •A Prosperous Wales •A Resilient Wales •A More Equal Wales •A Healthier Wales •A Wales of Cohesive Communities •A Wales of Vibrant Culture and Thriving Welsh Language •A Globally Responsible Wales <p>The Act also identifies 5 Ways of Working:</p> <ul style="list-style-type: none"> •Long Term •Integration •Involvement •Collaboration •Prevention 	<p>A More Prosperous Wales</p> <ul style="list-style-type: none"> • The project will establish a new infrastructure, which will catalyse economic regeneration through business start-up and growth, attraction of inward investment and the consequent creation of jobs at all levels. • The whole development is projected to create 1,853 jobs across an area in great need of employment opportunities. • Provision of an education and skills development capability integrated across the on-site services. • A network of training opportunities will be developed aimed at making a significant and sustainable contribution to meeting the skills shortage in the area, through integrated working with the on-site businesses and services provided by the private, public and third sectors. <p>A Healthier Wales</p> <ul style="list-style-type: none"> • Facilities provided for clinical research • Improved wellbeing of working populations • The services identified for delivery within the Village are in alignment with the University Health Board Strategic Objectives, providing preventative measures to tackle issues such as obesity, diabetes, respiratory health, mental health and dementia. • Enabling modernisation of services in line with the best practice outcomes and healthier lifestyles linked to the life cycle approach to care. <p>A More Equal Wales</p> <ul style="list-style-type: none"> • A major project in an area of significant economic and social need • Integration with the existing community is recognised as a key consideration; the facilities developed on site will be transgenerational, designed to improve quality of life and provide opportunities for people of all backgrounds..
<p>Taking Wales Forward / Prosperity for All</p>	<p>Wales Strategy for prosperity and wellbeing to take forward the 4 key themes of Taking Wales Forward Programme for Government:</p> <ul style="list-style-type: none"> •Prosperous and Secure •Healthy and Active •Ambitious and Learning •United and Connected <p>And based around the 5 Priority Areas of:</p> <ul style="list-style-type: none"> •Early Years •Housing •Social Care 	<p>It is the collaborative nature of the Village that offers the opportunity to create joint and meaningful social and economic impact from bold and ambitious plans and investment, including the creation of high value jobs and training and increased GVA output. The Village targets some of the most deprived localities of the region where economic regeneration has most value, whilst using telecare/telehealth to connect to wider communities, including rural and isolated. The development area is adjacent to a Lower Super Output Area ranked within the top 10% most deprived in Wales. Embedding an Open Innovation and collaborative ecosystem in an area of acute need will provide dual benefits: making the region an important UK attractant for home-grown and inward-investing business and providing socioeconomic uplift. The full project scope will provide increased opportunities and services aimed at improving health and prosperity.</p>

Economic Action Plan	<p>The purpose of the Economic Action Plan is to support delivery of Prosperity for All – the national strategy for Wales. The Plan sets out a vision for inclusive growth, built on strong foundations, supercharged industries of the future and productive regions. The Plan focusses on boosting productivity and addressing inequality. The Plan presents Calls to Action on a number of areas including:</p> <ul style="list-style-type: none"> •Decarbonisation •Innovation •High quality employment and skills development •Research and development 	<p>The Wellbeing Village is responsive to four of the five ‘Calls to Action’ and all seven ‘Economic Contract’ principles of the Prosperity for All Economic Action Plan. The co-location of services and R&D / business acceleration infrastructure will bring to pass uniform socio-economic growth across the region, facilitated by digital connectivity (such as telecare/ telehealth), revised training and wellness pathways and business incubation capabilities. In addition, the skills and talent pipeline will be inclusive of people of all ages and abilities through entry level and specialist training. Adjacent Communities First areas will be targeted to provide aspirational opportunities that will help break the cycle of deprivation. We would make an indirect contribution to the fifth call to active as links with international companies will foster the exporting of IPs and products developed in the Village.</p>
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<p>Wales Infrastructure Investment Plan</p> <p style="text-align: center;">Page 191</p>	<p>The Wales Infrastructure Investment Plan for Growth and Jobs sets out the Welsh Government's strategic investment priorities, provides a detailed account of sectoral investment plans and sets out the key elements of a new approach to infrastructure investment. The Plan identifies the following investment priorities:</p> <ul style="list-style-type: none"> • Improving transport networks, in particular east-west links in North and South Wales. • Improving telecommunications networks. • Supporting the development of the energy industry in Wales. • Investing in housing. • Delivering more efficient and economical public services. • Improving the quality of the educational estate. • Developing our Enterprise Zones. 	<p>The Village aligns with the strategic priorities of the Wales Infrastructure Investment Plan through creating a step change in business, research and development excellence / capacity underpinned by strong public, private and third sector partnerships. Through interconnectivity the Village will deliver prosperity, improve service delivery and create a sustainable, modern and multidisciplinary life science and health workforce. This will be underpinned by the creation of modern infrastructure meeting gaps in the local market for business incubation and research space, including larger premises for growing businesses. It will also provide necessary expansion space for education, skills and training in line with demand and growth projection in the health and care sectors.</p>
<p>Visit Wales Partnership for Growth</p>	<p>Increasing visitor spend by:</p> <ul style="list-style-type: none"> • more well-being facilities • more all year round attractions, activities and innovative / distinctive experiences 	<p>Tourism generates over £434m of revenue to Carmarthenshire's economy annually. Under current proposals, a Wellness Hotel (with associated R&D and training utilities) and National Diving Centre would further increase the 'tourism offer' of South Llanelli, enriching existing provision (adjacent Millennium Coastal Path) and supporting a more prosperous economy. Delta Lakes would become a centre for wellness tourism in the Swansea Bay City Region, a rapidly expanding sector: 14% growth rate between 2013-2015, compared to 6.9% growth in overall tourism. \$563 billion global revenue.</p>
<p>Social Services and Wellbeing Act 2014</p>	<ul style="list-style-type: none"> • Partnership working for the best possible standards of care • Suitability of infrastructure and services • Safeguarding of citizens • Involving people in decisions about their care 	<p>The Village will serve as a vehicle for delivering the radical change to working practices which have been called for by the Act. Integrating the communities of Llanelli in the collaborative activities will ensure that people have greater control over their care, promote independence, move care closer to people's homes and provide fit-for-purpose facilities to safeguard peoples' wellbeing across the life course. This will also include telemedicine via 'skype' consultation</p>

Parliamentary Review of Health and Social Care in Wales	<ul style="list-style-type: none"> • Harness innovation, and accelerate technology and infrastructure developments • A Health & Care System that's always learning • Bold new models of seamless care 	The Village meets all the recommendations of the review, particularly 3, 5, 6,7 and 8 by maximising the benefits of technology and innovation to pursue the Quadruple Aim and deliver more effective and efficient care. The business incubation/acceleration units will improve system design and provide access to infrastructure for holistic product development (e.g. 3d printing for prototyping) in order to rapidly accelerate development, implementation, and evaluation of seamless care and support whilst allowing a shared space for R&D and Industry to continually learn and improve
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Regional

<p>Swansea Bay City Region Economic Regeneration Strategy</p> <p style="writing-mode: vertical-rl; transform: rotate(180deg);">Page 192</p>	<p>The Economic Regeneration Strategy for Swansea Bay aims to strengthen the economy and boost productivity for the City Region area and sets out the Strategic Framework for intervention through 5 Strategic Aims Strategic Aims:</p> <ul style="list-style-type: none"> •Business Growth, Retention and Specialisation •Skilled and Ambition for long term success •Maximum job creation for all •Knowledge Economy and Innovation •Distinctive Places and Competitive Infrastructure. 	<p>Business Growth, Retention and Specialisation</p> <ul style="list-style-type: none"> •Provision of resources to retain growing Life Science and Health companies in the City Region •Expand and strengthen the Life Sciences and Health ecosystem in the City Region •Lever excellence in Life Sciences and Health knowledge and expertise for companies in the ecosystem •Continue to take national and international leaders on our journey for Life Sciences and Health in South West Wales <p>Skilled and Ambition for long term success</p> <ul style="list-style-type: none"> •Deliver the vision that ARCH is praised with and continue to dare to be brave •Deliver Skills/workforce transformation planned by ARCH including multi and inter disciplinary people •Integrate and co-locate all stages of learning and development pipeline and offer attractive, career long employment opportunities for the through flow of talented people •Address poverty through employment as a key determinant of wellbeing <p>Maximum job creation for all</p> <ul style="list-style-type: none"> •Create new and grow existing enterprises in Life Science and Health •Continued focus on economic development projects for Life Science and Health in the region •Expanded Open Innovation in Life Science and Health offering collaborative opportunities for learners and workers at all levels •Partnerships between public private and third sector organisations in Life Science and Health on regional national and international scales <p>Knowledge Economy and Innovation</p> <ul style="list-style-type: none"> •An innovation framework to support Life Science and Health organisations •Life Science and Health investment initiatives and funds to deliver innovative products processes and services •World class Rand D collaborations in Life Science and Health relying on regional assets •Attract and win inward investment opportunities in Life Science and Health •Build on proven research excellence in Life Science and Health <p>Distinctive Places and Competitive Infrastructure.</p> <ul style="list-style-type: none"> •Developments based around place and settings, celebrating and selling our natural environment
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A Regional Collaboration for Health (ARCH)	Information to be provided	The SBCD Campuses project will support the health and wellbeing challenges within the region through collaborative approaches. Specifically around Skills & Workforce, Research, Enterprise & Innovation, Service Transformation and Wellbeing.
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Strategic Alignment

Strategy / Policy	Core Principles	How the Project Aligns
UK		
Industrial Strategy 2017 Page 194	<p>UK Government long term strategy to boost productivity through the creation of jobs and by increasing the earning power of people throughout the UK with investment in skills, industries and infrastructure. The strategy is supported through 5 Foundations of:</p> <ul style="list-style-type: none"> • Ideas: the world’s most innovative economy • People: good jobs and greater earning power for all • Infrastructure: a major upgrade to the UK’s infrastructure • Business Environment: the best place to start and grow a business • Places: prosperous communities across the UK. <p>The Strategy also recognises the Grand Challenges of</p> <ul style="list-style-type: none"> • Artificial Intelligence and data • Ageing society • Clean growth • Future of mobility 	<p>The HAPS project aligns well with each of these foundations, particularly ‘ideas’ – where the goal is to create ‘the world’s most innovative economy’.</p> <p>The HAPS project has greatest strategic fit with the ‘clean growth’ grand challenge, where the strategy states:</p> <ul style="list-style-type: none"> • ‘The move to cleaner economic growth – through low carbon technologies and the efficient use of resources – is one of the greatest industrial opportunities of our time.’ • ‘We will transform construction techniques to dramatically improve efficiency’ • ‘For the majority of [the UK’s] energy to be clean and affordable, we need much more intelligent systems. Smart systems can link energy supply, storage and use, and join up power, heating and transport to increase efficiency dramatically. By developing these world-leading systems in the UK, we can cut bills while creating high-value jobs for the future.’

Climate Change Act	<p>The Climate Change Act established a target for the UK to reduce its emissions by a minimum of 80% from 1990 levels by 2050 with five-yearly interim targets.</p> <p>To note, the Welsh Government has set a more ambitious target of reducing emissions in Wales by at least 40% by 2020 from 1990 levels with a target to reduce emissions by 3% per annum, measured against a baseline of average emissions between 2006 and 2010. This includes all 'direct' greenhouse gas emissions in Wales except those from heavy industry and power generation that are covered by the EU Emissions Trading Scheme.</p>	The HAPS project aims to reduce emissions through decreasing energy demand and increasing the use of renewable technologies in housing – this decarbonisation of homes will align to this policy and support delivery of emission reduction targets
Construction Sector Deal Page 195	The Construction Sector Deal sets out an ambitious partnership between the industry and the government that aims to transform the sector's productivity through innovative technologies and a more highly skilled workforce. One of the benefits outlined in the Construction Sector Deal states 'better homes that are cheaper to run'	Direct alignment with HAPS
Transforming Infrastructure Performance Plan	Transforming Infrastructure Performance (TIP) plan, which is the UK Government's plan to increase the effectiveness of investment in infrastructure – both economic infrastructure such as transport and energy networks, by improving productivity in the way we design, build and operate assets.	The HAPS project is a demonstration project and aligns with the Transforming Infrastructure Performance (TIP) plan, which is the UK Government's plan to increase the effectiveness of investment in infrastructure – both economic infrastructure such as transport and energy networks, by improving productivity in the way we design, build and operate assets.

Consultation - Future Homes Standard	<p>This consultation sets out government plans for the Future Homes Standard, including proposed options to increase the energy efficiency requirements for new homes in 2020. The Future Homes Standard will require new build homes to be future-proofed with low carbon heating and world-leading levels of energy efficiency; it will be introduced by 2025.</p> <p>This document is the first stage of a two-part consultation about proposed changes to the Building Regulations. It also covers the wider impacts of Part L for new homes, including changes to Part F (ventilation), its associated Approved Document guidance, airtightness and improving as-built performance of the constructed home.</p>	The HAPS project is aligned to these proposed energy efficiency requirements.
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Clean Growth Strategy

The strategy sets out proposals for decarbonising all sectors of the UK economy through the 2020s. It explains how the whole country can benefit from low carbon opportunities, while meeting national and international commitments to tackle climate change.

The strategy sets out a comprehensive set of policies and proposals that aim to accelerate the pace of 'clean growth', i.e. deliver increased economic growth and decreased emissions.

- Accelerating clean growth
- Improving business and industry efficiency
- Improving the energy efficiency of our homes
- Rolling out low carbon heating
- Accelerating the shift to low carbon transport
- Delivering Clean, Smart, Flexible Power
- Enhancing the benefits and value of our natural resources

The Strategy recognises that it is only through innovation that new technologies will be developed and the cost of clean technologies come down.

Information to be provided

<p>Ten Point Plan for a Green Industrial Revolution</p>	<p>The Government's Ten Point Plan lays the foundations for a Green Industrial Revolution. The Plan supports the creation of jobs and economic growth around the green economy through the following sectors and activities:</p> <ul style="list-style-type: none"> •Advancing Offshore Wind •Driving the Growth of Low Carbon Hydrogen •Delivering New and Advanced Nuclear Power •Accelerating the Shift to Zero Emission Vehicles •Green Public Transport, Cycling and Walking •Jet Zero and Green Ships •Greener Buildings •Investing in Carbon Capture, Usage and Storage •Protecting Our Natural Environment •Green Finance and Innovation 	<p>Point 7: Greener Buildings</p> <p>The HAPS project aligns with and delivers the action detailed in point 7 to improve energy efficiency of homes and replace fossil fuel heating with lower carbon, more efficient alternatives.</p>
<p>Powering our Net Zero Future (Energy White Paper Dec 2020)</p>	<p>This white paper builds on the Government's Ten Point Plan to set the energy-related measures the Plan announced in a long-term strategic vision for the energy system, consistent with net zero emissions by 2050. It establishes the goal of a shift from fossil fuels to clean energy, in power, buildings and industry, while creating jobs and growing the economy and keeping energy bills affordable. It addresses how and why our energy system needs to evolve to deliver this goal. And it provides a foundation for the detailed actions the Government will take to realise the vision.</p>	<p>HAPS aligns to this energy white paper as the paper presents a vision to make the transition to energy efficient homes and shifting away from gas to electricity to heat our homes.</p>
<p>Wales</p>		

<p>Wellbeing of Future Generations Action 2015</p> <p style="text-align: center;">Page 199</p>	<p>The Well-being of Future Generations Act requires public bodies in Wales to think about the long-term impact of their decisions, to work better with people, communities and each other, and to prevent persistent problems such as poverty, health inequalities and climate change.</p> <p>There are 7 Wellbeing Goals:</p> <ul style="list-style-type: none"> •A Prosperous Wales •A Resilient Wales •A More Equal Wales •A Healthier Wales •A Wales of Cohesive Communities •A Wales of Vibrant Culture and Thriving Welsh Language •A Globally Responsible Wales <p>The Act also identifies 5 Ways of Working:</p> <ul style="list-style-type: none"> •Long Term •Integration •Involvement •Collaboration •Prevention 	<p>The Well-being of Future Generations Act aims to improve the social, economic, environmental and cultural well-being of Wales through seven well-being goals:</p> <ul style="list-style-type: none"> • Prosperous Wales – HAPS will directly tackle fuel poverty and play a key role in driving economic growth, supporting the growth of green jobs and skills throughout Wales and increasing the competitiveness of businesses • Resilient Wales – HAPS will tackle poverty and the global threat of climate change by addressing the energy trilemma of affordability, sustainability and security of the energy supply and the need for decarbonisation and contributing to meeting the demand for new houses • Healthier Wales – provision of low carbon, energy efficient homes will have a positive effect on health and well-being and address the health inequalities caused by poor energy efficiency • More Equal Wales – HAPS will work with partners and networks to ensure that the opportunities created by the project will be available and accessible to all; help reduce inequalities within society and address health inequalities caused by poor energy efficiency • Cohesive Community – the project will contribute to meeting societal needs for efficient and healthy housing with lower energy costs • Vibrant Culture and thriving Welsh Language – Opportunities will be taken to promote the Welsh language in the delivery of the project • Globally Responsible Wales – the project will be developed and delivered in line with the sustainable development principles highlighted by the Act. The project will also contribute to the efficient use of resources through new build and retrofit activities
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<p>Taking Wales Forward / Prosperity for All</p> <p style="text-align: center;">Page 200</p>	<p>Wales Strategy for prosperity and wellbeing to take forward the 4 key themes of Taking Wales Forward Programme for Government:</p> <ul style="list-style-type: none"> • Prosperous and Secure • Healthy and Active • Ambitious and Learning • United and Connected <p>And based around the 5 Priority Areas of:</p> <ul style="list-style-type: none"> • Early Years • Housing • Social Care • Mental Health • Skills and Employability 	<p>HAPS will contribute to the following priority areas of this strategy:</p> <p>Housing – the HAPS project will contribute to meeting new-build targets in Wales. There is a current shortage of energy efficient new housing in the region. HAPS will facilitate the adoption of a programme of new-build energy efficient housing, with integrated renewable energy, combined with an energy efficiency retrofit of existing stock to improve their energy efficiency will support meeting this target.</p> <p>Skills and employability – through links with the Skills and Talent project, the HAPS project will ensure that people have appropriate skills to take advantage of available employment opportunities linked to renewable technologies in housing. The HAPS project will work with employment initiatives to ensure unemployed (long and short-term) and economically inactive individuals can access appropriate skills training to increase their employment chances.</p> <p>This Plan sets the foundations for Wales to transition to a low carbon nation. Cutting emissions and the moving towards a low carbon economy bring opportunities around clean growth for business, as well as wider benefits for people and our environment. The HAPS project links directly into the following policy areas of the plan:</p> <p>Policy 32 – Developing Routes to Market for Renewable Technologies - The UK also needs newer and emerging technologies to continue to be developed, to provide a diverse mix of generation, which can also provide economic opportunities in exporting technology and expertise.</p> <p>Policy 33 – Increasing local ownership of energy generation. In 2018 Welsh Government held a call for evidence on the benefits of, and challenges in, increasing locally-owned generation⁴⁸. This demonstrated that increasing ownership of energy generation within Wales is likely to increase prosperity and we are now taking forward the actions indicated by the evidence. This includes developing a policy position on ownership of energy generation.</p> <p>Policy 36 - Market Regulation and Investment. In 2017 UK Government published the</p>
		<p>Policy 36 - Market Regulation and Investment. In 2017 UK Government published the 'Upgrading our Energy System: Smart Systems and Flexibility' plan. This set out actions government, Ofgem and industry will take to:</p> <p>remove barriers to smart technologies (such as storage and demand-side response); enable smart homes and businesses; and improve access to energy markets for new technologies and business models.</p>

<p>Innovation Strategy for Wales</p>	<p>This Strategy seeks to promote, encourage and enable innovation across the whole economy, with clear priorities identified and built on the acknowledged strengths of Wales. The Strategy is based around action across 5 main themes:</p> <ul style="list-style-type: none"> • improving collaboration • promoting a culture of innovation • providing flexible support and finance for innovation (in partnership with Welsh Government) • innovation in Government • prioritising and creating critical mass 	<p>HAPS will deliver against the 5 themes of the Innovation Strategy.</p>
<p>The Environment (Wales) Act</p> <p style="text-align: center;">Page 201</p>	<p>The Environment (Wales) Act puts in place legislation needed to plan and manage Wales' natural resources in a more proactive, sustainable and joined-up way. It seeks to position Wales as a low carbon, green economy, ready to adapt to the impact of climate change.</p> <p>Relevant sections of the Act are:</p> <ul style="list-style-type: none"> • Part 1: Sustainable management of natural resources in a more proactive, sustainable and joined-up way • Part 2: Climate change – provides Welsh Ministers with powers to put in place statutory emission reduction targets, including at least an 80% reduction in emissions by 2050 and carbon budgeting to support their delivery. This is vital within the context of existing UK and EU obligations, sets a clear pathway for decarbonisation and provides certainty and clarity for business and investment 	<p>The HAPS project will deliver against the targets of this act and will encourage smart, energy efficient homes to become standard, which in turn deliver reduction in emissions target and decrease energy demand.</p>

<p>Energy Wales: A Low Carbon Transition</p> <p style="writing-mode: vertical-rl; transform: rotate(180deg);">Page 202</p>	<p>The Welsh Government set out its proposals for transitioning to a sustainable, low carbon economy in Energy Wales: A Low Carbon Transition, in 2012. This aims to maximise the long-term economic benefits of the transition, ensuring communities benefit from energy infrastructure developments and careful planning and management of the relationship between energy development and the natural environment.</p> <p>The Welsh Government committed to prioritise efforts on:</p> <ul style="list-style-type: none"> •Leadership providing a clear, consistent framework for investors, regulators and decision-makers and infrastructure, coordination and stability to make Wales a great place to do business •Maximising jobs and wider economic benefits ensuring communities derive long-term benefits •Acting now for Wales’ long-term energy future supporting innovation, research, development and commercialisation in the areas that offer the greatest potential for long-term benefit <p>Delivery proposals include: priorities for action, high level milestones and a summary of deliverables for low carbon energy, energy efficiency, energy intensive industries, marine energy, regulatory regimes, infrastructure and other areas. As of April 2017, public services in Wales should use 100% renewable electricity, 50% of which will be generated in Wales. The Programme for Government, Taking Wales Forward 2016-2021, reconfirms the commitment to emissions reductions and support for renewable energy.</p> <p>In a statement in December 2016, the Cabinet Secretary for</p>	<p>The HAPS project delivers the targets of ‘A Low Carbon Transition’ by providing the evidence base for smart, energy efficient homes. It will also embed the industry in the region maximising jobs and long term economic development.</p>
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<p>Green Growth Wales: Local Energy</p>	<p>Sets out the approach to local energy in support of the strategic energy policy. The energy system is in a period of transition – an opportunity for Wales to take control of its own energy needs. The vision is for communities and businesses to use locally generated electricity and heat, from a range of renewable installations, to supply local demand and minimise dependence on central generation:</p> <ul style="list-style-type: none"> ▪ Creating local energy systems ▪ Tackling poverty for the long term ▪ Positioning Wales at the forefront of carbon reduction 	<p>The HAPS project will identify those developments which can be powered by local energy systems. The aim of HAPS is to demonstrate the reduction in energy demand through fabric first approach and energy efficient technologies.</p>
<p>Smart Living Wales</p> <p style="writing-mode: vertical-rl; transform: rotate(180deg);">Page 203</p>	<p>A range of emerging drivers in Wales and the UK have increased interest in how to intelligently balance, interconnect and integrate smarter solutions to assist the balancing of the energy trilemma - security, affordability and low carbon developments. The vision adopted in the Smart Living Demonstrator Framework is:</p> <p>“Wales has the opportunity to influence how we live with energy and resources in the future through demonstrators that will innovatively transform homes, businesses and communities providing multiple benefits for all.”</p> <p>‘Smart Living’ is a concept covering a range of policy and practical interventions that drive low carbon solutions that can deliver a range of societal benefits.</p>	<p>It is within this context that the HAPS project will be developed and delivered</p>

<p>Independent Review of Affordable Housing</p>	<p>the then Minister for Housing and Regeneration, and includes the following recommendations:</p> <ol style="list-style-type: none"> 1.Introduction of a requirement for all new affordable homes to be near zero carbon / EPC 'A' using a fabric first approach from 2021, supplemented by technology (renewables) if required 2.Continue to support the trialling of Modern Methods of Construction (MMC) to help establish which methods can contribute to the objective of increasing the scale and pace of affordable housing provision with the existing resources available. 	<p>Information to be provided</p>
<p>Smarter Energy Future for Wales</p> <p style="writing-mode: vertical-rl; transform: rotate(180deg);">Page 204</p>	<p>The National Assembly for Wales Environment and Sustainability Committee recommends moving to 'near-zero' carbon emissions as the new Welsh Housing Quality standard. It also strongly advocates for local energy systems, with grid level local prioritisation for Welsh customers, based on net positive buildings and homes.</p> <p>The report emphasises the importance of local, sustainable, supply chains for technology development, supply and fitting, increasing Welsh resilience and delivering carbon cuts through the framework laid out in the Wellbeing of Future Generations Act. Finally, the report recommends setting up a not-for-profit, publicly owned energy company, a suggestion that has been endorsed by Ofgem.</p>	<p>HAPS aims to develop a regional skilled and sustainable supply chain which is aligned to the aim of this report.</p>
<p>Prosperity for All - A Low Carbon Wales</p>	<ul style="list-style-type: none"> • Key areas of environmental improvement including industry, transport and waste • Driving sustainable growth and modern infrastructure 	<p>Information to be provided</p>

National Development Framework	<p>The National Development Framework for Wales addresses national priorities through the planning system, including:</p> <ul style="list-style-type: none"> •sustaining and developing a vibrant economy, •decarbonisation, •developing resilient ecosystems, •improving the health and well-being of our communities. 	<p>The local authority partners will identify development areas across all sectors where the HAPS approach can be adopted.</p>
<p>Tackling Fuel Poverty 2021-2035</p> <p style="writing-mode: vertical-rl; transform: rotate(180deg);">Page 205</p>	<p>Welsh Government has set 3 main targets to determine how successful the Welsh Government has been at achieving the statutory objective in tackling fuel poverty, these are; 1) ensure no households are estimated to be living in severe or persistent fuel poverty as far as reasonable practicable, 2) Not more than 5% of households are estimated to be living in fuel poverty at any one time as far as reasonably practicable 3) the number of all households “at risk” of falling into fuel poverty will be more than halved based on the 2018 estimate.</p>	<p>The HAPS project has clear alignment to these targets and will support in the co-ordination of this work across south west Wales. Ensuring supporting data is gathered and shared will help inform a wider audience and build on best practice to inform a faster roll out of the HAPS concepts within the private sector.</p>

Regional

The Economic Regeneration Strategy for Swansea Bay aims to strengthen the economy and boost productivity for the City Region area and sets out the Strategic Framework for intervention through 5 Strategic Aims Strategic Aims:

- Business Growth, Retention and Specialisation
- Skilled and Ambition for long term success
- Maximum job creation for all
- Knowledge Economy and Innovation
- Distinctive Places and Competitive Infrastructure.

HAPS is one of nine projects and programmes prioritised to deliver the Swansea Bay City Deal ‘Internet Coast’ strategy, based on the Swansea Bay City Region Economic Regeneration Strategy 2013 – 2030.

The Swansea Bay City Deal is supported by the evidence-based Swansea Bay City Region Economic Regeneration Strategy 2013 – 2030. This strategy comprises five strategic aims to deliver the ambitious vision: ‘By 2030, South West Wales will be a confident, ambitious and connected City Region, recognised internationally for its emerging knowledge and innovation economy’.

HAPS is aligned to each of the five strategic aims of this strategy:

- Business growth, retention and specialisation – supporting the creation of new industry in the region, supporting locally-based business growth and creating a sustainable supply chain
- Skilled and ambitious for long-term success – working closely with the Skills and Talent City Deal project to ensure the region’s workforce has the appropriate skills to maximise the opportunity of HAPS
- Maximising job creation for all – supporting diversification of the economy, through the creation of employment opportunities linked to the green growth economy and a sustainable indigenous supply chain
- Knowledge economy and innovation – establishing the Swansea Bay City Region as a test bed for smart, low carbon, energy efficient homes and associated product development and commercialisation of innovation
- Distinctive places and competitive infrastructure – providing an attractive infrastructure asset for the region

Strategic Alignment

Strategy / Policy	Core Principles	How the Project Aligns
UK		
<p>Industrial Strategy 2017</p> <p style="writing-mode: vertical-rl; transform: rotate(180deg);">Page 207</p>	<p>UK Government long term strategy to boost productivity through the creation of jobs and by increasing the earning power of people throughout the UK with investment in skills, industries and infrastructure. The strategy is supported through 5 Foundations of:</p> <ul style="list-style-type: none"> • Ideas: the world’s most innovative economy • People: good jobs and greater earning power for all • Infrastructure: a major upgrade to the UK’s infrastructure • Business Environment: the best place to start and grow a business • Places: prosperous communities across the UK. <p>The Strategy also recognises the Grand Challenges of</p> <ul style="list-style-type: none"> • Artificial Intelligence and data • Ageing society • Clean growth • Future of mobility 	<p>PDM addresses the three Challenges laid out in the UK Industrial Strategy:</p> <ol style="list-style-type: none"> 1. Build on our strengths and extend excellence into the future; Pembroke Dock Marine builds upon existing infrastructure and skill base. Not only will this revitalise and increase resilience to the existing supply chain, but it will mean that decades of marine engineering experience will survive and disseminate learning into the nascent marine energy industry and other new and established industries in the wider maritime economy. Wales is already progressing the marine energy opportunity. In April 2019, the total investment in marine energy projects in Wales stands at £96.2 million. Marine energy development in Wales (including technology and site development alongside academic research) have directly created over 566 person years of employment and there are currently 133 Full Time Equivalent (FTE) jobs in Wales in the marine energy sector.²³ Pembroke Dock Marine FBC: Strategic Case 21 2. Close the gap between the UK’s most productive companies, industries, places and people and the rest; Pembroke Dock Marine is focused on increasing productivity, directly working to manage the current disbalance in productivity between the UK and Europe by 20% as highlighted in the Industrial Strategy. Having infrastructure, testing facilities, supply chain availability, commercial deployment areas and the ORE Catapult-led Centre of Excellence, all in Pembroke Dock, will deliver cost effective technology development and enhance productivity. PDM also includes a Rochdale envelop consent process. Combined, these elements mean that developers can dedicate their focus on the technical design and implementation – rather having to develop their own test facilities and having to solve industry-wide problems in isolation. Much of this productivity loss can be mitigated by PDM, providing shared, managed facilities and convening consortia to address common problems in a geographic location where they can prosper, thus enabling technology developers to concentrate on their core function. The marine energy sector will leverage the expertise of, and provide a major diversification opportunity for, the existing world leading UK marine and maritime industries. These industries are already worth £17bn a year to the UK economy²⁴ but need new applications and markets if current levels of employment and contribution to the economy are to be maintained and expanded. The Green Paper²⁵ highlights disparities in economic performance across the UK. The marine energy industry, by the very nature of where the key wave and tidal resource are located (often remote, coastal communities) is bringing new opportunities to peripheral economies and communities where jobs are needed most. It is actively supporting the supply chain cluster around Pembroke

		<p>are located (often remote, coastal communities) is bringing new opportunities to peripheral economies and communities where jobs are needed most. It is actively supporting the supply chain cluster around Pembroke Dock, allowing for diversification away from traditional marine engineering and the oil & gas sectors, and enhancing economic/supply chain resilience in Pembrokeshire. It should be noted that wave and tidal resources in the UK are concentrated along the western coast. Developing these resources would bring the west coast into a better balance with the east coast, where offshore wind is providing real economic benefits. A key activity for MEECE will be to explore the potential for transferring knowledge, skills and processes from other sectors, such as automotive and aerospace, into marine energy. Knowledge sharing from these highly productive sectors can help increase productivity in the supply chain around Pembroke Dock.</p>
<p>Climate Change Act</p> <p style="writing-mode: vertical-rl; transform: rotate(180deg);">Page 208</p>	<p>The UK's emissions targets were revised in 2019 to be net zero greenhouse gases by 2050. The Committee on Climate Change's 2018 progress report to Parliament, Reducing UK Emissions, outlined four messages to Government to get emissions reductions on track. It identified the need to 'Act now to keep long-term actions open' and specifically referenced floating wind a type of emerging technology that could offer cost reduced low carbon energy generation. This will be a critical step in ensuring the need is met for a diverse portfolio of low carbon technology that will meet the increasing electricity demands towards 2050 as stated in the report.</p>	<p>3. Make the UK one of the most competitive places in the world to start or grow a business. Pembroke Dock Marine is about creating the right conditions for the new and growing blue economy to thrive. Its unique offering of transmission infrastructure, supply chain capability, natural resource and facilities (albeit in need of modernisation) provides the best value for money opportunity for UK and Welsh Governments to support the sector to commercialise whilst lowering its cost of energy, improving its competitiveness in the UK and Global Markets. There is significant global interest in Wales, as demonstrated by the presence of Swedish company Minesto in Anglesey, and by the commitments from several other non-UK developers to take berths at the Morlais Tidal Demonstration Zone, off Anglesey – Aquantis (US), Instream (Canada), OpenHydro (France), TidalStream (Germany), Tocardo (Netherlands) and Verdant Isles (Ireland). The Australian wave energy developer, Bombora Wave Power, relocated its European operations to Pembroke Dock, bringing its CEO, CTO and Global Development Manager from Perth, Western Australia to commercialise their technology in Pembrokeshire. British companies such as Wave-tricity and Marine Power Systems are already based in Pembroke Dock, and Scottish tidal power company Nova Innovation has recently opened an office in Caernarvon, to support a planned development off Bardsey Island. This demonstrates that due to both Wales' excellent natural resource advantages and appropriately timed strategic interventions, Wales is already a competitive place to start or grow a marine energy business. PDM will enhance this. META, PDZ and MEECE will offer the ability to innovate, demonstrate and validate technologies, and Pembroke Dock Infrastructure upgrades will offer developers unrivalled deployment capabilities, and an optimal base for operations and maintenance. On a UK level, there are four marine energy test facilities already established. These are EMEC on Orkney, FabTest in Falmouth, Wave Hub in Cornwall, and the National Renewable Energy Centre in Northumberland. The marine infrastructure of META and PDZ align with and add value to this current offering. The addition of META fills an early stage gap in this network of test sites – it allows device 24 UK Marine Industries Alliance, (2011) A Strategy for Growth for the UK Marine Industries manufacturers to work with their local supply chain and test early stages of devices (subassemblies and components) and to trial deployment techniques, before moving to the other, larger and more remote test sites for longer term testing. This is a level of de-risking that is not readily available to device developers currently. PDZ bridges the gap in the current offering of the test facilities between testing and commercialisation with the provision of a facility to take a developed device and demonstrate operation in multiples within an array for large</p>

		<p>identified and tested and array scale technology deployment can be demonstrated to commercial investors. With META in place, the UK test site network enables developers to cover the full range of testing service through the Technology Readiness Levels (TRL) levels, from laboratory-scale to grid connected testing in an offshore environment. With PDZ, technologies are taken from the highest TRL to demonstration of operation and generation at array scale significantly reducing investment risk for future project developments and identifying cost reduction opportunities for future developments. This network is unique and no other country in the world provides this range of established facilities, making the UK a truly competitive place to start and grow a business.</p>
<p>Climate Emergency</p>	<p>Climate emergency declarations have been made internationally. This includes UK and Welsh Governments, and all but one of the regions covered by the Swansea Bay City Deal (Neath Port Talbot has instead announced a Decarbonisation and Renewable Energy Strategy). The focus is to increase ambition to adopt more ambitious targets for reaching net zero emissions.</p>	<p>The three Challenges that the Industrial Strategy identifies are to be supported by Ten Pillars, and PDM will directly support eight of these as detailed in the Project Business Case (refer to the FBC for a comprehensive breakdown of these):</p>
<p>UK Government Marine Policy Statement</p>	<p>Marine renewable energy can provide employment thus creating wide and long-term benefits for both national and local economies. (2.5.3) A secure, sustainable and affordable supply of energy is of central importance to the economic and social wellbeing of the UK. (3.3.1) Marine renewable energy, particularly wave and tidal stream technologies have significant potential in the medium to long-term, (3.3.3) up to 20% of the UK's current energy demand (3.3.21) "It is important for marine planning to take account of appropriate locations for such developments".</p>	<p>1. Investing in science, research and innovation</p>

<p>Marine Strategy Framework Directive</p> <p style="text-align: center;">Page 210</p>	<p>The aim of the European Union’s Marine Strategy Framework Directive (MSFD) is to protect the marine environment across Europe, where fundamental to the MSFD is the aim to achieve Good Environmental Status (GES) of the EU’s waters by 2020. Of relevance to the marine energy industry, the MSFD seeks to address the impact of impulse underwater (anthropogenic) noise into the marine environment, which can provide adverse environmental affects to marine wildlife and habitats. Due to the high level of uncertainty about the effects of noise, the UK consultation on the MSFD has highlighted that it has not been possible to recommend a specific target for impulse noise which is believed to be equivalent to</p>	<p>2. Developing skills</p>
<p>Catapults</p>	<p>Various Streams, including: Digital, Energy, Future Cities, High Value Manufacturing, Offshore renewable energy and transport systems</p>	<p>3. Upgrading infrastructure</p>

Clean Air Strategy	<p>The Clean Air Strategy details the Government’s approach to tackle all sources of air pollution, making air healthier to breathe, protecting nature and boosting the economy. The Strategy is to deliver it’s objectives through the following priority actions:</p> <ul style="list-style-type: none"> •Securing clean growth and innovation •Action to reduce emissions from transport •Action to reduce emissions at home •Action to reduce emissions from farming •Action to reduce emissions from industry 	4. Supporting businesses to start and grow
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<p>Clean Growth Strategy</p> <p style="text-align: center;">Page 212</p>	<p>The strategy sets out proposals for decarbonising all sectors of the UK economy through the 2020s. It explains how the whole country can benefit from low carbon opportunities, while meeting national and international commitments to tackle climate change.</p> <p>The strategy sets out a comprehensive set of policies and proposals that aim to accelerate the pace of 'clean growth', i.e. deliver increased economic growth and decreased emissions.</p> <ul style="list-style-type: none"> •Accelerating clean growth •Improving business and industry efficiency •Improving the energy efficiency of our homes •Rolling out low carbon heating •Accelerating the shift to low carbon transport •Delivering Clean, Smart, Flexible Power •Enhancing the benefits and value of our natural resources <p>The Strategy recognises that it is only</p>	<p>6. Encouraging trade and inward investment</p>
<p>Wales</p>		<p>7. Delivering affordable energy and clean growth</p>

Wellbeing of Future Generations Act 2015

The Well-being of Future Generations Act requires public bodies in Wales to think about the long-term impact of their decisions, to work better with people, communities and each other, and to prevent persistent problems such as poverty, health inequalities and climate change.

There are 7 Wellbeing Goals:

- A Prosperous Wales
- A Resilient Wales
- A More Equal Wales
- A Healthier Wales
- A Wales of Cohesive Communities
- A Wales of Vibrant Culture and Thriving Welsh Language
- A Globally Responsible Wales

The Act also identifies 5 Ways of Working:

- Long Term
- Integration
- Involvement
- Collaboration
- Prevention

8. Cultivating world-leading sectors

Prosperity for All	Wales Strategy for prosperity and wellbeing to take forward the 4 key themes of Taking Wales Forward Programme for Government: <ul style="list-style-type: none">• Prosperous and Secure• Healthy and Active• Ambitious and Learning• United and Connected And based around the 5 Priority Areas of: <ul style="list-style-type: none">• Early Years• Housing• Social Care• Mental Health• Skills and Employability	9. Driving growth across the whole country
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<p>Wales Infrastructure Investment Plan</p>	<p>The Wales Infrastructure Investment Plan for Growth and Jobs sets out the Welsh Government’s strategic investment priorities, provides a detailed account of sectoral investment plans and sets out the key elements of a new approach to infrastructure investment. The Plan identifies the following investment priorities:</p> <ul style="list-style-type: none"> • Improving transport networks, in particular east-west links in North and South Wales. • Improving telecommunications networks. • Supporting the development of the energy industry in Wales. • Investing in housing. • Delivering more efficient and economical public services. • Improving the quality of the educational estate. • Developing our Enterprise Zones. 	<p>PDM will directly support a central aim of the WIIP which is to support the development of the energy industry in Wales (the industry’s importance to Wales is reflected in the WIIP Mid-point Review 2018 (May 2018), which identified that €100m of ERDF has recently been allocated for tidal stream and marine energy projects in Wales) and will use existing resources to create this enhanced infrastructure that has cross-industry application and minimal impact on surrounding civic infrastructure.</p>
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<p>Innovation Strategy for Wales</p>	<p>This Strategy seeks to promote, encourage and enable innovation across the whole economy, with clear priorities identified and built on the acknowledged strengths of Wales. The Strategy is based around action across 5 main themes:</p> <ul style="list-style-type: none"> • improving collaboration • promoting a culture of innovation • providing flexible support and finance for innovation (in partnership with Welsh Government) • innovation in Government • prioritising and creating critical mass 	<p>Innovation Wales identifies some key themes where Wales needs to improve its innovation performance, and PDM will help to deliver these themes as follows:</p> <ul style="list-style-type: none"> • Improving collaboration PDM is itself a collaboration, and MEECE’s whole business model embraces the ethos of collaboration, and indeed must embrace collaboration as a main innovation delivery mechanism. • Promoting a culture of innovation ORE Catapult is the UK’s flagship technology innovation and research centre for advancing wind, wave and tidal energy. Through MEECE, Catapult will bring its experience in promoting and capturing innovation to Pembrokeshire and Wales, leveraging that experience by using META’s and, if built, PDZ’s unique facilities to trial, demonstrate and validate those innovations. • Providing flexible support and finance for innovation While MEECE will not be able to offer grants to companies, it can provide innovation support through a number of mechanisms, ranging from de minimus aid (free to the company) to fully collaborative projects where all consortium members share costs and benefits. • Prioritising and creating critical mass Under this theme, Innovation Wales recommends that Welsh Government investment should be prioritised around existing or emerging capabilities. PDM meets this criterion, as it builds on proven capabilities in Pembroke Dock, proven capabilities in the development and operation of a world leading test facility by Wave Hub Ltd. and the previous academic expertise developed through the Low Carbon Research Institute (LCRI)
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<p>Energy Wales: A Low Carbon Transition</p>	<p>The statement outlines the Welsh Government’s ambition to transition to a low carbon economy and ensure that economic benefits and jobs and real community benefits continue to be delivered. The commitment will ensure:</p> <ul style="list-style-type: none"> • Engage and support businesses that help us to achieve our low carbon ambition – ensuring that Wales is the best possible place to do business by being responsive to the needs of businesses and industry as a cornerstone of our approach. • Strive to ensure that our regulatory processes are as simplified and efficient as they can be and provide businesses with clarity and stability. • Engage the UK Government to ensure that there is a credible framework for capital investment to support the transition to a low carbon economy, that the market mechanisms proposed by the Electricity Market Reform are implemented with greater clarity and speed and that they address current 	<p>PDM will contribute strongly to the ambition to create a sustainable, low carbon economy for Wales, by supporting the development of a thriving marine energy sector in Wales.</p> <p>The policy document states that the Welsh Government will:</p> <ul style="list-style-type: none"> • Lead the drive to develop a competitive marine energy sector in Wales. PDM will support this drive by providing essential port infrastructure, test and demonstration facilities and innovation support. • Identify strategic sites for wave and tidal stream developments and the wider actions that will be needed to support them. Morlais and PDZ have been identified as Demonstration Zones for tidal and wave respectively. PDM will be part of the ‘wider actions’ that support them. • Work with The Crown Estate and industry to bring forward a marine energy leasing round for Welsh waters as soon as possible. This has been achieved through The Crown Estate leases for Morlais and PDZ. PDM will support both Demonstration Zones. • Provide robust and timely information and guidance to the emerging marine renewable energy sector on the nature of the opportunities in Welsh waters. PDM will support the sector in realising these opportunities. • Work with partners to promote Wales as a centre for marine renewables. MEW and PoMH are already key partners in such promotion, and the addition of META, PDZ and MEECE will strengthen this message. • Investigate mechanisms for advancing the deployment of marine energy arrays. The PDZ is a strategic site that has been identified for wave energy array demonstrations and leased as such by the Crown Estate. PDM will support the sector in developing their device technologies to a level where array deployments in PDZ become feasible. PDZ itself could enable deployment of marine energy arrays to the order of tens of megawatts.
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Securing Wales Future

This White paper sets out the main issues, which Welsh Government and Plaid Cymru have identified as vital for Wales as the UK transitions away from being a member of the European Union. The document underpins the negotiating position Wales needs to have in place to ensure the country maintains its economic performance in the wake of BREXIT. The project demonstrates good alignment with the rationale behind Wales' position as set out in this document, which is summarised below. Wales is a world-facing nation with the majority of its border comprising of coastline. Marine based transport offers the most cost effective and environmentally friendly method of moving goods from Wales to global markets both within the EU and outside. Investments in Port areas such as those proposed by PDM to support green growth initiatives will improve the economic attractiveness of businesses locating themselves in Wales and support them to grow to meet the needs of a global marine energy prize worth an estimated £76bn by 2050 with a sustainable floating offshore

PDM will be globally significant, offering an opportunity to promote not only marine energy in Wales but wider commercial interests abroad. The project will continue to attract inward investment from around the world, creating or safeguarding jobs as well as increasing inward migration of innovators and business leaders. The links between the sector and academia should also contribute attracting students to Wales' Higher Education facilities. As business' targeting global markets anchor themselves in Wales, the £248m contribution to the Welsh Economy (2013-15) from export of power generating machinery and equipment would be increased.

<p>Energy Policy Statement: A Low Carbon Revolution</p>	<p>The Policy Statement outlines the Welsh Governments Main Actions in the drive towards energy efficiency and low carbon energy. These Actions are:</p> <ul style="list-style-type: none"> •Action on energy efficiency and small scale renewables •Action to produce low carbon electricity on a large scale •Low carbon renewables <ul style="list-style-type: none"> - Marine: offshore wind, tidal range, tidal stream and wave energy - Onshore wind - Hydropower and geothermal schemes - Bioenergy/Waste •Low carbon nuclear power •Low carbon large scale fossil fuel power generation with carbon 	<p>Pembroke Dock Marine directly encourages the establishment of new renewable energy industries that will reduce</p>
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<p>Economic Prioritisation Framework</p> <p style="text-align: center;">Page 220</p>	<p>The EPF recognises that EU funds are only one piece of the overall investment jigsaw across Wales and it points the way to joining up the pieces. In doing so, it assists both WEFO and potential beneficiaries in determining how to target the activities set out within the Welsh Operational Programmes/ programming documents. The EPF will help identify the opportunities and investments in a geographical or specific thematic area. Operations seeking EU funding support will be expected to describe how they can contribute to, interact with or complement relevant opportunities or investments in ways which can add value and provide wider benefits. It details the programmes and initiatives being developed and delivered in the South West Wales area.</p>	<p>Pembroke Dock Marine is focused on creating the right conditions for industrial growth. While the infrastructure will create value across a wide section of the maritime sector, it will be ideal for maximising market opportunity from the nascent and diverse marine energy sector in the immediate instance. This is not a development built around displacement – these are new facilities that will add to the current UK marine energy proposition and allow the industry to benefit for gains in innovation and operational efficiencies.</p> <p>The new industrial growth will be supported by Pembrokeshire’s extensive engineering supply chain. Originally grown around the oil and gas industry, the supply chain has been increasingly pressured with refinery closures. PDM will support supply chain resilience and, in doing so, will ensure a robust and reliable supply chain continues to be available for Valero. It will create high skill, year-round jobs for both the current and future employment markets. Marine energy specifically has significant focus on the STEM skill base. Beyond the dedicated marine energy jobs, a wider cross-section of skills will be created in the supporting supply chain. Pembroke Dock Marine has two key aims – to enhance operational efficiency (driving industrial costs down) and enhanced innovation. The creation of MEECE will focus on increasing collaboration to support innovation and ultimately creating Pembrokeshire based intellectual property.</p>
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<p>Wales National Marine Plan</p> <p style="text-align: center;">Page 221</p>	<p>The Plan has an overarching aim to support the sustainable development of the Welsh marine area by contributing across Wales' well-being goals, supporting the Sustainable Management of Natural Resources (SMNR) through decision making and by taking account of the cumulative effects of all uses of the marine environment.</p> <p>Objectives:</p> <ul style="list-style-type: none"> •Contribute to a thriving Welsh economy by encouraging economically productive activities and profitable and sustainable businesses that create long term employment at all skill levels. •Support the opportunity to sustainably develop marine renewable energy resources with the right development in the right place, helping to achieve the UK's energy security and carbon reduction objectives, whilst fully considering other's interests, and ecosystem resilience. •Provide space to support existing 	<p>PDM will assist in achieving the objectives of the Marine Plan by providing pre-consented test areas for marine energy device testing in close proximity to the Strategic Resource Areas.</p>
	<p>the coexistence of compatible activities, the mitigation of conflicts between users and, where possible, by reducing the displacement of existing activities.</p>	
<p>Innovation Wales</p>	<ul style="list-style-type: none"> • 	<p>Recognise the significant value of coastal tourism and recreation to the Welsh economy and well-being and ensure such activity and potential for future growth are appropriately safeguarded. Ensuring a strong, healthy and just society</p>
<p>Regional</p>	<ul style="list-style-type: none"> • 	<p>Contribute to supporting the development of vibrant, more equitable, culturally and linguistically distinct, cohesive</p>

Swansea Bay City Region Economic Regeneration Strategy	•	Support enjoyment and stewardship of our coasts and seas and their resources by encouraging equitable and safe access to a resilient marine environment, whilst protecting and promoting valuable landscapes, seascapes and historic assets.
West Wales and the Valleys ERDF Operational Programme	•	Improve understanding and enable action supporting climate change adaptation and mitigation. Living within environmental limits
Natural Resources Policy	•	Support the achievement and maintenance of Good Environmental Status (GES) and Good Ecological Status (GeS).

Strategic Alignment

Strategy / Policy	Core Principles	How the Project Aligns
UK		
Industrial Strategy 2017 Page 223	<p>UK Government long term strategy to boost productivity through the creation of jobs and by increasing the earning power of people throughout the UK with investment in skills, industries and infrastructure. The strategy is supported through 5 Foundations of:</p> <ul style="list-style-type: none"> • Ideas: the world's most innovative economy • People: good jobs and greater earning power for all • Infrastructure: a major upgrade to the UK's infrastructure • Business Environment: the best place to start and grow a business • Places: prosperous communities across the UK. <p>The Strategy also recognises the Grand Challenges of</p> <ul style="list-style-type: none"> • Artificial Intelligence and data • Ageing society • Clean growth • Future of mobility 	<ul style="list-style-type: none"> • Enhance competitiveness of regional economy by creating a knowledge ecosystem with suitable infrastructure to drive growth • Innovation in decarbonisation, energy generation and use, construction techniques and air quality improvement • Strengthen regional economic base through supporting critical industries, while diversifying and developing supplementary industries to reduce reliance on existing manufacturing base • Use of hydrogen as a clean fuel will accelerate the growth of the green economy • Increasing productivity and helping to close the GVA gap between the region and the rest of Wales and between Wales and the rest of the UK • Providing capacity for innovation to support regional and UK industrial base • Encouraging creation of new businesses to capitalize on the research and development in the region • Improving the retention and attraction of University graduates and academics within the area • Working with partners across the UK, developing a knowledge economy in the region • Highly complementary to projects already funded such as the Cardiff University Flexis project, further enhancing innovation and industrial collaboration across the region

Climate Change Act	<p>The UK's emissions targets were revised in 2019 to be net zero greenhouse gases by 2050. The Committee on Climate Change's 2018 progress report to Parliament, Reducing UK Emissions, outlined four messages to Government to get emissions reductions on track. It identified the need to 'Act now to keep long-term actions open' and specifically referenced floating wind a type of emerging technology that could offer cost reduced low carbon energy generation. This will be a critical step in ensuring the need is met for a diverse portfolio of low carbon technology that will meet the increasing electricity demands towards 2050 as stated in the report.</p>	<p>The Climate Change Act is the basis for the UK's approach to committing the Government to reduce emissions by at least 80% of 1990 levels by 2050, with 5 yearly interim targets.</p> <p>The SILCG is aligned to this Act by transitioning to a low carbon economy.</p>
Clean Air Strategy Page 224	<p>The Clean Air Strategy details the Government's approach to tackle all sources of air pollution, making air healthier to breathe, protecting nature and boosting the economy. The Strategy is to deliver it's objectives through the following priority actions:</p> <ul style="list-style-type: none"> •Securing clean growth and innovation •Action to reduce emissions from transport •Action to reduce emissions at home •Action to reduce emissions from farming •Action to reduce emissions from industry •Leadership at all levels 	<p>The DEFRA Clean Air Strategy sets out the comprehensive actions required across all parts of government and society to improve air quality.</p> <p>The SILCG programme is aligned to this strategy as it will support reduction in emissions from industry and transport and monitor air quality.</p>

The strategy sets out proposals for decarbonising all sectors of the UK economy through the 2020s. It explains how the whole country can benefit from low carbon opportunities, while meeting national and international commitments to tackle climate change.

The strategy sets out a comprehensive set of policies and proposals that aim to accelerate the pace of 'clean growth', i.e. deliver increased economic growth and decreased emissions.

- Accelerating clean growth
- Improving business and industry efficiency
- Improving the energy efficiency of our homes
- Rolling out low carbon heating
- Accelerating the shift to low carbon transport
- Delivering Clean, Smart, Flexible Power
- Enhancing the benefits and value of our natural resources

The Strategy recognises that it is only through innovation that new technologies will be developed and the cost of clean technologies come down.

SILCG is aligned to the aim of clean growth i.e. economic growth while reducing greenhouse gases.

- decarbonising all sectors of the UK economy through the 2020s
- The SILCG will support low carbon industries
- The SILCG will support the BEIS ambition to accelerate the commercialisation of clean energy technologies and investment in smart energy systems.

<p>Clean Air Plan for Wales Consultation</p> <p style="text-align: center;">Page 226</p>	<p>The aim of the Clean Air Plan for Wales is to improve air quality and reduce the impacts of air pollution on human health, biodiversity, the natural environment and the economy. This Plan supports delivery of commitments under Prosperity for All: our national strategy. In particular, ‘reducing emissions and delivering vital improvements in air quality’ to support ‘healthier communities and better environments’.</p> <p>This Plan sets out a 10-year pathway to achieving cleaner air. The Plan is structured around four core themes, with actions to enable collaborative approaches to reducing air pollution.</p> <ul style="list-style-type: none"> • People: Protecting the health and well-being of current and future generations • Environment: Taking action to support our natural environment, ecosystems and biodiversity • Prosperity: Working with industry to reduce emissions, supporting a cleaner and more prosperous Wales • Place: Creating sustainable places through better planning, infrastructure and transport. 	<ul style="list-style-type: none"> • Clean air is essential for good health – this programme will enhance monitoring to better understand how and where impacts on air quality are made • Focus on identifying sources of PM10s and hence identify corrective actions
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<p>Commercial Property: Market Analysis and Potential Interventions</p>	<p>To inform the new Property Delivery Plan, the report sets out an analysis of the Welsh commercial property market, including current and likely demand, property market responses and the extent to which there is a gap in supply. It also considers potential priorities for, and approaches to, intervention. In line with the Welsh Government's regional approach to economic development, it outlines the priorities for intervention within South East Wales, South West and Mid Wales and North Wales. The report contains an analysis of the property market for South West and Mid Wales.</p>	<ul style="list-style-type: none"> • Supports intervention through creation of 900,000 sq ft of new space over a rolling three-year period, providing premises in a new way • Creation of this space will support indigenous business and encourage inward investment through delivering a modern, attractive and suitable infrastructure for innovative development
<p>Ten Point Plan for a Green Industrial Revolution</p>	<p>The Government's Ten Point Plan lays the foundations for a Green Industrial Revolution. The Plan supports the creation of jobs and economic growth around the green economy through the following sectors and activities:</p> <ul style="list-style-type: none"> •Advancing Offshore Wind •Driving the Growth of Low Carbon Hydrogen •Delivering New and Advanced Nuclear Power •Accelerating the Shift to Zero Emission Vehicles •Green Public Transport, Cycling and Walking •Jet Zero and Green Ships •Greener Buildings •Investing in Carbon Capture, Usage and Storage •Protecting Our Natural Environment •Green Finance and Innovation 	<p>SILCG programme is aligned to the aim to 'build back better: to invest in making the UK a global leader in green technologies.</p> <ul style="list-style-type: none"> •SILCG will stimulate the growth of low carbon hydrogen •SILCG will support the ambition to the shift to zero emission vehicles •SILCG will construct greener buildings •SILCG will support green innovation •Port Talbot is identified in the plan as one of the places in the UK pioneering the decarbonisation of transport industry and power

Road to Zero	<ul style="list-style-type: none"> •Transition to zero emission road transport. •Reduction in emissions from conventional vehicles 	<p>The Road to Zero Strategy outlines the mission to put the UK at the forefront of the design and manufacture of zero emission vehicles.</p> <ul style="list-style-type: none"> •The target is for all new cars and vans to be zero emission by 2040. •It also aims to reduce emissions from conventional vehicles during the transition. •The SILCG programme aligns to this as it will develop a regional LEV strategy and coordinate funding opportunities / charging points activity to increase the number of charge points in the region. •The strategy states that the UK is well placed to be a global leader in hydrogen and fuel cell powered transportation which aligns to the SILCG programme
UK Levelling Up	<p>UK Government programme to level up the UK to transform places and boost local growth through strong innovation and a climate conducive to private sector investment, better skills, improved transport systems, greater access to culture, stronger pride in place, deeper trust, greater safety and more resilient institutions.</p>	<p>Support economic growth through the private sector Deliver actions to support the UK's transition to Net Zero Support Technological Transformation</p>
<p>Wales</p>		

<p>Wellbeing of Future Generations Action 2015</p> <p style="text-align: center;">Page 229</p>	<p>The Well-being of Future Generations Act requires public bodies in Wales to think about the long-term impact of their decisions, to work better with people, communities and each other, and to prevent persistent problems such as poverty, health inequalities and climate change.</p> <p>There are 7 Wellbeing Goals:</p> <ul style="list-style-type: none"> •A Prosperous Wales •A Resilient Wales •A More Equal Wales •A Healthier Wales •A Wales of Cohesive Communities •A Wales of Vibrant Culture and Thriving Welsh Language •A Globally Responsible Wales <p>The Act also identifies 5 Ways of Working:</p> <ul style="list-style-type: none"> •Long Term •Integration •Involvement •Collaboration •Prevention 	<ul style="list-style-type: none"> • Providing high quality jobs and training opportunities, which will lead to improved health, stronger community cohesion and a more vibrant culture • Creating a culture of innovation in the SBCR and diversifying the economic base of the area, through sustainable development aligned to global needs • Anticipated spin-out companies will stimulate further private and public investment in the region • Safeguarding of existing, highly-skilled and well-paid jobs • Creating an attractive region to live and do business in, with opportunities available to all
<p>Prosperity for All</p>	<p>Wales Strategy for prosperity and wellbeing to take forward the 4 key themes of Taking Wales Forward Programme for Government:</p> <ul style="list-style-type: none"> •Prosperous and Secure •Healthy and Active •Ambitious and Learning •United and Connected <p>And based around the 5 Priority Areas of:</p> <ul style="list-style-type: none"> •Early Years •Housing •Social Care •Mental Health •Skills and Employability 	<ul style="list-style-type: none"> • Creating high-value jobs leading to national prosperity •Encourage a robust talent pipeline, benefitting the region through higher wages and lower levels of underemployment • Provides a focus for inward investment together with indigenous innovation • Providing the right environment for businesses to thrive • The project will house state of the art research equipment and will attract top-class talent to the area leveraging collaboration across the globe • Delivering wider benefits to the regional community

<p>Economic Action Plan</p>	<p>The purpose of the Economic Action Plan is to support delivery of Prosperity for All – the national strategy for Wales. The Plan sets out a vision for inclusive growth, built on strong foundations, supercharged industries of the future and productive regions. The Plan focusses on boosting productivity and addressing inequality. The Plan presents Calls to Action on a number of areas including:</p> <ul style="list-style-type: none"> •Decarbonisation •Innovation •High quality employment and skills development •Research and development 	<ul style="list-style-type: none"> • Focus on decarbonisation clearly aligns with key aims • Accelerating low-cost energy generation • Investment in human capital, infrastructure and innovation to address productivity gap • A locus of innovation and research in the Neath Port Talbot region will strengthen the existing local economy and create new sustainable opportunities • Creating quality jobs and delivering industrially relevant training in future-focused technologies and applications will support people-driven economic growth • Enabling public investment with social purpose, delivering increased value • Supporting public sector to become exemplar and drive green growth
<p>Welsh Government Innovation Wales</p> <p style="writing-mode: vertical-rl; transform: rotate(180deg);">Page 230</p>	<p>This Strategy seeks to promote, encourage and enable innovation across the whole economy, with clear priorities identified and built on the acknowledged strengths of Wales. The Strategy is based around action across 5 main themes:</p> <ul style="list-style-type: none"> • improving collaboration • promoting a culture of innovation • providing flexible support and finance for innovation (in partnership with Welsh Government) • innovation in Government • prioritising and creating critical mass 	<ul style="list-style-type: none"> • Leading the way through public sector exemplar investment in a cohesive low carbon strategy for the region • Improved opportunities for supply chain productivity • Innovation in decarbonisation will lead to growth of new company clusters in recycling technology, the circular economy, component manufacture and modular construction • It will also increase the research capacity and capability for the region, paving the way for future growth in other sectors

<p>The Environment (Wales) Act</p> <p style="text-align: center;">Page 231</p>	<p>The Environment (Wales) Act puts in place legislation needed to plan and manage Wales' natural resources in a more proactive, sustainable and joined-up way. It seeks to position Wales as a low carbon, green economy, ready to adapt to the impact of climate change. Relevant sections of the Act are:</p> <ul style="list-style-type: none"> • Part 1: Sustainable management of natural resources in a more proactive, sustainable and joined-up way • Part 2: Climate change – provides Welsh Ministers with powers to put in place statutory emission reduction targets, including at least an 80% reduction in emissions by 2050 and carbon budgeting to support their delivery. This is vital within the context of existing UK and EU obligations, sets a clear pathway for decarbonisation and provides certainty and clarity for business and investment 	<ul style="list-style-type: none"> • Contribute to emissions reduction by creating solutions for commercialisation that will allow a range of manufacturing sectors to decarbonise • Promote use of renewable energy sources • Develop energy positive construction technologies to reduce emissions from buildings, providing demonstrators to a wider audience
<p>Prosperity for All A Low Carbon Wales</p>	<ul style="list-style-type: none"> • Key areas of environmental improvement including industry, transport and waste • Driving sustainable growth and modern infrastructure 	<ul style="list-style-type: none"> • Creating high value jobs and innovation in clean growth will support the vision of establishing Wales as one of the best places in the world to live, work and do business • Deliver research, infrastructure and solutions that are essential to delivering the rapid change needed to hit ambitious targets • Opportunities to use active building (i.e. energy generating) technologies to pilot a modern construction sector • Efficient use of resources and reuse of brownfield sites

<p>A Manufacturing Future for Wales: a framework for action</p>	<p>Consultation document on the Welsh Government’s proposals for the future of the manufacturing industry in Wales. The document outlines the proposed approach which:</p> <ul style="list-style-type: none"> •encourages greater innovation and headquarter location across Wales •grows our export potential •increases quality employment and skills across Wales •expands the research and development base across Wales 	<ul style="list-style-type: none"> • Directly support the plans for clean, green growth with focus on decarbonisation and waste utilisation – setting the foundations for a circular economy in a regional eco-system that synergizes benefits and growth • The cluster expertise in the area will create an ideal location to deliver green innovation through innovators, supply chain, infrastructure and manufacturers across a range of sectors • Academic and industrial partnership will offer opportunities to develop specialist learning and training to ensure a long-term talent pipeline aimed at attractive, high-quality career opportunities with longevity and resilience
<p>Clean Air Plan for Wales Consultation</p>	<p>Improve air quality for health, nature & prosperity</p>	<p>The plan aims to improve air quality through air quality modelling and real time monitoring to ensure there is a targeted approach. The SILCG is aligned in the following way:</p> <ul style="list-style-type: none"> •The programme will enhance monitoring to better understand how and where impacts on air quality are made; •Focus on identifying sources of PM10s and hence identify corrective actions
<p>Electric Vehicle (EV) charging strategy for Wales (consultation)</p>	<p>Draft strategy for EV charging in Wales</p> <ul style="list-style-type: none"> •Current charging provision in Wales for cars & vans •Future charging needs 	<p>The SILCG is aligned in the following way:</p> <ul style="list-style-type: none"> •Coordinated approach for the region •Mapping current situation, behaviour and future demand in relation to low emission vehicles •Aligned to the Wales strategy
<p>Regional Investment for Wales (RIFW)</p>	<p>4 investment priority areas:</p> <ul style="list-style-type: none"> •Business productivity & competitiveness •Healthier, fairer and more sustainable communities •Zero carbon economy •Reducing economic inequalities 	<p>The SILCG is aligned in the following way:</p> <ul style="list-style-type: none"> •Creating the right environment for sustainable and inclusive jobs and growth •Opportunities to grow and strengthen productivity and competitiveness of SMEs in green industrial revolution •Opportunities for research and innovation in collaboration with government, industry and academia. •Economic growth and decarbonisation
<p>Regional</p>		

<p>Swansea Bay City Region Economic Regeneration Strategy</p>	<p>The Economic Regeneration Strategy for Swansea Bay aims to strengthen the economy and boost productivity for the City Region area and sets out the Strategic Framework for intervention through 5 Strategic Aims Strategic Aims:</p> <ul style="list-style-type: none"> • Business Growth, Retention and Specialisation • Skilled and Ambition for long term success • Maximum job creation for all • Knowledge Economy and Innovation • Distinctive Places and Competitive Infrastructure. 	<ul style="list-style-type: none"> • Supporting indigenous industries which are economically critical in terms of GVA and employment • Creating the physical and knowledge-based infrastructure to foster and encourage innovative start-ups, providing support to ensure retention and growth of new businesses • In particular, support early-stage knowledge-intensive firms through incubation and innovation stages • Creating highly skilled and well-paid jobs, developing skills to maximise employment in growth sectors • Removing barriers to employment • Supporting business as a regional gateway, increasing entrepreneurial culture • Through specialised training solutions, deliver a talent pipeline for high-growth sectors • Support the 'internet coast' through next-generation digital infrastructure, creating future energy systems, integrating renewable energy with existing asset base and delivering leading-edge research • Contribute to the key themes: <ul style="list-style-type: none"> -embeddedness - existing base of trained labour -relatedness - diversifying existing strengths in the area via the metals industry -connectedness - already established network of steel and metals companies in the area
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<p>Regional Economic Framework</p> <p>Page 234</p>	<p>Consultation document for the Regional delivery of the Economic Acton Plan for Mid and South West Wales. The approach the Regional economic growth is the four broad priority areas agreed by Welsh Government Cabinet for replacement EU funds, but will also reflect additional regional priorities:</p> <ul style="list-style-type: none"> • Reducing income inequalities for people, analysing the factors that create income inequality and reduce disposable and discretionary income • More productive and competitive businesses, including the vital role of innovation and research as well as alternative business models • The transition to a zero carbon economy, taking advantage of the opportunities this creates as well as reducing negative effects • Healthier and more sustainable communities, recognising different challenges in different communities and the role of local areas in identifying priorities in their places. 	<p>The SILCG programme is aligned in the following way:</p> <ul style="list-style-type: none"> •Addressing the areas of weaknesses / threats – will increase productivity, create employment opportunities, provision of low carbon high quality business infrastructure •Build on the strengths of sectoral strengths in energy, advanced manufacturing and innovation centres. •The SILCG programme is aligned to the SBCR Regional Delivery Plan as this action plan will focus on diversification, energy and renewables sectors.
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Portfolio Investment Objectives	
<ol style="list-style-type: none"> 1. Jobs - To create over 9,000 skilled jobs aligned to economic acceleration, energy, life sciences and smart manufacturing across the region within 15 years (2017-33). 2. GVA - To contribute £1.8-2.4 billion GVA to the Swansea Bay City Region by 2033 and contribute to the region achieving 90% of UK productivity levels by 2033. 3. Investment - To deliver a total investment in the region of £1.15-1.3 billion in the South West Wales Regional economy by 2033. 	
Programme / Project Investment Objectives	
Swansea City & Waterfront Digital District	<ol style="list-style-type: none"> 1. To create incubation and co-working areas for start-ups and micro businesses, with high levels of curation and access to University expertise to maximise survival rates. 2. To create 100,000 sq ft of flexible and affordable accommodation in the city centre to support the growth of technology based businesses (and other higher added value activities by 2021). 3. To create the vibrant environment, leisure and lifestyle offer (including events space) in the city centre by 2021 that attracts and retains technology based businesses and skilled workers for the benefit of the wider region.
Yr Egin	<ol style="list-style-type: none"> 1. To establish an internationally renowned creative hub with S4C, the national broadcaster, as the key anchor tenant by 2018 (phase 1). 2. Creation of a 3,912 sqm, BREEAM excellent cluster driven creative and digital media centre with a net lettable area of 2,080 sq. m (Phase 2 omitted as not in scope of this benefits summary) 3. To establish a creative cluster of some 25+ creative and digital companies and organisations, colocated within the creative hub, to facilitate knowledge exchange between the University and related industry sectors across Wales and beyond 4. Initiate investment and economic benefit in Carmarthenshire and beyond, and to ensure that the S4C 'halo' effect is maximised across the region. 5. Raise the status of the Welsh language and its culture in Carmarthen and the surrounding area in a public, contemporary and exciting way.
Digital infrastructure	<ol style="list-style-type: none"> 1. Connected Places; Ensures towns, cities and development zones have access to world class full fibre infrastructure 2. Rural: Facilitate equality of access to broadband services across the region. 3. Next Generation Wireless: Ensure that the region is at the forefront of 5G and Internet of Things (IoT) investment and subsequent innovation.
Skills and Talent Programme	<ol style="list-style-type: none"> 1. Directly deliver at least 2,200 additional skills and support the development of around 14,000 individuals with higher level (between 2-8) skills within 10 years. 2. To create at least 3000 new apprenticeship opportunities, to include level 3 to Degree apprenticeships. 3. To create at least 2 Centres of Excellence within specific sectors to develop the region as being "the best" area for skills development. 4. To create a clear career pathway from school education through further and higher education in the key areas of digital; construction, energy; smart manufacturing and life-science and wellbeing, achieved through engagement and development work with schools increasing the number of pupils following the STEM subjects in FE and HE. 5. To deliver 20 new/updated course frameworks to ensure they meet the industry training needs for the future.

SBCD Campuses	<ol style="list-style-type: none"> 1. Employment - To deliver 1,000 – 1,120 jobs with GVA of £150m-£153m by 2033 2. Facilities - To establish ~700sqm ILS footprint and ~2,000sqm RD&I space by 2025 3. Regionalisation - To enhance the effectiveness of regional assets, expanding ILS reach to two sites by 2025. 4. Ecosystem - To grow a network of 300 cluster firms, attracting 4 significant inward investments by 2033 5. Commercialise - To expand the innovation pipeline to develop 100+ opportunities by 2033
Pentre Awel	<ol style="list-style-type: none"> 1. Create economic regeneration and impact on GVA in an area of deprivation, catalysed by investment in new infrastructure 2. Step change in business, research & development excellence/capacity 3. Unprecedented strength of partnership between the public, private and third sectors for joint delivery of project ambitions 4. Creation of a sustainable, modern and multidisciplinary Life Science & Health workforce. This includes a wide range of clinical disciplines linked to skills shortages and regional priorities for both health services and further and higher education 5. Leverage the economic impact and improved skills within the region to reduce health and social inequalities and improve the overarching wellbeing indices for the region 6. To provide clinical services which deliver improved outcomes for patients and efficiency improvements for the health sector 7. To deliver healthcare in the most cost effective way for both patients and local and regional health sector utilising best infrastructure configuration, including use of digital and technology enablement
Homes as Power Stations	<ol style="list-style-type: none"> 1. Future proof at least 10,300 properties (7,000 retrofit, 3,300 new build) within five years to increase 'affordable warmth' and reduce fuel poverty 2. Improve health and wellbeing and reduce the burden on health and social services 3. Deliver a sustainable (commercially viable), cost effective and holistic housing programme (facilitation role) by: <ol style="list-style-type: none"> a) Taking a 'whole house' approach and developing proven, flexible designs b) Demonstrating the viability of the HAPS approach to the rest of Wales / UK c) Creating skilled jobs, a legacy and mainstreaming the HAPS approach d) Creating a sustainable regional supply chain that retains the creation of design, construction and maintenance jobs 4. Invest in the professional evaluation of the quality and experience of solutions and understanding of the application of new technologies 5. Promote awareness of how key stakeholders (particularly energy users) optimise their interface with the technology 6. Support measures to mitigate climate change by reducing CO₂ emissions and energy demand 7. Create an energy system that is compatible with future smart developments, maximising benefits to the occupant/owner and reducing pressure on the grid by providing local energy generation and security
Pembroke Dock Marine	<ol style="list-style-type: none"> 1. Successfully create the assets and direct deliverables as a result of the City Deal Finance within the given 5 year window commencing July 2019. 2. Successfully attracts £60m of additional inward investment from technology developers within the SBCR area within the by 2024 years. 3. Direct job creation of 35-40 FTEs with PDM partners from year 1-5 4. MEECE / META successfully attain legacy through further project collaboration and Funding applications (targeting at least 2 per year in year 2, 3,4 and 5 (total 8) 5. Promote PDM as part of the Welsh and UK offer to global energy industry through dedicated social media updates a year and at least 5 national / and international events targeting energy sector.

	<ol style="list-style-type: none"> 6. Ensure resilience through diversity, contract use of space in the newly created areas from at least 3 different industries covering, marine energy, precision engineering for other sectors (e.g. Oil and Gas), decommissioning, aquaculture, ship building & nuclear within 3 years of development completion. 7. Use PDM inward investment and economic output data to support UK Government on marine energy industry revenue support strategy. 8. Subject to successful sector deal for Marine Energy / Floating Wind, successfully attract £300m of additional private investment into the region from technology developers targeting deployment in the UK between 2021 and 2031. 9. Subject to successful sector deal for Marine Energy / Floating Wind, successfully attract £110m of additional investment to build Phase 3 of the Pembrokeshire Demonstration Zone by the end of year 7. 10. Increase supply chain awareness and utilisation of PDM as an asset and engage with the end users to enable reporting on supply chain employment retention and creation of staff. 11. Increase the level of local employment / skill development opportunities in the blue economic in collaboration with the Skills and Talent Lead.
<p>Supporting Innovation and Low Carbon Growth</p>	<ol style="list-style-type: none"> 1. To create 1,320 high value added jobs aligned to the green economy through creating the right environment for a resilient, diverse and sustainable regional economy by 2033. 2. To increase the region's GVA by approximately £93m by 2033 through supporting innovation and new product development in science, technology and manufacturing sectors - strengthening industry, academia and government collaboration. 3. To secure over £11m in additional investment from public and private sources, and approximately £40m (within 5 years) additional leverage from public and private research funding by 2033 4. To support innovation to influence a shift in the use of high CO2 energy usage to low CO2 energy usage in economic activities (n (industry, commercial buildings and transport) by 2033.

Appendix 2.1

Membership of the Swansea Bay City Region Board

Sir Terry Matthews KBE OBE, - Chair	Wesley Clover
Cllr Meryl Gravell - Vice Chair	Carmarthenshire County Council
Cllr Jamie Adams	Leader, Pembrokeshire County Council
Cllr Rob Stewart	Leader, City and County of Swansea
Cllr Ali Thomas OBE	Leader, Neath Port Talbot County Borough Council
Cllr Emlyn Dole	Leader, Carmarthenshire County Council
Keith Baker	Chief Operating Officer, Pure Wafer
Mark Bowen	Managing Director, Andrew Scott Ltd
Professor Andrew Davies	Chairman, Abertawe Bro Morgannwg UHB
Professor Richard Davies	Vice-Chancellor, Swansea University
Andrew Evans	Owner/Managing Director, St Brides Hotel, Saundersfoot
Professor Simon Gibson OBE,	Chief Executive, Wesley Clover
Dave Gilbert	Advisor to Swansea Bay City Region Board
Paul Greenwood	Director, Teddington Engineered Solutions
Professor Medwin Hughes	Vice-Chancellor, University of Wales Trinity St David
Barry Liles	Chair of Regional Learning Partnership, Coleg Sir Gâr
Juliet Loporini,	Chair Swansea BID
Rosemary Morgan	Director, Morgan La Roche
Steve Penny,	Director SCFC/Consultant JCP (until February 2016
Nick Revell	Managing Director, Ledwood Mechanical Engineering Ltd
Andy Richards	Wales Secretary, Unite

The oversight working group comprised of the following people:

Steven Phillips	Neath Port Talbot CBC
Phil Roberts	CC Swansea
Mark James	Carmarthenshire CC
Ian Westley	Pembrokeshire CC
Marc Clement	Swansea University
Jane Davidson	UWTSD
Hamish Laing	ABMU
Arthur Emyr	Swansea Bay City Region
Lisa Willis	Neath Port Talbot CBC / SBCR
Sylvia Griffiths	Neath Port Talbot CBC / SBCR

Appendix 2.2

SBCR Oversight working group – appraisal of long list options.

The oversight working group met on Friday 14th October 2016 and reviewed the long list projects against the agreed criteria (see section 2.1 above). The aim of the working group was to review the projects and make recommendations for which projects should proceed.

The CSFs agreed by the SBCR oversight working group were not defined as per the Green Book. The group used the following six criteria to prioritise City Deal projects:

- Regional spread
- Job creation & skills readiness
- GVA impact
- Private sector engagement and investment
- Impact on UK plc - exportability of commercial ideas
- Readiness, albeit in the context of a 5-year deal

Retrospectively, the regional criteria have been aligned to the HM Treasury's guidance as shown in the table below

No.	Critical Success Factor	Requirements	Chosen CSF's for Portfolio
1	Strategic Fit And business needs	<ul style="list-style-type: none"> • meets the agreed spending objectives, related business needs and service requirements, and • provides holistic fit and synergy with other strategies, programmes and projects 	Regional Spread GVA impact Impact on UK plc Job Creation
2	Potential Value for money	<ul style="list-style-type: none"> • optimises social value (social, economic and environmental), in terms of the potential costs, benefits and risks. 	Consideration that the overall benefits are greater than the individual parts
3	Potential achievability	<ul style="list-style-type: none"> • is likely to be delivered, given the organisation's ability to respond to the changes required, and • matches the level of available skills required for successful delivery. 	Skills readiness Readiness in 5yr context
4	Supply side capacity and capability	<ul style="list-style-type: none"> • matches the ability of potential suppliers to deliver the required services, • is likely to be attractive to the supply side. 	Private sector engagement Readiness in 5yr context
5	Potential affordability	<ul style="list-style-type: none"> • can be funded from available sources of finance, • aligns with sourcing constraints. 	Private sector investment Readiness inc affordability within programme

The oversight working group agreed to categorise the projects under the following three headings:

- 1) Supported
- 2) Supported for either second phase City Deal or alternative funding sources
- 3) Not supported

The oversight working group made the following recommendations

H&WB Villages Phase 1 (ARCH / CC Carmarthenshire)

Following a discussion about the 3 H&WB Villages Phase 1: Llanelli, Neath and Swansea, it was considered that the Machynys Village proposal was well developed and had secured private sector match funding, and therefore fitted the criteria to be included in the Phase 1 City Deal proposal and that the Neath and Swansea village developments would be included in the Phase 2 City Deal proposal once they were further developed.

Recommendation: The working group agreed to recommend support for the Machynys development proposal with a £40m City Deal ask (reduced from £85m), and for the Neath and Swansea village developments to be included in the next phase of the City Deal.

Yr Egin (UWTSD)

The working group agreed that phase 2 would be supported on condition that phase 1 is delivered, which requires clarity regarding the Welsh Government's position in relation to phase 1. The group also advised UWTSD to enter into discussion and real dialogue with key individuals and organisations with an interest in the creative industries sector in the region.

Recommendation: The working group agreed to recommend support for Yr Egin subject to the successful delivery of phase 1 and real dialogue with the creative industries sector across the region with a £5m City Deal ask.

Skills and Talent (RLSP)

The working group agreed that the business case needed significant additional work in light of an agreed City Deal project prioritisation exercise to identify those skills needed to deliver the City Deal projects. The group discussed presenting skills as an overarching theme rather than a project.

Recommendation: The working group agreed to recommend support in principle for the Skills and Talent proposal subject to the above, with a maximum £10m City Deal ask and further development of specific skills interventions.

ARCH Campuses (Phase 1) (ARCH)

The working group discussed deliverability and possible sequencing of Murrison and Singleton campuses, and it was recognised that these are linked developments to deliver full benefit. There was a discussion about alternative funding for Singleton through European funding, for example.

Recommendation: The working group agreed to recommend support for Murrison campus with a £15m City Deal ask initially, and to support Singleton when funding is available in a future phase.

CENGS and SBCR CENGS Technology Centre (City Deal Team)

The working group requested clarity on areas of the business case including ownership / governance, IP, licences and State Aid. The group discussed complementarity with the Swansea Waterfront development and the Factory of the Future project.

Recommendation: The working group agreed to recommend support for the CENGS proposal subject to clarity on the above with a £20m City Deal ask and £3m City Deal ask for the building.

Factory of the Future (SU)

The working group concluded that this project would need to complement the CENGS proposal and should focus on engineering and manufacturing products that are not software driven, as opposed to software driven applications and services. This is to ensure complementarity.

Recommendation: The working group agreed to recommend support for the Factory of the Future project subject to the above with a £10m City Deal ask.

Swansea City Digital District (CC Swansea) / Swansea Waterfront (UWTSD)

The working group considered the two proposals together, and it was agreed that the projects would be revised into a combined bid. The working group advised the projects to review the funding profile.

Recommendation: The working group agreed to recommend support for the combined Swansea Digital District project subject to re-profiling with a combined £50m City Deal ask.

Pembroke Marine (MHPA)

The working group agreed on the strengths of this proposal but did consider the financial ask.

Recommendation: The working group agreed to recommend support for the Pembroke Marine project with a £25m City Deal ask.

Dulais Distributed Generation Cluster Hub (NPTCBC) / Milford Haven Smart Grid

The working group recognised these to be strong business cases with significant private sector leverage, however the group considered alternative funding sources to support this proposal such as EU funding opportunities under ERDF Priority 1 or Priority 3.

Recommendation: The working group agreed to recommend support for the Distributed Generation Cluster Hubs, but to seek alternative funding, such as European funding and not City Deal funding in the first instance.

Delivering Innovative Smart Low Carbon Homes (Local Authorities) / Buildings as Power Stations (SU)

The working group agreed to discuss the two proposals at the same time because the same bid was presented twice with two different lead organisations. The working group agreed that one business case should be progressed, linked to low carbon homes rather than buildings as power stations per se in order to address fuel poverty. The working group agreed that the 4 local authorities and Swansea University would meet again to develop a joint proposal and also explore ERDF Priority 3 funding to support the funding package.

Recommendation: The working group agreed to recommend support for a local authority consortium-led new build and retrofit housing proposal supported by Swansea University and SPECIFIC with a £15m ask.

The Internet Coast - Digital Infrastructure and Test Beds (City Deal Team)

The working group discussed the need for digital infrastructure as an enabling mechanism and core element to deliver the internet coast vision. The group agreed that the proposal needs to be developed and defined further with a focus on rural and urban areas.

Recommendation: The working group agreed to recommend support for the Digital Infrastructure and Test Beds proposal. The proposal should focus on rural as well as urban areas and prioritise links to all City Deal projects. It was agreed to recommend a £25m first phase City Deal ask.

Establishment of a Steel Science Centre for UK Primary Steelmaking and Strip Steel Production (Excalibur Steel UK Ltd) / Sustain (SU)+

The working group agreed to discuss the two business cases at the same time and agreed on the need for a project linked to steel.

Recommendation: The working group agreed to recommend support for the Excalibur-led proposal supported by Swansea University and all regional partners (without nominating a private sector lead) with a £20m City Deal ask.

Innovation System (CC Swansea)

The working group did not initially fully understand the nature of the proposal. The group discussed the potential synergy with CENGs and the need for a City Deal core team. The group agreed that this proposal would need to be discussed as part of the City Deal governance arrangements.

Recommendation: The working group agreed to recommend that this proposal is discussed as part of the City Deal governance arrangements.

Energy Conversion and Storage Innovation Platform ECSIP (SU)

The working group agreed that this needed further work and agreed to consider support for this project in a future phase.

Not supported.

Digital Infrastructure

1.1 Economic Appraisal

1.1.1 Summary of long list

A summary of the long list options, possible targets and success measures, costs and economic benefits¹ is presented in the following tables:

Rural	Targets/ Measures	Costs over 5 years (2020-25)	Estimated Economic Impact 15y	Key qualitative impacts and benefits
1. Do nothing	-	-	-	
2: Do Minimum <i>Supply Side Engagement</i>	<ul style="list-style-type: none"> Increase commercial inward investment by £5m over 5y Obtain £5-10m from funding applications 	£0.5m	£15m	<ul style="list-style-type: none"> Productivity enhanced Aids start ups Teleworking Household benefits Sustains communities Delivers public services Environmental
3: Do Something <i>Demand stimulation Programme</i>	<ul style="list-style-type: none"> Additional 5% uptake in NGA services over 5-year period i.e. approx. 17,000 premises in the region 	£5m	>£15 - 20m	<ul style="list-style-type: none"> Productivity enhanced Aids start ups Teleworking Household benefits Sustains communities Delivers public services Environmental benefits
4: Do Something <i>SBCD Procurement</i>	<ul style="list-style-type: none"> 100% premises connected 4,500 outlying premises 	- £20m	- >£70m	<ul style="list-style-type: none"> Productivity enhanced Aids start ups Teleworking Household benefits Sustains communities Facilitates mobile deployment Delivers public services Environmental benefits
5: Do Something	<ul style="list-style-type: none"> 10 rural community schemes 	<£1m	<£3m	<ul style="list-style-type: none"> Household benefits Sustains communities Delivers public services

¹ See Annex 4 for economic analysis and impact multipliers

Community Programmes				
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Table 1 - Rural Economic Summary

Connected Places	Targets/ measures	Costs over 5 years (2020-2025)	Estimated Economic Impact 15y	Key qualitative impacts and benefits
1. Do Nothing	-	-	-	-
2. Do Minimum <i>Supply Side Engagement</i>	<ul style="list-style-type: none"> Increase commercial inward investment by £10m over 5 years Obtain £5-10m from funding applications 	£0.75m	£20m	<ul style="list-style-type: none"> Productivity enhanced Aids start ups Stimulates network build and inward investment Teleworking Household benefits Sustains communities Facilitates mobile deployment Industrial benefits Delivers public services
3. Do Something <i>SBCD Asset Investment</i>	<ul style="list-style-type: none"> Build and upgrade 150-200km of duct infrastructure 	£10m (see note below)	£60m	<ul style="list-style-type: none"> Productivity enhanced Aids start ups Stimulates network build and inward investment Teleworking Household benefits Sustains communities Facilitates mobile deployment Industrial benefits Delivers public services Increase supply side competition
4: Do Something <i>SBCD procurement</i>	<ul style="list-style-type: none"> Minimum of 281 public sector sites connected 184km of ducts and fibre infrastructure deployed 	£20m (see note below)	>200m (£133m in Swansea City alone)	<ul style="list-style-type: none"> Productivity enhanced Aids start ups Stimulates network build and inward investment Teleworking Household benefits Sustains communities Facilitates mobile deployment Industrial benefits Delivers public services Increase supply side competition

Table 2 - Connected Places Summary

NOTE; The blend of public sector owned ducts and commercial owned duct investment will be determined in procurement. In option 4 in the table above we estimated the total blended costs of these two options is £20m i.e. if a procurement takes place it will include costs of options 3.

Next Generation Wireless	Targets/ measures	Costs over 5 years (2020-25)	Estimated Economic Impact 15y	Key qualitative impacts and benefits
1. Do Nothing	-	-	-	
2. Do Minimum: Supply side market engagement	<ul style="list-style-type: none"> Increase commercial inward investment by £3m over 3 years 	£0.75m	£3m	<ul style="list-style-type: none"> Stimulates network build and inward investment
3. Do Something: Undertake Future Telecom Infrastructure Review guidance in full & Driving SRN	<ul style="list-style-type: none"> Increase commercial inward investment by £7m over 3 years 	£2.0m	£7m	<ul style="list-style-type: none"> Stimulates network build and inward investment Teleworking Household benefits Sustains communities Facilitates mobile deployment
4. Do Something Funded Intervention to extend 4G coverage to at least parity with other parts of	<ul style="list-style-type: none"> Increased investment by operators to improve coverage, £10m - £30m 	£9m	£10m - £30m	<ul style="list-style-type: none"> Productivity enhanced Stimulates network build and inward investment Teleworking Sustains communities Facilitates mobile deployment
5. Do Something Funded intervention to deliver 5G and IoT connectivity in selected locations	<ul style="list-style-type: none"> Accelerated deployment by operators of 5G and IoT services over the first 5 years 	£7.5m	£13.5m	<ul style="list-style-type: none"> Productivity enhanced Aids start ups Stimulates network build and inward investment Teleworking Household benefits Sustains communities Facilitates mobile deployment Industrial benefits

Table 3 – Next Generation Wireless Summary

It should be noted that many of these options are complementary and should be undertaken as part of a package of interventions for each of the three target market segments.

In addition, options should not be evaluated on total economic impact alone as each option will have different economic and social implications and risks.

In all cases there are significant benefits that are non-quantifiable. The challenge is that all options offer these benefits, other than the do-nothing option. The measure is to what degree the benefits can be achieved rather than there being a fixed differential of the different benefits available. The identification of non-quantifiable benefits is a well-trodden path when considering digital connectivity and services and includes;

- Avoiding isolation and loneliness
- Social inclusion
- Digital inclusion
- Empowering communities
- Access to information sources for social benefits
- Access to a wider market of suppliers and money saving
- Time savings in accessing goods and services
- Entertainment access
- Educational resource access
- Health resource access

1.1.2 Long list to short list criteria assessment

In order to derive a preferred short list of options, each of the long list options has been assessed against the critical success factors for the programme as summarised in Table 18 above.

The table presents each long list option against each of these success factors and colour codes accordingly with green strongly achieving the criteria through to red where there is limited benefit.

Rural Options	Aligned to Strategy	Economic Impact	Achievability	Affordability	Attraction to Supply Chain	Programme Compatibility	Risk	Rank
1. Do Nothing	Poor	Poor	Poor	Good	Poor	Good	Poor	5th
2. Supply Side Engagement	Good	Medium	Good	Good	Medium	Good	Good	2nd
3. Demand Stimulation	Good	Good	Good	Good	Good	Good	Good	1st
4. SBCD Procurement	Good	Good	Medium	Medium	Medium	Medium	Medium	3rd
5. Community Programmes	Good	Poor	Poor	Medium	Poor	Medium	Poor	4th

Connected Places	Aligned to Strategy	Economic Impact	Achievability	Affordability	Attraction to Supply Chain	Programme Compatibility	Risk	Rank
1. Do Nothing	Poor	Poor	Poor	Good	Poor	Good	Poor	4th
2. Supply Side Engagement	Good	Medium	Good	Good	Good	Good	Good	1st
3. SBCD Asset Investment	Good	Good	Good	Good	Medium	Good	Medium	2nd
4. SBCD Procurement	Good	Good	Medium	Good	Medium	Good	Medium	2nd

Next Generation Wireless	Aligned to Strategy	Economic Impact	Achievability	Affordability	Attraction to Supply Chain	Programme Compatibility	Risk	Rank
1. Do Nothing	Poor	Poor	Poor	Poor	Poor	Good	Poor	5th
2. Supply Side Engagement	Good	Poor	Good	Good	Good	Good	Good	1st
3. Undertake 'Future Telecom Infrastructure Review guidance	Good	Medium	Good	Good	Good	Medium	Good	2nd
4. Funded Extension of 4G Coverage	Good	Medium	Medium	Poor	Medium	Medium	Medium	4th
5. Funded Intervention for 5G and IoT deployment	Good	Poor	Good	Good	Good	Good	Medium	3rd

Table 4 - Success Factor Map²

² See Annex 5 for analysis framework

In order to derive these scores an economic case workshop was held attended by the digital leads from each of the authorities. The scores were discussed, captured and circulated for comment. The analysis in Table 24 presents the consolidated view.

There are a number of key external risks and challenges that could potentially impact the delivery of the proposed SBCD Digital Infrastructure Programme, these are:

- **State Aid:** It will be time consuming and costly for SBCD to undertake its own state aid application – typically 2 years and several man years of resources. In addition, the process remains uncertain given Brexit. If SBCD wishes to minimise risk in this field, it should:
 - Prioritise demand side measures (e.g. vouchers, demand stimulation) which do not attract state aid issues
 - Undertake rural in-fill procurements working in conjunction with national or regional programmes that have or are obtaining state aid clearance (e.g. Welsh Govt or DCMS Rural Gigabit Connectivity). This also applies to Community led schemes. However, SBCD should retain local control and direction of any intervention
- **Supplier appetite:** Industry is constrained in its capacity and the SBCD is competing with similar measures across the country, including in Wales. The key risks are:
 - Community schemes may attract smaller specialist operators, but there is a risk they do not attract sufficient industry appetite
 - Connected City/ Economic development full fibre projects may be viewed as less attractive outside central urban areas such as Swansea. In this case a blend of Full fibre procurement and public asset investment may be more appropriate
 - 5G Use Case projects are likely to overlap with those being undertaken within the UK and particularly across Wales. It will be necessary to harmonise efforts within Wales to maximise the opportunities of 5G and to benefit from the outcomes of other's Use Cases, particularly where this involves commercial models of intervention
- **UK and Welsh Government Programmes:** Such programmes will part fund and address the challenges the region faces. The key challenges are;
 - Funding and programmes do not materialise in a timely manner
 - Such funding does not fairly reflect the needs of the SBCD region
 - SBCD funding is used in-lieu of funding when other sources are available.
- **Ability to recruit and attract resources** to lead the digital programme and undertake all procurement, stimulation and co-ordination activities. Failure to have such resources would lead to a failure to deliver economic benefits
- **Stakeholder co-ordination** between authorities and other key stakeholders such as Welsh Govt and PSBA could result in delay and increased costs
- Under any heading, **Do-nothing will be in breach of UK and Welsh policy** objectives and commitments at the local authority level, but not SBCD level

These risks will be captured, monitored and reported. A summary of the risks under each of the intervention areas has been described in sections 1.3.6 (Connected Places), 1.4.6 (Rural) and 1.5.6 (Next Generation Wireless)

De-Selected Options

- Do-Nothing is negative in all cases and is therefore not considered further
 - ***Rural***
- Option 5 is negative on nearly all measures and is therefore rejected
 - ***Next Generation Wireless***
- Option 2 offers very limited economic impact and is therefore rejected
- Option 4 offers a neutral position and will be provided through SRN

1.1.3 The Preferred Option(s)

Given the above analysis a recommended strategy will consist of the following blend of activities

Rural

- Option 2: Supply side engagement
- Option 3: Demand stimulation programme
- Option 4: SCCD led in-fill procurement BUT only if;
 - State aid compliant
 - Utilising national state aid and procurement programmes but under SBCD financial and operational control

Connected Places/Economic Development

- Blend of Options 3- an investment in public sector owned duct infrastructure and 4, a procurement of commercial owned full fibre infrastructure should be undertaken. The blend of these two options will depend on supplier appetite to be defined in market testing with a total budget of ceiling of £20m

Next Generation Wireless

- Option 3, namely compliance with the guidance provided in the Future Telecoms Review should be executed under a central SBCD mandate and management, but would require the agreement and cooperation of all member authorities. In addition, the provisions of SRN should be a key focus with the aim of ensuring Wales receives the right level of additional coverage and that it is first in the queue for action with at least two mobile operators
- Option 5, selected funded interventions to deliver 5G and IoT connectivity in key locations should be executed under a central SBCD mandate and management

1.1.4 Sensitivity Analysis

Rural

The following sensitivity analysis has been considered

- ***Demand stimulation activities deliver a lower take up of next generation services***

In this analysis an industry standard benchmark has been used, demand stimulation delivers a 5% uptake in next generation services over 5 years equating to approximately 17,000 properties delivering an economic benefit of >£100m over 15 years. Hence a failure to deliver each 1% rise in take up results in a reduction in connectivity of 3400 premises and >£20 of economic benefit.

- ***Lack of state aid compatible procurement channels restricts ability of SBCD to undertake in-fill procurement***

This would result in an estimated 3-5000 outlying premises being without access to broadband services and an economic loss of approx. £50m over 15 years as well as social and environmental consequences. This cannot be replaced by demand stimulation activities.

Connected Places

The following sensitivity analysis has been considered

- ***Industry unwilling to utilise public sector assets***

If there is an unwillingness of industry to use public sector duct assets as a result of commercial or state aid concerns there will be an estimated economic loss of £60m to the region, notably in the development zones outside of central Swansea (e.g. Milford Haven/Pembroke Dock)

- ***Industry only wishing to respond to procurement addressing central Swansea rather than region as a whole***

A detailed cost model has been produced showing the costs of required infrastructure investment in each of the connected cities/ development zones areas. This is presented below:

	Length of network	Cost (£)
Carmarthenshire	63.2Km	£5.7m
Neath Port Talbot	42.7Km	£4.1m
Pembrokeshire	17.9Km	£2.1m
Swansea	60.7Km	£5.7m

Table 5 – Fibre Network length & cost

However, it should be noted that Carmarthenshire build is focused on Carmarthen and Cross Hands which are now subject to a BT build programme. This is likely to restrict supplier appetite.

In the event that industry only had the commercial appetite to invest in Swansea the cost would fall to £5.7m, delivering an economic benefit of over £133m over 15 years. This high cost benefit ratio derives from the concentration and density of business in Swansea compared with the other proposed build areas of Pembroke, Milford Haven, Llanelli and Neath/Port Talbot.

- ***Failure of Welsh Govt to deliver trunk road infrastructure***

The Welsh Government has developed its own business case for the development of a Trunk Road Network across the SBCD region. This network (if built) would deliver significant economic benefit for the SBCD region as it will enhance inward investment opportunities and facilitate enhanced backhaul for mobile deployment. It would also be complementary to the proposed asset upgrade and full fibre procurement programme.

Next Generation Wireless

The following sensitivity analysis has been considered

- ***Limited industry appetite to deliver 5G and IoT in region***

This would result in a loss of investment of between £5-£10m in the region by the operators. It could also impact the deployment by operators of extended 4G and lead to a wireless infrastructure being of lower capacity and speed than that deployed elsewhere in the UK.

SRN allowed to evolve without support or attention from Wales/SBCD region

If SRN is allowed to develop without monitoring or proactively driving an SBCD agenda then it will in every likelihood reach the required Ofcom levels of coverage, but localised issues will be left in the margin. The measure is a percentage for the whole of Wales and there is significant variation in how this might be achieved. This sensitivity is really a lost opportunity

1.1.5 Conclusions

The economic analysis for the Digital Infrastructure Programme has concluded that the most economically viable and beneficial interventions of the three areas of the Digital Infrastructure Programme are:

- ***Rural Project***

- A blend of rural options 2 (Supplier engagement) ,3 (Demand stimulation) and 4 (In-fill Procurement) should be undertaken.
- Options 2 and 3 offer a low risk, economic beneficial approach in a deliverable manner.
- In-fill procurement will be dependent on an appropriate procurement channel and state aid but does offer a strong economic impact along with significant qualitative benefits.

- ***Connected Places Project***

- Should be undertaken with a blend of Options 3 (asset investment) and 4 (full fibre procurement) depending on supplier appetite to be defined in market testing.

- ***Next Generation Wireless Project***

- Option 3 should be executed under a central SBCD mandate and management but will require the agreement and cooperation of all member authorities.
- Option 5 should be executed under a central SBCD mandate and management.

A summary of the economic appraisal for each of the three streams within this digital programme is presented in the following table:

	Portfolio	Rural	Connected Places	Next Generation Wireless
A. Economic Impact		£87.5m	£220m	£11.7m
B. Public sector cost (or appropriate value for cost). Note Cost includes total public sector expenditure by SBCD, DCMS and Welsh Government	Note: Additional commercial investment in leveraged by public sector investment	£21.5m	£12.5m	£4.5m
C. Appropriate BCR		3.5	11	1.5
D. Significant unmonetizable costs/benefits		<ul style="list-style-type: none"> • Productivity enhanced • Aids start ups • Teleworking • Household benefits • Sustains communities • Facilitates mobile deployment • Delivers public services • Environmental benefits 	<ul style="list-style-type: none"> • Productivity enhanced • Aids start ups • Stimulates network build and inward investment • Teleworking • Household benefits • Sustains communities • Facilitates mobile deployment • Industrial benefits • Delivers public services 	<ul style="list-style-type: none"> • Stimulates network build and inward investment • Teleworking • Household benefits • Sustains communities • Facilitates mobile deployment • Productivity enhanced • Environmental impacts (e.g. reduced Co2) •
E. Significant unquantifiable factors		<ul style="list-style-type: none"> • Central and Welsh Govt Funding 	<ul style="list-style-type: none"> • Commercial appetite to invest 	<ul style="list-style-type: none"> • Commercial appetite to invest in region

		policy and subsidies • State Aid • Levels and locations of commercial investment • Ofcom regulatory policy	• Role of PSBA • State Aid	•
F. Risk costs by type and residual optimism bias		See Note Below	See Note Below	See Note Below
G. Switching values (for the preferred option only)		See Note Below	See Note Below	See Note Below
H. Time horizon and reason		2021 - 2025	2021- 2023	2021 – 2025

Table 6 - Economic Appraisal Summary

It is not appropriate to develop a Risk Cost and Switching Value at this stage. This is because:

- This is a broad Programme and each of the Projects potentially has numerous sub-projects within the chosen options
- The chosen options are based on a number of agreed selection criteria. Whilst some of these are quantitative, many are policy related. In addition the appetite of industry to address the chosen options is critical and this is as yet unknown
- There are a range of external variables that shape risk and whether an option should be undertaken. These include UK and Welsh Government policy, availability of funding, State Aid, user requirements, technological developments and supplier attitude. These are interdependent and cannot be measured as a quantifiable value of threshold

Only when the full scope, sources of funds, costs and commercial approach required for the specific Projects are more fully defined can the risk costs and switching costs be determined.

A summary of the proposed expenditure under each of these three streams is presented in the table below. The table splits out to what potentially is provided by SBCD along with commercial investment and assumed central government grant funding. It should be noted that commercial investment is likely to emerge in two waves. An initial direct contribution to the proposed programme plan. Then in addition, there will be secondary pull through investment by the commercial sector as subsequent investment will be made to enhance and expand the digital infrastructure facilitated by SBCD. This has been presented in the table below. The key assumptions are as follows:

- In the rural Project the Operator is likely to make an initial contribution of up to 20% of project costs. A subsequent second wave of commercial investment will arise as unserved premises are connected and SBCD demand stimulation activities increase take up and demand. There are currently 20,500 white premises. If the SBCD and DCMS programmes establish FFIB in most of these locations and there is a 30% adoption rate, we can expect around 7000 new FTTP customers. In addition, demand stimulation programmes will increase demand for Connectivity products and services across the region. A 5% increase in adoption would lead to around 15-20k new connections.

- In Connected Places experience in cities such as Aberdeen has shown, a multiplier between public and commercial sector investment of >6:1. Hence based on £12m of SBCD investment, commercial contribution of at least >£70m can be expected.

Stream	Proposed Budget	SBCD	Central Funding	Commercial Contribution to Initial Budget	Additional Commercial Pull Through Investment 15 Years
Rural	£25.5m	£8m	£13.5m	£5.0m	>£48m
Connected Places	£20.0m	£12.5m		£9.5m	> £70m
Next Generation Wireless	£9.5m	£4.5m		£6m	>3m
TOTAL	£55.0m	£25.0m	£10.0m	£12.0m	>£120m

Table 7 - Budget & Source outline

A split of this expenditure between revenue and capital for the Projects is shown below

Stream	Proposed Budget	Capital	Revenue over 5 years
Rural	£25.5m	£20.0m	£5.5m
Connected Places	£20.0m	£19.5m	£0.5m
Next Generation Wireless	£9.5m	£7.5m	£2.0m
TOTAL	£55.0m	£47.0m	£8.0m

Table 8 - Re

Appendix 2.3 Economic and Financial summaries appendices table

Project	Economic	Author	date	Financial	Author	date
Yr Egin	Yes	Amion	July 2018	Yes	Swallow Consulting	July 2018
Swansea waterfront	Yes	Amion	Sept 2019 rev	yes	Swallow Consulting	June 2020
PDM	Yes	Amion	Sept 2019	Yes	Amion	Sept 2019
Pentre Awel	Yes	Swansea University	Apr 2020	Yes	Gleeds	Jan 2020
HAPS	Yes	Value People	Dec 2020	Yes	Value People	Dec 2020
SILCG	Yes	Value People	Feb 2021	Yes	Value People	Sept 20
Campuses	Yes	Swansea University	Aug 2021	Yes	Swansea University	Aug 21
Skills	TBC	Swallow Consulting	June 2021	Yes	Swallow Consulting	June 2021
Digital	Yes	Cube	Aug 20	Yes	Cube	Aug 20

SBCD Campuses Economic Analysis

4.5 Cost Benefit Analysis

The following section presents updated Economic Case material for the project Business Case, developed in response to new Green Book guidance (Treasury, 2018), with appraisal focused on targeted productivity effects (wage premium). The analysis sits alongside that already undertaken and presented in the 2017 *Internet Coast Proposal Impact Appraisal*, based on job creation both within the development itself and as a wider result of the initiative.

Supported by the City Deal, the first phase of the project aims to contribute to the regional and wider UK economy by enabling and supporting growth of high GVA activity in Life Sciences, Sport and Well-being. Focus upon ICT-enabled health and fitness applications, advanced practice in health and care, and medical devices innovation also relates to associated sectors including ICT and Advanced Manufacturing. This is reflected in the broader cluster¹ context noted in analysis of the region by SQW (2016), and specifically as driven by the Life Sciences, Health & Wellbeing sectors (RLP, 2013, Davies et al., 2018). These strengths, and the interplay of high productivity sectors within the cluster also underpins the current *South Wales Crucible Science and Innovation Audit* (SIA).

4.5.1 Summary Appraisal

The following table presents a summary of the short-listed Options appraised against the Business as Usual/Do Minimum baseline, and applying the parameters presented in later sections of this document. Note that the anticipated UK impact is higher as there will be industries from outside the Swansea Bay City Deal region that will engage with the initiative. All benefits captured at the UK level therefore include and reflect the benefits captured at regional level.

UK

Option	10 Year BCR	15 Year BCR	15 Year NPV
Do Minimum	1.01	1.70	£3.3m
Preferred Approach	2.22	2.33	£18.8m
Alternative Approach (1)	0.85	1.87	£12.3m
Alternative Approach (2)	0.33	0.76	- £3.4m

Table 4.11: Short-listed options appraised against business as usual baseline - UK

Regional

Option	10 Year BCR	15 Year BCR	15 Year NPV
Do Minimum	1.07	1.80	£3.8m
Preferred Approach	2.03	2.16	£17.6m
Alternative Approach (1)	0.91	1.99	£14.0m
Alternative Approach (2)	0.43	0.92	-£1.2m

Table 4.12: Short-listed options appraised against business as usual baseline - Regional

¹ The role of economic activity in the sector beyond that captured by core SIC codes has been recently echoed in the UK Life Sciences Sector Report for the House of Commons Committee on Exiting the European Union.

	Do Minimum	Option 1 (Preferred)	Option 2 (Alternate)
Net Present Social Value	£3.3m	£18.8m	£12.3m
Public Sector Cost*	£4.181m	£14.15m	£14.15m
BCR	1.70	2.33	1.87
Significant non-monetisable** benefits	N/A	5-10,000 QALYs (range of values including in assessment)	5-7,500 QALYs (noting delivery timescales for option against core assessment)
Significant unquantifiable benefits	N/A	Indirect regeneration and transport benefits	Indirect regeneration and transport benefits
Risk costs by type[^] and residual optimism bias	Delivery risk - £1.06m 20% OB	Delivery Risk - £2.97m 20% OB	Delivery Risk - £4.47m 20% OB
Switching values		8yr Delay ~37% benefit reduction	
Time horizon and reason	15yr – to align with infrastructure nature of development, and SBCR Economic Strategy. This reflects the nature of the benefits sought and activity for each of the appraised options. Guidance on relevant benefits from DCLG, HMT and other sources (both academic and governmental).		

Table 4.13: Appraisal summary table

*discounted

** captured as part of aligned health economics assessment

[^]see also sensitivity analysis section

4.5.2 Options and Counterfactual

This appraisal is undertaken against the baseline ‘Do-Nothing’ case, alongside ‘Do Minimum’, and ‘Alternative’ Options as summarised in 4.4.2. The Do-Nothing baseline is developed from analysis of the SBCR economy presented in the SQW analysis, along with sector-specific insight from RLSP and other publications, along with further data drawn from ONS. Projected performance of each option is based upon regional and sector insight for need and demand drawn from industry, government, and academic sources, as noted throughout this document and referenced throughout the Business Case.

Do-Nothing involves the relative plateauing of related ‘Priority’ sectors within the region, as projected by Cambridge Econometrics for the RLP (2013) report (notably Chemicals, Pharmaceuticals, Electronics and Professional Services sectors). This implies continued regional reliance on the challenged industrial sectors, identified by SQW and therefore potential continued divergence from UK and Wales levels of productivity. It is recognised that this sector perspective, derived from SIC coding of activities, is limited in respect to the broader cluster noted in Davies et al. (2018). However, it does provide a baseline for regional knowledge-based economic activity to support consideration of Options.

Continuing divergence from Wales and UK average GVA per capita performance implies the Do-Nothing baseline may be a negative trend. However, for the purpose of this appraisal the current

regional average is utilised and therefore the current GVA per capita of targeted sectors is also used for future years (i.e. without inflation/growth, though with STPR² discounting).

4.5.3 Productivity Uplift (Wage Premium/GVA per worker)

SBCR is part of the West Wales & Valleys region, which has suffered a long-standing productivity gap with the rest of Wales, UK and EU, in turn resulting in its qualification for three rounds of EU Structural Funds support. This hides a sectoral disparity though, which underpins a renewed strategy to pursue more productive activities in 'Priority' sectors, including those involved in the Internet Coast programme.

GVA per hour worked within Life Sciences in Wales during the period 2006-2014 showed strong upward trajectory, surpassing by 2014 the UK average, while manufacturing outperformed at ~110%³. This was set within the wider economy which performed at ~75% of UK average. This must be viewed within the regional sector context, with the Medical Devices noted as being broadly in line with the UK average⁴. SQW (2016) presented a £11,900 deficit between mean regional and UK GVA per capita (£34,300 compared to £46,200), i.e. a difference of 34.7%. Other recent data⁵ aligns with these values. In this respect, the regional relationship between Life Sciences & Well-being with other Priority sectors (Davies et al., 2018), namely ICT (eHealth) and Advanced Manufacturing is of note, with these sectors performing in line with broader UK. The added potential of Sports & Exercise Science, including development of digital technologies presents, further intersectoral potential aligned with the identified SIA strengths. The SQW report also notes that Health, and the associated sectors present some of the strongest potential for employment growth and overall GVA impact.

However, it should be noted that that wider benefit is provided through health and wellbeing improvements. While these do not relate directly to the Spending Objectives they are captured in this appraisal as a separate section to ensure consistency with Green Book guidance.

It is recognised that the options appraised may result in a range of skills and economic activity, though all with a focus on Priority Sectors. Therefore, each option involves comparison between contribution to such sectors compared to the regional average.

The current, and anticipated impact of Covid both in the near and longer-term serve to reinforce the importance and growth of sectors supported by the Spending Objectives. This is noted in the updated Risk Assessment.

4.5.4 Additionality and National / Regional Contexts

As the development and application of skills in Life Sciences & Well-being could be at the expense of potential for another sector this appraisal focuses on the potential improved GVA provided compared to alternative use. This relates solely to the above noted differential between targeted sectors and the wider regional economy. The options development, and analysis thereof supports the 'levelling-up' agenda to achieve more balanced growth, though with focus on additionality rather than displacement. On this basis the analysis delivers against the principles of 'Place-based Analysis'

² For the Time Horizons applied, this utilises the 3.5% Green Book STPR figure

³ Priority sector statistics 2016 – New GVA Data, Statistics & Research, Welsh Government, <http://gov.wales/statistics-and-research/priority-sector-statistics/?tab=previous&lang=en>

⁴ Taken from their inclusion in Sector: Computer, electrical and optical, cited from Life Sciences Industrial Strategy, Report to Government, Sir John Bell, 2017

⁵ Regional GVA NUTS2, Office for National Statistics, <https://www.ons.gov.uk/economy/grossvalueaddedgva/datasets/regionalgvanuts2>

presented in the Green Book (2020). It retains however the original model used in the 2017 version rather than the CIA Model of the business case to allow continued tracking against this baseline.

Clearly, some benefit realised by the initiative would be otherwise achieved, while the proposed activity will also to an extent substitute or displace other activity(ies). Indeed, some skills would have been otherwise developed (i.e. elsewhere) or for application in other sectors. The intervention tackles growing and unsatisfied demand for STEM skills within the life science sector noted by Prof Sir John Bell (2017), which will be further pressured by Brexit uncertainty. This in itself supports additionality of the initiative, together with evidence of such demand at the regional level (RLP, 2013). To address consideration of additionality, the appraisal draws upon guidance including that of UK Government (BIS, 2009, Treasury, 2018) and other sources (Partnerships, 2008, EU, 2013) to consider additionality with regard to both spatial and activity contexts. From a south west Wales regional perspective, evaluations of prior ERDF activities give some context to potential levels of additionality (Oldbell3, 2012).

The main analysis presents the case for UK-level benefit of the Campuses initiative, however there is strong regeneration theme and ambition to restructure the SBCR economy within the Internet Coast City Deal giving emphasis to benefit to the region. As presented in Annex 3 of the Green Book, distributional analysis allows for appraisal at both levels and is here treated as follows with key parameters;

	UK	SBCR
Additionality	30%	15%
Multiplier	Excluded ⁶	1.4

Table 4.14: Distributional analysis – key parameters

Mean/Median additionality of benefits derived from development educational infrastructure has been shown to be of the order of 46% and 53% respectively (BIS, 2009)⁷. Noting the potential for leakage, as some skills will leak beyond the UK this is factored as 30%⁸ remaining additionality at the UK level.

From Destinations of Leavers from Higher Education (DELHE) data, it can be projected that leakage beyond the region will be ~50% of this group, and therefore SBCR additionality is factored as 15%. However, as multiplier effects can be factored at the regional level these are included as ~1.4, which is relatively conservative for knowledge-based activity. Recruitment data for Swansea University presents ~50% local input and targets the majority Home/EU. On the output side, data drawn from DELHE show strong existing retention within the region and UK. The nature of the proposed activity also overlaps into the broader health economy with skills supply and innovation activity relating to health and social care. Major regional (and national) challenges in recruitment and retention of health service staff suggest that additional supply would be. This is supported by data presenting that health professionals trained at Swansea University (through SUMS and CHHS) exhibit greater preponderance to continue training and practice within the region⁹.

⁶ As required by Green Book guidance, though retained for SBCR where below full employment and wider regeneration opportunity support inclusion of multiplier effects

⁷ Though as this is based on a relatively low number of observations a conservative approach has been adopted.

⁸ For the 'Base' Case, with a range of parameters used in Optimistic and Pessimistic Cases

⁹ ## SUMS/CHHS data

4.5.5 Time horizon

The Swansea Bay City Region has developed Internet Coast within its 15-year economic strategy through to 2031. The long-term capital investment infrastructure nature of the proposed initiative lends itself to appraisal over a longer-period, of 20-30 years, in line with guidance of organisations such as that proposed specifically for science parks (EU, 2002, EU, 2014). Indeed, the City Deal-funded phase of the project is presented as part of a longer-term ambition to transform Life Sciences, Sport & Well-being Research & Innovation capabilities; Clinical Services; and Education/Skills capacity, in partnership between Health Service, academia and private sector (ARCH, 2017). For example, certain options relate to early phase activities opening up further development sites (e.g. road infrastructure planning), which would involve activity towards the end of the 15-year period, with significant impact sometime thereafter. Benefits arising from development's subsequent phase are factored separately with associated risks (including for benefits realisation and timescales) considered within the sensitivity analysis.

To align with the Internet Coast programme and generic Green Book time horizon, both 10 and 15-year horizons are used to support the appraisal. It should be noted though, that the project plans that describe intention for both the activity and a significant portion of its benefits to be realised beyond this period.

4.5.6 Residual values

The project's infrastructure will clearly be of value beyond the 10 and 15-yr time horizons. Therefore, to incorporate residual value and opportunity cost an anticipated market value of the ILS/Education facilities at these points has been incorporated. While depreciation along with facility maintenance is incorporated separately¹⁰ in the Financial Case, it has in the absence of market projections been used with a standard linear 30-year depreciation cycle¹¹ to present a relatively conservative market value.

4.5.7 Wider benefits

The targeted benefits (as presented previously) relate predominantly to employment and productivity, though also to broader regeneration and health outcomes. This includes enhancement of the built environment, which along with enhance employment prospects would result in improved land values. This is of particular note for some options which target longer-term impact potential by opening up major development sites (e.g. Morriston ARCH development land). In parallel, improved health outcomes would result in cash-releasing benefits to Health service and other organisations as well as benefits to individuals. Such benefits include the long-term health benefits described below.

4.5.8 Long-term health and wellbeing benefits

The project will create expanded infrastructure with wider capabilities allowing a greater focus on academic and clinical quality and value improvement initiatives to deliver safer and better healthcare, physical fitness and rehabilitation, and well-being. The proposal relates exclusively to the innovation and economic development ambitions of the City Deal. By the nature of the sector, its innovation inherently aims to improve health outcomes, while clinical collaboration results in improved services. This potential is strengthened by the breadth of innovation ranging from medical devices benefitting

¹⁰ As noted in 6.13 of the Green Book

¹¹ Of note, this aligns with the Project Sponsor accounting practice, RICS Red Book and EU CBA Guidance for developments of this nature EU 2002. Guide to cost-benefit analysis of investment projects. *In: EVALUATION UNIT, D. R. P., EUROPEAN COMMISSION (ed.). Web, EU 2014. Guide to Cost-Benefit Analysis of Investment Projects, Economic appraisal tool for Cohesion Policy 2014-2020. In: POLICY, D.-G. F. R. A. U. (ed.). Web.*

patients with specific conditions through to sports and exercise technologies supporting both broader population and elite athletes. Therefore, the project will provide a pipeline of healthcare innovations, which will provide both local economic uplift through improved health and wellbeing and subsequent productivity along with wider societal benefit.

The metric that is widely used to demonstrate improvements in improved health and wellbeing is that of the quality adjusted life year (QALY). One QALY equates to one year of perfect health and is a fundamental requirement of health technology assessments in UK settings, with widespread application across other healthcare systems.

The table below presents a series of scenarios that highlight the potential value added as a result of QALY gains arising from the Swansea City Deal campus developments. The current value attached to one QALY equates to £20,000, although this key variable is a matter of debate. For the purpose of this appraisal, the NICE figure of 20,000 is used as an upper bound, with lower values providing alternative scenarios.

The scenarios have been developed to take account of potential QALY gains, the time taken to generate such gains and the value placed on a QALY. The first row therefore depicts the position whereby 2%, 3% and 4% of the Swansea population (roughly 250,000) – although the City Deal catchment area would be more extensive – and each ‘receive’ an additional one year of perfect health, which is valued at £15,000 and £20,000, over 5, 10 and 15 year time periods.

No. of residents who will benefit from one additional year of perfect health	Value (£)	Potential health value added (£)		
		5 years	10 years	15 years
5,000	15,000	338,629	623,746	863,805
5,000	20,000	451,505	831,661	1,151,740
7,500	15,000	507,943	935,619	1,295,708
7,500	20,000	677,258	1,247,492	1,727,610
10,000	15,000	677,258	1,247,492	1,727,610
10,000	20,000	903,010	1,663,322	2,303,480

Table 4.15: Potential value of benefits from Quality Adjusted Life Years

Initial analysis indicated that on the basis of a greater proportion of residents were to benefit to the extent of one additional year of perfect health – say 10%, the value attached to that was £20,000 (as per NICE threshold) and these were generated within a 15-year timescale the potential health value added would equate to £5.8 million.

As the business case development has progressed, and consideration is given to longer-term impact of these health benefits it can be determined that this benefit could be in the range £16m - £32m, depending upon the QALY value applied during a generational perspective. This time-horizon would be appropriate in the context of the Wellbeing of Future Generations (Wales) Act 2015 which gives statutory requirement to such appraisal.

No. of residents who will benefit from one additional year of perfect health	Value attached to one year of perfect health (£)	Potential value added (£)		
		5 years	10 years	15 years
100	10,000	4,515,052	8,316,605	16,481,515
100	15,000	6,772,579	12,474,908	24,722,272
100	20,000	9,030,105	16,633,211	32,963,029

Table 4.16: Potential longer-term value of health benefits

Further, there are likely to be additional gains arising from improvements in life expectancy and years of healthy life expectancy, given the number of areas classed as being in the most deprived communities in the Swansea City Bay areas, and the differential between rich and poor communities in terms of health life expectancy approaching 20 years for males and 18 years for females within SBUHB region. It has been estimated that reducing overall mortality from circulatory disease to levels seen in the least deprived areas of Wales would increase life expectancy in the most deprived areas by 1.5 years in males and 1.3 years in females, while similar gains would be made if cancer mortality rates were reduced (1.3 years in males, 1.2 in females). Further, reducing excess deaths from external causes (e.g. accidents, suicide) would have a particularly large effect on males living in the most deprived areas, potentially adding nearly a year to their life expectancy.

These results would be predicated on the assumption that the preferred approach (or alternatives) would be adopted, as the 'do minimum' option would not generate the additional improvement in health and wellbeing. This baseline scenario has become further challenged since the initial appraisal due to the Covid crisis, suggesting greater potential additionality from the proposed intervention.

4.5.9 Longer-term benefits (beyond City Deal-funded phase)

The project will provide further health benefits as part of its phase 2 with the development of 55 acres of land at Morriston Hospital, in addition to the broader development of Sketty Lane identified from the Strategic Case. Through this development, a new Institute of Life Science will be established on the site alongside the development of an elective treatment centre (orthopaedics), a new thoracic surgery service, and the development of a cardiac centre. This will allow the project to evolve to become the regional centre for specialist treatments for South West Wales, working across the regional Life Sciences, Sport & Health network.

4.6 Optimism bias

This section of the appraisal also notes the relatively conventional nature of the construction, though with a potentially diverse range of occupants, and therefore the higher end of the range¹², 20%, is used to factor for Optimism bias. The proposed activity, across Preferred Approach and Alternative 1 also draw upon organisations with experience in delivery of similar infrastructure projects to time and budget, which suggests this value is relatively conservative (TECC, 2015).

Potential impact upon benefits realisation has been comprehensively considered through the risk analysis, presented in section 4.7 below. This assessment has been undertaken through review of relevant literature and prior projects, and workshop activity with Project Managers/Directors engaged in recent similar initiatives, both within the region/sector and further afield. These risks have been synthesised into parameters used in the sensitivity analysis presented in Section 4.8.

¹² As noted in Annexe 5 of the Green Book, 2018

4.7 Risk analysis

Through the series of meetings/workshops undertaken to support scoping and development of the long and short-lists, a comprehensive risk register has been developed. This draws upon experience of prior initiatives, both revenue and capital, together with understanding of sector and wider challenges. These have been categorised as follows, using the organisation-specific risk types used by the Project Sponsor. The initial risk assessment has been workshopped to identify appropriate mitigations which relate to all options. This has resulted in the following key residual risks and mitigations. Note that a risk register setting out the risk by type (Business/Service/External) is included as Appendix A5.

Table 4.17: Initial risk analysis

Number	Title	Risk Type	Description	Benefit(s) Affected	Likelihood	Impact	Combined Factor	Mitigation/Transfer	Anticipated Effectiveness	Residual Risk Factor	Owner
Design/Development Phase											
D0003	Project Initiation / Approvals	Business	Difficulty in agreeing scope/delivery arrangements with local and/or government sponsors	Skills; Innovation; Economy; Sustainability	30	70	21	Strong engagement with SBCR, WG, UK Gov and wider stakeholders; Research-informed approach	65%	7.35	SBCR
D0004	Delay/Limits of Initial Funding	Funding	Delayed/frustrated/reduced approval(s) leading to dis-alignment with wider cluster and stakeholders	Skills; Innovation; Economy; Sustainability	20	50	10	Strong engagement with SBCR, WG, UK Gov and wider stakeholders; Research-informed approach	70%	3	SBCR
D000x					0	0	0		100%	0	
Implementation Phase											
I0001	SBCR/IoHWP Partnerships	Operational	Difficulties in timely SBCR/IoHWP agreement of effective Implementation arrangements	Skills; Innovation; Economy; Sustainability	25	80	20	Strong engagement with SBCR Partners and Internet Coast Projects; research-informed approach	70%	6	SBCR
I0003	Procurement Failure (market)	Procurement	Lack of attractiveness to market - due to competition with other opportunities, level of co-investment etc.	Skills; Innovation; Economy; Sustainability	10	70	7	Research-informed approach; Effective market engagement	30%	4.9	SRO
I0004	Lack of co-investment	Funding	Campuses opportunity fails to attract targeted level(s) of private sector co-investment	Skills; Innovation; Economy	30	30	9	Research-informed approach; Effective market engagement	60%	3.6	SBCR
I0009	Economic downturn (local/national)	Economic	Downturn in economic opportunities such as inward-investment/growth due to factors such as Brexit disruption	Innovation; Economy	40	40	16	Diversified and longer-term targeted economic and skills benefits, beyond economic cycles/shocks; research-informed approach	40%	9.6	SBCR
I000x					0	0	0		100%	0	
Termination (Mainstreaming) Phase											
T0004	Infrastructure Renewal	Sustainability	Failure to plan/deliver renewal of infrastructure leading to lack of financial sustainability	Sustainability	30	40	12	Transfer - Partner	60%	4.8	Operator
T0005	Lack of long-term co-investment	Funding	Failure to attract further stages of co-investment to expand/enhance activity beyond Internet Coast phase	Innovation; Economy	30	30	9	Strong engagement with Partners, SBCR, WG, UK Gov and wider stakeholders; Research-informed approach	50%	4.5	SBCR
T000x							0			0	
							0			0	

4.8 Sensitivity analysis

The risk assessment presented in the previous section presents key residual risks, which could potentially result in delayed or reduced benefits realisation, cost increase or combination thereof. Sensitivity analysis, for both Regional and UK level appraisal has therefore reviewed short-listed options with parameters ranging up to 1-year delay, 40% reduction in benefits and 20% cost increase (in addition to factored Optimism Bias).

Sensitivity analysis of the Preferred and Alternative Options shows switching values of 66% reduction in benefits or 305% increase in cost for Preferred Option before Do Minimum becomes next Option. Alternative 3, involving a distributed fund could also potentially switch if Benefits of the Preferred Option were delayed, though this would be beyond the initial project phase and subject to other risks. The following tables present a further perspective of the Options appraised at UK and Regional Level.

4.8.1 UK perspective

SBCR Cost-Benefit Analysis: April 2021 UK Perspective

Project Name **Campuses**
Version **3.0**
Date **05/04/2021**

Scenario (Base)	10Yr NPV	15Yr NPV
A - Preferred Implementation	11,202,821	18,782,103
B - Alternative 1	- 1,436,857	12,310,026
C - Alternative 2	- 6,318,993	- 3,364,775
D - Alternative 3	5,271,441	9,525,264
E - Do Minimum	32,869	3,328,349

Sensitivity Analysis

	10Yr NPV	15Yr NPV
20% reduction in Wider Benefit		
A - Preferred Implementation	-	-
B - Alternative 1		
C - Alternative 2		
D - Alternative 3		
E - Do Minimum		

	10Yr NPV	15Yr NPV
1Yr Delay in Benefits		
A - Preferred Implementation	9,576,021	4,630,178
B - Alternative 1	- 3,810,440	- 1,841,899
C - Alternative 2	- 7,251,638	- 3,364,775
D - Alternative 3	3,885,820	7,402,036
D - Do Minimum	- 718,429	- 1,480,581

	10Yr NPV	15Yr NPV
20% increase in costs		
A - Preferred Implementation	9,309,309	15,951,718
B - Alternative 1	- 3,330,369	9,479,641
C - Alternative 2	- 8,212,505	- 6,195,160
D - Alternative 3	3,377,929	6,694,879
E - Do Minimum	- 638,932	- 6,195,160

Sensitivity Analysis

	10Yr NPV	15Yr NPV
40% reduction in Benefits		
A - Preferred Implementation	2,934,669	5,608,492
B - Alternative 1	- 4,649,139	1,725,245
C - Alternative 2	- 7,578,420	- 7,679,635
D - Alternative 3	- 624,160	54,388
E - Do Minimum	- 1,323,881	73,437

	10Yr NPV	15Yr NPV
Slow Mobilisation (6month delay)		
A - Preferred Implementation	10,389,421	17,298,599
B - Alternative 1	- 2,623,649	10,074,971
C - Alternative 2	- 6,785,315	- 4,318,676
D - Alternative 3	5,081,025	8,463,650
D - Do Minimum	- 342,780	2,797,199

	10Yr NPV	15Yr NPV
1Yr Delay and -20% Wider Benefit		
A - Preferred Implementation	-	-
B - Alternative 1		
C - Alternative 2		
D - Alternative 3		
E - Do Minimum		

4.8.1 Regional perspective

SBCR Cost-Benefit Analysis: April 2021
Regional Perspective

Project Name Campuses
Version 3.0
Date 03/04/2021

Scenario (Base)	10Yr NPV	15Yr NPV
A - Preferred Implementation	9,772,373	16,420,107
B - Alternative 1	- 893,395	13,998,178
C - Alternative 2	- 5,368,934	- 1,158,657
D - Alternative 3	6,560,343	17,029,211
E - Do Minimum	240,942	3,827,526

Sensitivity Analysis

	10Yr NPV	15Yr NPV
20% reduction in Wider Benefit		
A - Preferred Implementation	8,568,427	12,457,153
B - Alternative 1	- 1,805,158	11,014,353
C - Alternative 2	- 5,819,897	- 2,624,690
D - Alternative 3	6,092,844	14,174,884
E - Do Minimum	- 139,860	2,913,963

Sensitivity Analysis

	10Yr NPV	15Yr NPV
40% reduction in Benefits		
A - Preferred Implementation	2,076,400	4,191,294
B - Alternative 1	- 4,323,061	2,738,137
C - Alternative 2	- 7,008,384	- 6,355,964
D - Alternative 3	1,084,179	10,265,410
E - Do Minimum	- 1,199,037	372,944

	10Yr NPV	15Yr NPV
1Yr Delay in Benefits		
A - Preferred Implementation	8,290,604	2,268,182
B - Alternative 1	- 3,427,126	- 153,747
C - Alternative 2	- 6,466,032	- 15,310,582
D - Alternative 3	4,282,433	2,877,286
E - Do Minimum	- 556,444	- 981,403

	10Yr NPV	15Yr NPV
Slow Mobilisation (6month delay)		
A - Preferred Implementation	9,031,489	15,043,371
B - Alternative 1	- 2,160,261	11,626,015
C - Alternative 2	- 5,917,483	- 2,263,322
D - Alternative 3	4,252,641	2,351,771
E - Do Minimum	- 157,751	3,263,794

	10Yr NPV	15Yr NPV
20% increase in costs		
A - Preferred Implementation	7,878,861	13,589,722
B - Alternative 1	- 2,786,907	11,167,793
C - Alternative 2	- 7,262,446	- 3,989,042
D - Alternative 3	2,329,337	14,198,826
E - Do Minimum	- 430,859	2,865,740

	10Yr NPV	15Yr NPV
1Yr Delay and -20% Wider Benefit		
A - Preferred Implementation	7,441,964	10,372,821
B - Alternative 1	- 4,069,501	6,771,880
C - Alternative 2	- 6,790,840	- 4,582,934
D - Alternative 3	5,475,847	11,089,206
E - Do Minimum	- 852,898	1,905,761

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The sensitivity analysis has shown the preferred implementation as being most resilient in face of key risks occurring, from both UK and regional perspectives. Risks occurring that result in delayed and/or reduced benefits have the most significant impact on most implementations, while cost overruns would have greatest negative affect on Alternative 2 (already most expensive option). Switching value analysis suggests that as the same risks affect Alternatives, then Do Minimum would become the next Option in the event of 66% reduction in benefits realised or 305% increase in costs.

Regional NPV is generally higher than the UK perspective for all options/scenarios reflecting the localised wider benefits to the regional economy through multiplier effects, offsetting the reduced additionality due to leakage.

Potential Affordability	Challenge to sustainably develop revenue, though relatively limited requirement	Relatively unknown/untested, though commitment only with market response	Public partnership potential to realise development	Requires market testing to provide confidence for co-investment opportunity	Dispersed investment(s) nature may lack mass to develop private sector interest	Level of co-investment may be challenging spread across three locations
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Preferred Approach

A - Do Minimum	B – Dispersed Growth	C - Intermediate I	D - Intermediate II	E - Intermediate III	F - Do Maximum
Rely on existing activity/sites	Investment fund for disparate activities	Incremental increase(s) of existing Ecosystem (ILS1/2) across two sites	Mixed – Dual Site combination: Incremental Development and Focused major development	Mixed – Dual Site Development and fund for disparate activities	Full ARCH Prospectus Expand existing and establish new Campuses

Description	This option describes no expansion of the existing ecosystem small investment into the reconfiguration of existing infrastructure to maximise efficiency of existing facilities.	This option describes the creation of an investment fund to invest in individual opportunities across the region on a competitive basis as they emerge in a portfolio of disparate activities/facilities.	This option describes limited investment across 2 sites (Singleton and Morriston) to begin an incremental increase in capacity and capabilities at both development sites in line with the expectations of the SBCR.	This option describes a larger investment across 2 sites (Singleton and Morriston) to establish increased capacity in response to need demand and establish at Singleton and establish a footprint at Morriston to support regionalisation and further incremental development.	This option describes the creation of a fund with the same intention Option B to invest in small regional opportunities across the region in addition to the expansion of ILS at Singleton and the development of an ILS at Morriston as described in Option D .	This option describes major investment across 3 sites (Singleton, Morriston and Hywel Dda) to realise the ARCH vision to create Campuses at all sites through new build developments.
Scope	Utilise current ILS facilities to support growth of existing, and capture of new, opportunities. Capital investment limited to enhancing efficiency of existing facilities. ~500s.m. of mixed facilities^	Develop specialist capabilities / capacities in locations across SBCR with public and private sector in response to emerging opportunities. This would be market-led opportunities developing a portfolio of projects giving Open Access capabilities	Increase capacity/capability of existing ILS1/2 through development of new facilities across 2 sites (i.e. ILS3 at Singleton and ILS at Morriston) in response to need demand. ~4,500s.m. of mixed facilities (3,000m ² at Singleton and 1500m ² at Morriston)	Establish significant capacity/capability of existing ILS through development of new facilities in response to need demand, along with initial development at a further site to support regionalisation. ~10,000sqm of mixed facilities over the period to 2032 (2,000sqm at Singleton, 7,700sqm (2 phases) at Morrison)	Providing a combination of B&D approaches with realisation of ARCH Campuses scope; i.e. ILS-scale facilities at two locations and further smaller developments across the region. ~12,000 + 1,000s.m. of mixed facilities^ over the period to 2032	Expand existing ILS site and establish full ARCH Morriston and Hywel Dda Campus infrastructures. This would realise the original 2014 ARCH ambition across both UHB regions. ~24,000-30,000.m. of mixed facilities^
Service Solution	Promotion and reconfiguration of existing SU capabilities to maximise capacity of current operations.	Development of facilities across the region through open competition amongst existing ecosystem	Mixed Refurbishment / New-build of facilities, with delivery through existing ILS initiative	Mixed Refurbishment / New-build of facilities, with delivery through existing ILS initiative	Combination of Implementation Approaches B&D	New-build of major facilities at Singleton, Morriston and Hywel Dda sites.
Service Delivery	Swansea University and partners (inc. Life Sciences Hub Wales)	Diverse (Procured) Ecosystem – portfolio procured/ partnered on individual opportunity basis	Utilisation of existing organisation Frameworks	Mixed: Public/Private Partnership: Procured development co-investment partnership	Mixed: Public/Private Partnership: Procured development co-investment partnership	Mixed: Public/Private Partnership: Procured development co-investment partnership
Implementation	Immediate start as 3/5-year project	3-year project – Competition / procurement of portfolio of investments	5-year project	Phased 3, 5-year project	Phased 5, 8-year project	Immediate start ~7yr project
Funding	~£5m City Deal funding Total : ~£5m	~£15m City Deal Funding with potential to leverage an additional £15m of public/private investment. Total : ~£30m	~£15m City Deal Funding with the potential to leverage an additional £15m of public/private investment Total : ~£30m	£15m City Deal funding with the potential to leverage an additional £115m public/private capital investment Total : ~£130m	£15m City Deal funding with the potential to leverage an additional £60m public/private investment Total : ~£75m	£15m City Deal funding with the potential to leverage an additional £80m public/private investment Total : ~£95m

Alternative Approach 1

	A - Do Minimum	B – Dispersed Growth	C - Intermediate I	D - Intermediate II	E - Intermediate III	F - Do Maximum
	Rely on existing activity/sites	Investment fund for disparate activities	Incremental increase(s) of existing Ecosystem (ILS1/2) across two sites	Mixed – Dual Site combination: Incremental	Mixed – Dual Site Development and fund for disparate activities	Expand existing and establish new Campuses

				Development and Focused major development		
Description	This option describes no expansion of the existing ecosystem small investment into the reconfiguration of existing infrastructure to maximise efficiency of existing facilities.	This option describes the creation of an investment fund to invest in individual opportunities across the region on a competitive basis as they emerge in a portfolio of disparate activities/facilities.	This option describes limited investment across 2 sites (Singleton and Morriston) to begin an incremental increase in capacity and capabilities at both development sites in line with the expectations of the SBCR.	This option describes a larger investment across 2 sites (Singleton and Morriston) to establish increased capacity in response to need demand and establish at Singleton and Morriston to support regionalisation and further incremental development.	This option describes the creation of a fund with the same intention Option B to invest in small regional opportunities across the region in addition to the expansion of ILS at Singleton and the development of an ILS at Morriston as described in Option D .	This option describes major investment across 3 sites (Singleton, Morriston and Hywel Dda) to realise the ARCH vision to create Campuses at all sites through new build developments.
Scope	Utilise current ILS facilities to support growth of existing, and capture of new, opportunities. Capital investment limited to enhancing efficiency of existing facilities. ~500s.m. of mixed facilities^	Develop specialist capabilities / capacities in locations across SBCR with public and private sector in response to emerging opportunities. This would be market-led opportunities developing a portfolio of projects giving Open Access capabilities	Increase capacity/capability of existing ILS1/2 through development of new facilities across 2 sites (i.e. ILS3 at Singleton and ILS at Morriston in response to need demand. ~4,5,00s.m. of mixed facilities^ (3,000m ² at Singleton and 1500m ² at Morriston)	Establish significant capacity/capability of existing ILS through development of new facilities in response to need demand, along with initial development at a further site to support regionalisation. ~10,000sqm of mixed facilities over the period to 2032 (2,000sqm at Singleton, 7,700sqm (2 phases) at Morrison)	Providing a combination of B&D approaches with realisation of ARCH Campuses scope; i.e. ILS-scale facilities at two locations and further smaller developments across the region. ~12,000 + 1,000s.m. of mixed facilities^ over the period to 2032	Expand existing ILS site and establish full ARCH Morriston and Hywel Dda Campus infrastructures. This would realise the original 2014 ARCH ambition across both UHB regions. ~24,000-30,000s.m. of mixed facilities^
Service Solution	Promotion and reconfiguration of existing SU capabilities to maximise capacity of current operations.	Development of facilities across the region through open competition amongst existing ecosystem	Mixed Refurbishment / New-build of facilities, with delivery through existing ILS initiative	Mixed Refurbishment / New-build of facilities, with delivery through existing ILS initiative	Combination of Implementation Approaches B&D	New-build of major facilities at Singleton, Morriston and Hywel Dda sites.
Service Delivery	Swansea University and partners (inc. Life Sciences Hub Wales)	Diverse (Procured) Ecosystem – portfolio procured/ partnered on individual opportunity basis	Utilisation of existing organisation Frameworks	Mixed: Public/Private Partnership: Procured development co-investment partnership	Mixed: Public/Private Partnership: Procured development co-investment partnership	Mixed: Public/Private Partnership: Procured development co-investment partnership
Implementation	Immediate start as 3/5-year project	3-year project – Competition / procurement of portfolio of investments	5-year project	Phased 3, 5-year project	Phased 5, 8-year project	Immediate start ~7yr project
Funding	~£5m City Deal funding Total : ~£5m	~£15m City Deal Funding with potential to leverage an additional £15m of public/private investment. Total : ~£30m	~£15m City Deal Funding with the potential to leverage an additional £15m of public/private investment Total : ~£30m	£15m City Deal funding with the potential to leverage an additional £45m public/private investment Total : ~£60m	£15m City Deal funding with the potential to leverage an additional £60m public/private investment Total : ~£75m	£15m City Deal funding with the potential to leverage an additional £80m public/private investment Total : ~£95m

	A - Do Minimum Rely on existing activity/sites	B – Dispersed Growth Investment fund for disparate activities	C - Intermediate I Incremental increase(s) of existing Ecosystem (ILS1/2) across two sites	D - Intermediate II Mixed – Dual Site combination: Incremental Development and Focused major development	E - Intermediate III Mixed – Dual Site Development and fund for disparate activities	F - Do Maximum Expand existing and establish new Campuses
Description	This option describes no expansion of the existing ecosystem small investment into the reconfiguration of existing infrastructure to maximise efficiency of existing facilities.	This option describes the creation of an investment fund to invest in individual opportunities across the region on a competitive basis as they emerge in a portfolio of disparate activities/facilities.	This option describes limited investment across 2 sites (Singleton and Morriston) to begin an incremental increase in capacity and capabilities at both development sites in line with the expectations of the SBCR.	This option describes a larger investment across 2 sites (Singleton and Morriston) to establish increased capacity in response to need demand and establish at Singleton and establish a footprint at Morriston to support regionalisation and further incremental development.	This option describes the creation of a fund with the same intention Option B to invest in small regional opportunities across the region in addition to the expansion of ILS at Singleton and the development of an ILS at Morriston as described in Option D .	This option describes major investment across 3 sites (Singleton, Morriston and Hywel Dda) to realise the ARCH vision to create Campuses at all sites through new build developments.
Scope	Utilise current ILS facilities to support growth of existing, and capture of new, opportunities. Capital investment limited to enhancing efficiency of existing facilities. ~500s.m. of mixed facilities^	Develop specialist capabilities / capacities in locations across SBCR with public and private sector in response to emerging opportunities. This would be market-led opportunities developing a portfolio of projects giving Open Access capabilities	Increase capacity/capability of existing ILS1/2 through development of new facilities across 2 sites (i.e. ILS3 at Singleton and ILS at Morriston in response to need demand. ~4,500s.m. of mixed facilities^ (3,000m ² at Singleton and 1500m ² at Morriston)	Establish significant capacity/capability of existing ILS through development of new facilities in response to need demand, along with initial development at a further site to support regionalisation. ~10,000sqm of mixed facilities over the period to 2032 (2,000sqm at Singleton, 7,700sqm (2 phases) at Morrison)	Providing a combination of B&D approaches with realisation of ARCH Campuses scope; I.e. ILS-scale facilities at two locations and further smaller developments across the region. ~12,000 + 1,000s.m. of mixed facilities^ over the period to 2032	Expand existing ILS site and establish full ARCH Morriston and Hywel Dda Campus infrastructures. This would realise the original 2014 ARCH ambition across both UHB regions. ~24,000s.m. of mixed facilities^
Service Solution	Promotion and reconfiguration of existing SU capabilities to maximise capacity of current operations.	Development of facilities across the region through open competition amongst existing ecosystem	Mixed Refurbishment / New-build of facilities, with delivery through existing ILS initiative	Mixed Refurbishment / New-build of facilities, with delivery through existing ILS initiative	Combination of Implementation Approaches B&D	New-build of major facilities at Singleton, Morriston and Hywel Dda sites.
Service Delivery	Swansea University and partners (inc. Life Sciences Hub Wales)	Diverse (Procured) Ecosystem – portfolio procured/ partnered on individual opportunity basis	Utilisation of existing organisation Frameworks	Mixed: Public/Private Partnership: Procured development co-investment partnership	Mixed: Public/Private Partnership: Procured development co-investment partnership	Mixed: Public/Private Partnership: Procured development co-investment partnership
Implementation	Immediate start as 3/5-year project	3-year project – Competition / procurement of portfolio of investments	5-year project	Phased 3, 5-year project	Phased 5, 8-year project	Immediate start ~7yr project
Funding	~£5m City Deal funding Total : ~£5m	~£15m City Deal Funding with potential to leverage an additional £15m public/ private investment. Total: ~£30m	~£15m City Deal Funding with the potential to leverage an additional £15m of public/private investment. Total : ~£30m	£15m City Deal funding with the potential to leverage an additional £45m public/private investment. Total : ~£60m	£15m City Deal funding with the potential to leverage an additional £60m public/private investment. Total : ~£75m	£15m City Deal funding with the potential to leverage an additional £80m public/private investment. Total : ~£95m

Homes as Power Stations – Economic Appraisal

Economic Case Part 2: Cost Benefit Analysis

Project Elements

To meet the project objectives, the Homes as Power Stations project comprises is planned to include 5 key elements:

- Financial Incentives to increase the adoption of renewable technologies for a target number of new build and retrofit homes
- Monitoring and Evaluation programme
- Marketing to disseminate the results of the monitoring and evaluation programme
- Regional Supply Chain development including an associated fund
- Project Management

Potential Impacts and Approach to the Cost Benefit Analysis (CBA)

The HAPS project is unique in that only a relatively small amount of funding is available for financial incentives for renewable technologies vis a vis the target number of homes. Rather than solely funding renewable technologies in new build or retrofit homes, the HAPS project seeks to fill gaps in the funding of other housing programmes with the various HAPS elements working together aim to produce positive outcomes and benefits far beyond direct spending on homes.

It is recognised that the funding for financial incentives for renewable technologies forms only a proportion of the cost of the renewable technologies, as well as of the overall budget for either a new build or a retrofit home. Rather, the intention of the project is to use financial incentives to encourage the target number of homes to adopt renewable technologies i.e. adopting the HAPS concept which generally cannot be funded under other housing programmes.

The monitoring and evaluation programme is intended to be used to help provide evidence of benefits of investment in new technologies at a scale not done before and through a marketing / dissemination programme and

so influence greater use of renewable technologies through adopting the HAPS approach.

Through developing a regional supply chain, the project aims to minimise leakage and retain much of the economic development impacts within the area including business opportunities, jobs, training and skills development. In this way the various elements of the HAPS project work with other ongoing investments in homes to achieve objectives.

The HAPS project is also unique in that the precise investment technologies, the programme of monitoring and evaluation and the precise actions to be undertaken to develop the supply chain will be further refined in the early stages of implementation. The identified alternatives and approach to the CBA recognises these essential features.

These unique features are challenging for the purpose of CBA which generally requires specific spending plans so pathways to impact and measurement can be identified and evaluated. A project specific approach to the CBA has been developed which best reflects the various elements of the project and reflects these unique features.

In implementation, a number of the target houses would be used to develop an evidence base to demonstrate the viability of the HAPS approach and used as the sample for the monitoring and evaluation exercise. For the purpose of CBA, which needs to compare options against a counterfactual, the project options focus on the costs and benefits associated with living test-bed example homes (test-beds). If the test-bed homes show positive NPV then scaling-up of the number of homes should also yield positive NPV. If there are differences in NPV between the options, then scaling up of the number of homes should yield similar relative results. This focus on a number of living-test-bed homes and undertaking a valuation of the energy saving impact at the margin i.e. only of the marginal technology likely to be funded under HAPS is considered a more appropriate approach than including all spending of the housing programmes on the target homes, of which HAPS would only be a very small component.

The CBA therefore considers the costs and benefits from energy savings and energy production to ascertain the economic outcome of the test-bed homes, as if all the financial incentives are spent on test-bed homes recognising that this will not be the practice but that it is the best approach to defining options and costs and benefits for the purpose of CBA. In this

way, the approach is like selecting a number of projects to demonstrate the economic outcome of a programme of similar small projects. The NPV calculation includes the costs and benefits of energy saving and energy production.

Developing the Options for Cost Benefit Analysis (CBA)

The Counterfactual

Under the requirements of CBA, all options are compared to a counterfactual, the 'as is' situation. Under the counterfactual for HAPS, other funding programmes will go ahead and the same number of homes will be built/retrofitted. However, the energy efficient technologies adopted will be limited, particularly the more experimental technologies that may be funded under HAPS to enable homes to be net exporters of energy. The regional supply chain will not adapt to supply and commission/maintain energy efficient technologies and what is adopted will likely come from outside the Swansea Bay region. There would not be a consistent, at-scale, coordinated monitoring and evaluation programme to review the findings and disseminate across all sections. The counterfactual is referred to as Option 1.

Three alternative options, direction of travel and focus

Drawing on the direction of travel presented in Part 1 of this Economic Case, three alternative options are identified. The options vary primarily in their focus on different housing sectors, and the number of target homes:

- **Option 2** – focus on Local Authority (LA properties), which are under public sector direct control, the target number of homes is 1000 new units and 1200 retrofits under pathfinder development
- **Option 3** – focus on LA properties plus Registered Social Landlord (RSL) properties, the target number of homes is larger, at 2100 new units and 3350 retrofits under intermediate development.
- **Option 4** – includes LA properties, RSL properties and private sector properties. The target number of homes is 3300 new units and 7000 retrofits under maximum development.

Options, five key elements expanded

As discussed above, the Homes as Power Stations project is planned to include five key elements:

1. **Financial Incentives** to adopt energy efficient and clean technology in undertaking new build housing and retrofit housing. The financial incentives will cover a proportion of the cost of these technologies, with the remainder to be funded by the developer/owner/other in compliance with State aid funding requirements. The technologies adopted through financial incentives will provide additional energy saving applications. Under each of the options, a number of **test-bed homes** will be undertaken first with the technologies included at an average cost of £15,000. These homes will have different types and scale of technology (as well as any needed for control purpose) that will be included in the monitoring and evaluation programme. The **target homes** will be the focus of the marketing and dissemination exercise and encouraged to take up the financial incentives to adopt the HAPS approach through renewable technologies. For the purpose of the CBA, funding is assumed for the test-bed projects with 'top up' funding from RSL and private sector under options 3 and 4 as explained in the approach section.
2. **Monitoring and Evaluation** of the HAPS project to provide robust and evidence-based analysis and guidance on the most effective and suitable energy efficient technologies for housing. No such guidance currently exists. The intention is that this evaluation will provide a benchmark to the housing industry and act as a catalyst changing behaviours towards more energy efficient and demand-side management solutions in all future public and private housing programmes. The scope of the monitoring and evaluation differs between the options with limited funding under option 2, moderate in option 3 and maximum in option 4.
3. **Marketing** to disseminate the outcome of the evaluation and guidance to support the further take-up of energy efficient and demand-side management technology. This is only included in options 3 and 4 where RSL and private sector are targets to take up the financial incentives, in option 2, there is no marketing as the properties are all LA owned.
4. **Regional Supply Chain Development** through a range of measures including financial incentives, inward investment advice, accreditation of businesses etc, to encourage the regional supply and servicing of energy technologies, most of which are not available within the region and are currently imported or sourced from outside Swansea Bay region. The supply chain does not vary between options.

5. **Project Management** to cover the operational delivery of the overall project and co-ordinate with the other public and private agencies involved. The project management does not vary between options.

Options: Living test-bed Homes and Target Homes

The number of test-bed and target homes for each option are set out in Table 2.1. Under option 2, all of the test-bed homes are LA owned, under option 3 there is a split of LA and RSL properties and in option 4, a split between LA, RSL and private sector properties. The total number of test-bed homes in each option is determined by the level of funding available.

Table 2.1: Number of Test-bed and Target Homes

	Option 1	Option 2	Option 3	Option 4
	Counterfactual	LA properties	LA & RSL only	LA, RSL & Private Sector
New build test-bed homes	-	200	200	235
Retrofit test-bed homes	-	250	300	348
Subtotal test-bed homes		450	500	583
New build targets	-	800	1,900	3,065
Retrofit targets	-	950	3,050	6,652
Subtotal investment targets		1,750	4,950	9,717
New Build	-	1,000	2,100	3,300
Retrofit	-	1,200	3,350	7,000
Total	-	2,200	5,450	10,300

Differences between the Options

In addition to the differences in the number of test-bed and target homes, there are differences in the cost allocations for the various options, including different levels of contributions from RSL and private sector. See Table 2.

The total project cost for HAPS is £15 million under each option. Under options 3 and 4 more homes are included but there is a top up from RSL

and private sector¹, whilst public sector funding remains the same, the overall project costs are higher – up to £18 million in option 4.

Table 2.2: Options, Cost Allocation

	Option 1	Option 2	Option 3	Option 4
Financial Incentives - HAPS funded	-	6,750,000	6,250,000	5,750,000
Financial Incentives - Top up by third party (RSL and Private sector)	-		1,250,000	3,000,000
Monitoring & evaluation	-	250,000	600,000	1,000,000
Marketing	-	-	150,000	250,000
Supply Chain Development	-	7,000,000	7,000,000	7,000,000
Project Management	-	1,000,000	1,000,000	1,000,000
Subtotal HAPS direct cost	-	15,000,000	15,000,000	15,000,000
Total Project Cost	-	15,000,000	16,250,000	18,000,000

Benefits

Identification of Benefits

There are six main project benefits identified. Three of these apply to HAPS project homes only and 3 to all future housing programmes.

Table 2.3: Types of Benefit and their Application

Type of Benefit	Relevant Application	Included in CBA BCR Calculation
Marginal reduction in energy use as a result of the additional technologies funded by the HAPS project for new build and retrofit homes and production of energy by HAPS homes	New Build and Retrofit HAPS project test-bed homes	Converted to economic values and included in CBA BCR calculation. Estimated income to households from energy production included as a benefit in the BCR calculation.
Reduction in greenhouse gas (GHG) emissions as a result of reduction in energy use	New Build and Retrofit HAPS project test-bed homes	Converted to economic values and included in CBA BCR calculation

¹ RSL are assumed to contribute one third 33% of investment costs under financial incentives. Private sector is assumed to contribute 50% of investment costs. Due to this funding 'top up' a larger number of homes can be included as test-bed homes.

Reduction in fuel poverty from energy savings	New Build and Retrofit HAPS project test-bed homes	Reduction in overall energy bill estimated (excluding income earned) included in BCR calculation. Health benefits discussed qualitatively but direct impacts not included in BCR calculation
Additional economic activity in Swansea Bay region, manufacturing, construction, maintenance servicing from developing supply chain activities	Target three technologies, as identified under the Supply Chain 3	Discussed as a benefit, and estimated number of additional jobs estimated based on the 3 focus technologies for the HAPS period and considering future demand for technologies for a further 5 years. The additional jobs valued using uplift in salaries and included in the BCR calculation
Greater take up of investment in energy efficient technology as a result of dissemination programme on outcome of monitoring and evaluation. Leaning and avoidance of mistakes. Associated energy and GHG emission savings and fuel poverty impacts	Target homes and potentially all future housing programmes	Discussed as a benefit and estimated % resource cost savings in identified future housing programmes over 5 year period included in BCR calculation.
Potential increase in value of retrofit homes	All test-bed homes and those retrofitted as a result of learnings from the HAPS programme	Discussed qualitatively but not included in BCR calculation

These benefits are further discussed, below.

Benefits: Reduction in Energy Use, Greenhouse Gas Emissions, and Energy Production

Supplementary Guidance on Valuation of Energy Use and Greenhouse Gas (Supplementary Guidance) was published in April 2019. The

Valuing Changes in Energy Use

Supplementary Guidance on Valuation of Energy Use and Greenhouse Gas

$$V_u = \Delta (EU)_{it} \times (VC)_{it}$$

V_u = Value of change in use of fuel I in year t (£)

$\Delta (EU)_{it}$ = Change in use of fuel i in year t

(VC)_{it} = Year t Long Run Variable Supply of fuel I (£/KwH)

Guidance sets out the process and formula for valuation of changes in energy use, as well as providing data tables for different fuel types.

To value energy savings from HAPS funded technologies, research case studies undertaken by the Welsh School of Architecture (WSA), Cardiff University were adopted².

Key findings from a case study on a 'typical' 1970s semi-detached house were used as the basis for energy savings for the retrofit test-bed homes and findings from a case study on a new build were used for the new build test-bed homes.

For the purpose of the valuation exercise, the rebound effect, the increase in energy consumption as a result of reduced energy bills, was incorporated into the energy reduction amounts estimated. The research and analysis undertaken, and the basis of the estimates draw on technologies that together cost in the order of over £30,000. These costs in the case studies amount to about two times the average assumed for the test-bed homes of £15,000. As such, the estimated energy reduction/production benefit adopted for the purpose of the CBA is factored at 50% of the energy savings arising in the reference case studies.

The net change in reduced energy use is valued at the Long Run Variable Cost (LRVC) for the relevant fuel source and the national electricity grid. For both New Build and Retrofit, the energy saving is assumed to remain constant over the life of the project, whilst the long run variable cost changes over time.

For energy produced, the sale price to the grid is adopted as the value per KWh revenue since this is a direct cash releasing benefit to the household and the source of production is the home, through solar photovoltaic cells, rather than other conventional energy sources.

Reduction in GHG as a result of reduction in energy use is also included in the case studies undertaken by Cardiff University in terms of the

² The work by the Welsh School of Architecture, Cardiff University was undertaken as part of the Low Carbon Research Institute (LCRI) Programme part-funded by the European Regional Development Fund through the Wales European Funding Office together and the Low Carbon Built Environment team at Cardiff University funded through SPECIFIC which is part-funded by the European Regional Development Fund (ERDF) through the Welsh Government, and also by InnovateUK and the Engineering and Physical Sciences Research Council (EPSRC).

reduction in CO2. The reduction in CO2 is divided into traded and non-traded sectors with direct fuel used by households in our case, oil or gas being non-traded and any grid electricity use being traded.

The key assumptions adopted from the case studies undertaken by the Cardiff University are shown in Table 4 along with the key values adopted for a new build or retrofit, occurring in 2020. The total value is the sum of the value of each type of fuel saving plus the income from producing electricity. For example, for new build the total value in 2020 per home is: the value of gas saving (£149) plus value of electricity saving (£337) plus income from electricity production (£641) = £1,127 x 50% = £564.

Table 2.4: Energy Saving Value/house HAPS Project Test-bed Homes

New Build (per house)		Retrofit (per house)	
Technologies adopted include: Mechanical Ventilation with Heat Recovery (MVHR) Air Source Heat Pump (ASHP) Solar PhotoVoltaics and Batteries		Technologies adopted include: Mechanical Ventilation with Heat Recovery (MVHR) Ground Source Heat Pump (GSHP) Solar PhotoVoltaics and Batteries	
Energy saving gas	8249 kWh/year	Energy saving oil	9737 kWh/year
LRVC gas (2020)	1.81p/Kwh	LRVC oil (2020)	4p /kWh
Value saving gas	£149	Value saving oil	£393
Energy saving electricity	3230 kWh/Year	Energy saving electricity KwH	680
LRVC electricity (2020)	10.42p/Kwh	LRVC electricity (2020)	10.42p/Kwh
Value saving electricity	£337	Value saving electricity	£71
Income from electricity production	£641	Income from electricity production	£1051
Cost adjustment factor	50%	Cost adjustment factor	50%
Total value per home (2020)	£564	Total value per home (2020)	£758

Note: this table refers to 2020 for ease of presentation, all values incorporated into the CBA are adapted for the number of new builds and retrofits over time, as well as changes in LRVC³

³ For simplicity and transparency, the CBA adopts the same prices for 2020 as those in the case studies, which were undertaken in 2017 for new build and 2019 for retrofit. This is proportionate and appropriate for the CBA since the technologies adopted in the case studies would have also used 2017 and 2019 price points and the average investment under HAPS is roughly half of the estimated investment cost in the case studies.

*converted from LRVC price/litre to kWh using 10.122 as per Supplementary Guidance

Table 2.5: Reduction in Greenhouse Gases, HAPS Project Test-bed Homes

New Build (per house)		Retrofit (per house)	
Non-traded CO2 reduction	1179 CO2	Non-traded CO2 reduction	2068 CO2
Non-traded carbon price	£69/tCO2	Non-traded carbon price	£69/tCO2
Non-traded value	£81	Non-traded value	£144
Traded CO2 reduction	4366 CO2	Traded CO2 reduction	2501 CO2
Traded carbon price	£14/tCO2	Traded carbon price	£14/tCO2
Traded carbon value	£61	Traded carbon value	£53
Cost adjustment factor	50%	Cost adjustment factor	50%
Total value per home (2020)	£71	Total value per home (2020)	£99

Note: Whilst the carbon price of traded and non-traded is very different in 2020, in the long run the 2 prices merge and are the same by 2030.

Benefit: Reduction in Fuel Poverty

A household is regarded as being in fuel poverty if the home cannot be kept warm at a reasonable cost. In Wales, this is measured as any household that would have to spend more than 10% of their income on maintaining a satisfactory heating regime, as recommended by the World Health Organisation (WHO). This requires a minimum indoor temperature of 21 degrees centigrade in living rooms and 18 degrees centigrade in other areas. Any household having to spend more than 20% of their income on maintaining a satisfactory heating regime is defined as being in severe fuel poverty. Households in fuel poverty in the Swansea Bay City Region based on the 10% of income method are shown in Table 6.

Table 2.6: Fuel Poor Households in Swansea Bay City Region, 2018

Local authority area	Total households	Fuel poor households	Fuel poor %
Pembrokeshire	51,761	12,083	23%
Carmarthenshire	76,771	18,934	24%
Swansea	100,787	24,394	24%
Neath Port Talbot	58,780	14,450	24%
Total	288,099	69,861	24%
All Wales	1,265,000	291,000	23%

The Swansea Bay City Region has a slightly higher percentage of fuel poor households than the Welsh average which is about 23%⁴. This is

⁴ <http://www.nea.org.uk/the-challenge/fuel-poverty-statistics/>

exacerbated by lower household incomes and higher energy prices in Wales.

England adopts a different method, the Low Income High Cost (LIHC) method of estimating fuel poverty. Under this method, fewer households in Wales are estimated to be in poverty, about 10%⁵. Under this definition, the estimated average fuel poverty gap for Wales 2018 was approximately £431, this is the average reduction in annual fuel bill that was needed to move these households out of fuel poverty⁶.

The Cardiff University analysis of reduction in energy use enables the calculation of the approximate amount saved per household on energy bills. Comparing the £ savings to total gross disposable household income the saving is 5% for new build and 6% retrofit respectively. Based on estimates for Wales' fuel poverty of £431, the HAPS project, assuming the householder doesn't have to pay for the improvements, would lift 100% out of fuel poverty.

Table 2.7: Reduction in Fuel Bills, Household Income & Fuel Poverty

	New Build Home	Retrofit Home
Reduction in fuel bill	£898	£619
Income from electricity production	£641	£1050
Cost factor (only part of benefit allocated)	50%	50%
Net saving /income	£770	£835
Household gross disposable income Swansea (HHI)*	£15,003	£15,003
Net saving as % of HHI	5%	6%
Fuel poverty gap Wales	£431	£431
Do HAPS expected savings exceed the estimated fuel poverty gap Wales?	Yes Exceed by 339	Yes Exceed by £404
Reduction in fuel bill included in BCR**	£449	£309.50

*Source: <https://gov.wales/statistics-and-research>

** Income from electricity production included under benefit of reduction in energy use and energy production described above and so not included here. 50% of the reduction in fuel bill included to reflect the proportion attributable to HAPS. Values in BCR calculation include those for test-bed homes, both new and retrofit homes

Reductions in fuel poverty will also have potential benefits to local health services in reducing the number of health issues arising from poorly heated homes. Whilst there is little empirical evidence about the specific linkages between fuel poverty and health, there are common links between substandard housing and associated health issues. Most

⁵ <http://www.nea.org.uk/the-challenge/fuel-poverty-statistics/>

⁶ Source: <https://gov.wales/sites/default/files/statistics-and-research/2019-12/fuel-poverty-estimates-wales-2018.pdf>

notably, evidence from evaluation of the Warm Homes Nest scheme, suggested there was a 14% difference in respiratory illnesses recorded (between those homes in the scheme or not, whilst for asthma the difference was 19%.

There are clear health benefits of HAPS. However, their quantum and monetisation in terms of including £ values in the BCR calculation is more difficult to support with evidence that can attribute healthcare resource savings or monetised improvements to the energy cost savings under HAPS. These benefits are thus treated qualitatively.

Substandard housing, which is often hard to heat, is estimated to cost the National Health Service (NHS) some £2.5 billion a year through building-associated health-related issues (National Housing Federation/ECOTEC, 2010).

Source: Jones, Phillip, Li, Xiaojun, Perisoglou, Emmanouil and Patterson, Joanne 2017. Five energy retrofit houses in South Wales. Energy and Buildings 154 , pp. 335-342. 0.1016/j.enbuild.2017.08.032 file

Benefit: Regional Supply Chain Economic Development

The proposals for regional supply chain development include two phases.

Phase 1 (Yr 1) will include:

- Mapping of existing supply chain and identification of gaps
- Analysis of kit in terms of imported kit and scope for market in region to reshore (based on Bill of Materials)

Lessons learned from developments e.g. Hafod development in terms of costs developments

- Focus on 2 or 3 technologies of technologies, in particular, what worked, and what didn't work

This initial work will build on the supply chain development exercise currently being undertaken by Cardiff University and City and County of Swansea. The proposed measures will also draw on other supply chain development programmes for renewables, such as that being undertaken in Scotland⁷.

Phase 2 (Yr 2 – 4) will include:

⁷ <https://energysavingtrust.org.uk/scotland/businesses-organisations/supply-chain>

Assessment of aggregate demand for incremental technologies

HAPS has pipeline demand with 10,300 homes over 5 years – HAPS will share the pipeline of an anchor in the region such as heat pumps, powerwall and control systems

The aim is to embed the supply chain in the region and enable both public and private housebuilding programmes to source technologies from the region, rather than importing from abroad, which for most technologies is currently the only choice.

The plan for supply chain development includes activities to raise the awareness of local businesses of the demand for technologies, including those not normally the target of public funded programmes. The intention is to identify as wide a potential supply chain as possible, through an competitive open call for proposals focused on 2 or 3 technologies to include:

- Start-up companies. To encourage start-ups in investing in these technologies
- Existing companies. To enable small businesses to build capacity and/or larger more established companies to diversify to include these technologies in their suite of products offered to the market

Appraisal of bids is planned to include Industry Wales amongst the selection panel.

The initiatives involved could include accreditation schemes, incentives for manufacturing companies to develop new processes and equipment, company search and facilitating site finding for inward investment, skills upgrading schemes, information and events. Whilst the number of test-bed homes and indeed target homes is fairly limited, the regional supply chain development component of HAPS could be applied to all local housing programmes and will therefore have an aggregation effect to stimulate demand.

The current situation is that there is no coordinated supply chain and skills specifically linked to energy efficient homes. The implications of a fragmented supply chain are higher transactions costs which affects purchasing decisions and ultimately acts as a barrier for local firms and trades to enter the market. A recent report by Regen on the South West of the UK indicated that the current supply chain does not have the capacity to deliver domestic retrofit on the scale required to meet 2020 carbon emissions targets and even at current levels of activity, there are supply chain constraints. The situation is likely to be similar for Wales.

Whilst the proposals for specific activities under the supply chain development component of HAPS are to be defined as part of the first

phase of the project, there are a number of positive factors which suggest that the supply chain development could be successful and lead to positive economic benefits, which involves a combination of demand and supply factors which under HAPS, through implementation of the living test-bed homes, monitoring and evaluation and marketing look to influence demand – and through supply chain measures, enable the regional supply chain to respond.

Learning from other supply chain development schemes elsewhere, a number of factors are important:

- the purchasing power of public sector bodies – some £115 million is planned to be spent by the public sector on housing programmes over the next 5 years⁸
- through accreditation and other incentives, influencing the decision makers in purchasing for the private sector is likely to involve a mix of house developers and architects; some £375 million is planned to be spent by the private sector over the next 5 years. Supply chain development will need to consider how decisions are made and enable local companies and trades to be able to adequately respond to changes in demand

The valuation of benefits included in the BCR calculation, relies on evidence provided by NPT, drawing on an ongoing project to support the establishment of a heat-pump manufacturer in the area.

The valuation draws on the following assumptions:

- Evidence from the ongoing NPT project suggests that production of around 12,000 heat pumps requires a workforce of about 160 staff, the average salary of which is about £46,000
- HAPS homes total about 10,300 over the 5 year programme, although for supply chain development most of the benefit is likely to be in after say 2 years, as the investment requires time to take effect
- Given companies impacted by supply chain investment can supply technologies to HAPS or other housing programmes, it is assumed that one third of the 162 jobs in the example, (say 3,400 heat pumps a year is supported). This benefit is assumed to accrue over the latter 3 years of HAPS plus an additional five years, supporting other

⁸ These figures for housing programmes include a range of costs for new build and retrofit but energy technologies will be a significant proportion of the investment

housing programmes. Beyond 5 years is less certain. Jobs are valued as additional using the salary uplift between average salary in NPT, about £27,000 and the £46,000 in the example

- The same assumptions are adopted for 2 other technologies, as recommended by NPT based on the example case

The benefits of supply chain improvements and provision are not limited to current or planned housing programmes, of course and the businesses could supply technologies throughout the UK and abroad. The impacts and values assumed are thus considered to be reasonable and achievable.

Benefit: Greater Investment in Energy Efficient Technology, Target Homes under HAPS and other Future Housing Programmes

The investment in monitoring and evaluation, and the dissemination of its outcomes through the marketing component will enable the HAPS living test-bed homes, which include energy efficient technologies to inform and encourage future housing investment programmes and potentially avoid mistakes and wasted investment.

What is clear to date, is that whilst there has been attempts at case studies and example homes to showcase renewable technologies, a comprehensive and definitive study has not been undertaken. The proposed number of test-bed homes under HAPS provides great potential to require participants to agree to comprehensive monitoring and evaluation and to undertake analysis, not just of a few homes but a sample in the order of over 100 for new build and retrofit. This would enable the study and its results to be far more comprehensive and potentially compelling than any analysis to date. The intention is that several technologies are tested and under different circumstances to facilitate comprehensive recommendations.

Whilst it is not possible to accurately judge the magnitude of this benefit, some comparisons are made to help understand the potential scale of the impacts relative to the investment. Under option 4, the number of target homes is much higher.

Table 2.8: Scenarios of Scaling up the Investment in Energy Efficient Technology

	Option 1	Option 2	Option 3	Option 4
New Build target homes under HAPS	-	1,000	2,100	3,300

Retrofit target homes under HAPS	-	1,200	3,350	7,000
Total target homes under HAPS	-	2,200	5,450	10,300

That said, successful dissemination programmes are not exclusive to the initiating project and if done well could reach a wide audience, influencing not just the target homes in the Swansea Bay region but have much wider and further reach, geographically and beyond the HAPS project timeframe. There is also a risk, that if the results are not compelling and/or the analysis or the dissemination outcomes are weak then anticipated take up of technologies will also be weak and benefits will not occur.

Compelling evidence on the benefits of efficiencies gained through better understanding of what technologies work where, best and how, has been collated by NPT in conjunction with a RSL. Their experience on a site developed in partnership with NPT and Specific suggests that lessons learned from the project may be able to reduce the costs of technology by about half, from some £40,000 above the Acceptable Cost Guidance to about £15-20,000. Evidence suggests there has been a strong learning curve and a private engineering company are monitoring the development through funding from BEIS. The results are not yet available but could be used to support HAPS and act as a building block for the HAPS project to further develop and so provide evidence for the market – and gain efficiencies in both public and private housing programmes.

For the purpose of the BCR calculation, reference to the cost of housing and the cost reduction of some 50% for technologies is taken into account, also bearing in mind, that only a proportion of future housing will take these learnings into account. As discussed the expenditure under HAPS will help to facilitate wide dissemination and learning to facilitate widest benefits as possible. Assumptions for the valuation include:

- For RSL, the saving on new housing is around 9% of the overall cost of the house (reference to RSL developments in NPT), and assuming that for a five year housing programme of some £23 million a year (reference the current £115 million 5 year programme), savings of about £520,000 a year, over five years
- Similar savings for private sector housing programmes but at a lower take up rate (reference private sector housing programme of £375 million a year), savings of about £850 a year, over five years

Whilst these learnings may impact housing programmes over longer period, for prudence, the savings assumed in the valuation and used in the BCR are limited to five years.

Value of Properties Retrofitted under HAPS

There is compelling evidence that properties retrofitted with new technologies under HAPS will have lower heating costs and may thus be cheaper to run and have a higher market value. Specific research into this uplift to provide evidence for economic valuation has not been undertaken and thus is discussed here as a positive benefit, but not included in the BCR calculation.

Risk Assessment

With reference to HMT Green Book (Annex 5) a preliminary risk assessment has been undertaken. The focus of the assessment is on the financial incentives component of the HAPS project, rather than regional supply chain, monitoring and evaluation, marketing and project management, as these components are allocations and their specific scope will be defined at a future date.

The project is considered to be a non-standard building project, for which the capital cost optimism bias is estimated to be between 4% and 51%. The HAPS project and the type of renewable energy technologies adopted will vary from home to home and could be adjusted to accommodate increases or decreases in cost. For this reason, a slightly lower than mean value is taken at 20% of financial incentive costs.

Project Costs

Costs are developed in 2020 prices and are exclusive of VAT. Costs do not include additional lifecycle costs of replacement etc, rather a suitable 30 year of operations project evaluation period is used.

For project management, it is assumed that there is no subsequent liability to the public sector of hiring staff to manage and run the project, such that any contracts would be terminated at the end of the project term. Costs include the top up contributions from the RSL and the private sector.

Costs are phased, assuming that spending on the test-bed homes occurs within the first two years, as per the monitoring and evaluation programme, with the marketing spent in the second year. Supply chain developments are spread out over the five-year project, relatively small in

the first year as the project is developed and then building up over subsequent years. Project management is assumed to be spread equally over the five-year project.

Table 2.9 shows the costs of the various options, including optimism bias, in NPV 2020.

Table 2.9: Option Cost Estimates, NPV 2020

	Option 1	Option 2	Option 3	Option 4
Direct Costs (to Project proponent)				
Financial Incentives	-	6,399,216	5,916,124	5,433,032
Monitoring & Evaluation	-	238,279	569,908	949,847
Marketing	-	-	140,027	233,378
Supply Chain	-	6,272,101	6,272,101	6,272,101
Project Management	-	903,010	903,010	903,010
Subtotal	-	13,579,029	13,579,029	13,579,029
Third party 'top up'	-	-	1,191,393	2,801,637
Optimism Bias	-	1,279,843	1,421,503	1,646,934
TOTAL	-	14,858,873	16,191,926	18,027,600

Results of the CBA

CBA Monetary NPV Calculation

The monetary NPV and BCR calculation is undertaken using the costs and benefits described in the previous sections.

Summary results are shown in Table 2.10 along with reference to benefits that are either not able to be quantified or monetised.

The results of the monetised valuation show that all of the options have a positive NPV and deliver a benefit cost ratio, against public sector costs of greater than 2. As discussed health benefits and uplift in

property values are not included; neither are very long term benefits as they are more uncertain.

Option 4, which leverages the highest amount of private funding, delivers the greatest NPV and also the greatest BCR. Benefits that cannot be monetised and/or any sensitivities in the analysis are not considered to change this outcome. Rather any sensitivities in assumptions, is likely to reinforce the relative performance of the options. Option 4 is thus considered to be the preferred option and is taken forward.

Table 2.10: Appraisal Summary Table

	Option 1	Option 2	Option 3	Option 4
A Net Present Social Value (£million)	-	15.13	16.35	16.63
B Public sector cost (or appropriate value for cost) (£million)	-	14.86	14.76	14.67
C Appropriate BCR	-	2.05	2.15	2.50
D Significant unmonetisable costs/benefits	-	Health impacts attributable to reduction in fuel poverty and increase in value of retrofit homes	Health impacts attributable to reduction in fuel poverty and increase in value of retrofit homes	Health impacts attributable to reduction in fuel poverty and increase in value of retrofit homes
E Significant unquantifiable factors	-	Longer term (greater than 5 year after HAPS programme, impacts on future programmes and supply chain)	Longer term (greater than 5 year after HAPS programme, impacts on future programmes and supply chain)	Longer term (greater than 5 year after HAPS programme, impacts on future programmes and supply chain)
F Risk costs by type and residual optimism bias £million	-	1.28	1.42	1.65
G Switching values (for the preferred option only)	-			81%
H Time horizon and reason	5 year programme + 30 years after, lifecycle of technologies	5 year programme + 30 years after, lifecycle of technologies	5 year programme + 30 years after, lifecycle of technologies	5 year programme + 30 years after, lifecycle of technologies

Summary of the Preferred Option

Drawing on the business needs identified in the Strategic Case, and the results of the above CBA, the preferred option to be taken forward to the Commercial, Financial and Management cases is set out below.

This will be a regional pioneering project to facilitate the adoption of the ‘HAPS approach’ i.e. the integration of energy efficient design and renewable technologies in new build and existing housing stock across the public, private and third sectors in the Swansea Bay City Region. Importantly, the HAPS project is about the approach to delivering energy positive homes, not developing new technologies. The technologies to be used in the design solutions are already known. The innovative aspect to this project will be:

- The coordinated approach to combining design and technologies at scale
- Ongoing monitoring and evaluation to maximise the benefits of the approach
- Developing a sustainable, skilled regional supply chain

The recommended scope of activity of the HAPS preferred option is as follows:

Activity	Details
<p>Facilitate the adoption of the HAPS approach in new build and retrofit developments</p>	<p>A targeted regional financial incentives fund will be created to provide gap funding to facilitate the adoption of the HAPS approach in new build and retrofit developments.</p> <p>The funding will not act as a subsidy for every development. Rather, it will provide incentives at the start of the project to incentivise the adoption of the HAPS approach (similar to WG Innovative Housing Programme (IHP)) for a target number of properties. The fund will be State aid compliant.</p> <p>The aim will be to facilitate the adoption of energy positive, low carbon and renewable technologies and design in new-build and retrofit developments, to create an evidence base at scale to develop a cost effective, flexible design approach.</p>

	<p>A phased approach will be adopted so as to de-risk the project. Roll-out will initially focus on the Local Authority and Regional Social Landlord (RSL) sectors. Once benefits in the public sector have been demonstrated, the project will then look to incentivise private sector housebuilders to adopt the HAPS approach.</p> <p>Delivery at scale like this should help to reduce the cost of the technologies, thereby facilitating further take-up.</p>
<p>Develop a sustainable, skilled regional supply chain</p>	<p>The HAPS project includes funding for developing a sustainable regional supply chain.</p> <p>The project team will work with key partners, including Welsh Government and industry, including Industry Wales to develop a sustainable, indigenous regional supply chain. The project activity will lead to an aggregation of technologies creating demand for technologies.</p> <p>The HAPS project will work with the Skills and Talent project to ensure the workforce is appropriately skilled. The HAPS project has already established links with FE and HE, together with the Skills and Talent City Deal project.</p> <p>The Renewable Energy Skills Forum (Wales) is currently mapping the skills and experience currently available in renewable technologies to develop a competency and skills matrix, for a qualification routeway in Wales. It is looking at existing work through SPECIFIC and RSLs, in particular, as well as taking account of UK and local companies, developing an expertise in renewables. This would allow the Skills Matrix to reflect the broad nature of the renewables sector.</p>
<p>Establish a coordinated monitoring and</p>	<p>The HAPS project will include funding to properly monitor and evaluate the project.</p>

<p>evaluation programme</p>	<p>Through ongoing monitoring and evaluation, the project will provide the evidence for using a variety of renewable technologies and to demonstrate the viability of adopting the homes as power stations approach at scale, moving away from one off demonstrators in both new build and retrofit programmes.</p> <p>The monitoring and evaluation will focus on three key areas:</p> <ul style="list-style-type: none"> ▪ Energy efficiency (to provide evidence of costs and benefits of a range of design solutions for a range of tenures and site locations) ▪ Health and wellbeing (in partnership with Public Health Wales) ▪ Social science (in partnership with academia to consider how people interact with the technologies across a wide demographic)
<p>Develop a flexible design approach</p>	<p>The aim of the regional HAPS project is to coordinate the approach to delivering smart, low carbon, energy efficient homes by encouraging the use of a range of renewable technologies incorporated with a design approach appropriate to local circumstances e.g. site location, tenure etc. It is not a 'one size fits all' technology solution, it is a flexible and adaptable design strategy offering a range of technology and design solutions based on a number of factors including site location and tenure.</p> <p>The design and technology solutions will be tested and refined during the five-year project, allowing the design solutions to adapt to technological advances. The flexible design strategy will be developed to allow the HAPS approach to be adapted to a variety of challenges and constraints associated with sites and tenure across the region.</p> <p>A few examples of this flexible, design approach are detailed below:</p> <p>Hafod site, Neath – this is an example of solar alignment where the topography of the site has determined the use of technologies</p>

Another example is of homes which have been installed with east and west facing photovoltaic panels (PVs) to capture the morning and evening sun

The HAPs regional project shares the same ambition as the Active Building Centre focus i.e. to accelerate market adoption of energy positive homes to provide cleaner, cheaper and more resilient energy supply.

Design approach

The fundamental design principles underpinning the HAPS approach are:

- Whole house approach
- Fabric first approach
- Passive design where feasible
- Electrical and heat generation
- Storage (electrical and heat)
- Optimisation of energy performance

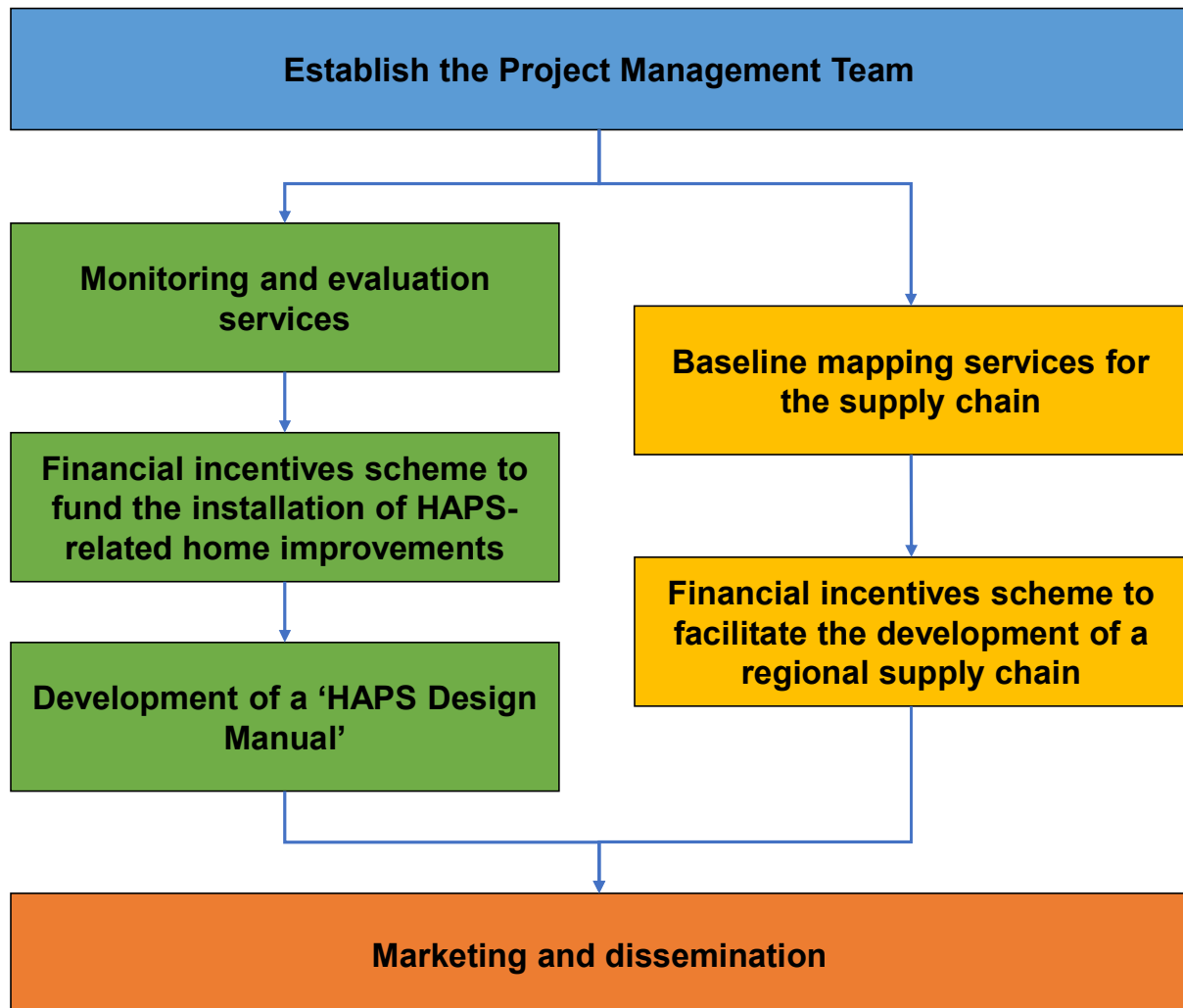
Overview of current technologies

The following technologies will be incorporated into the flexible design solutions:

- SIPs panels (Structural Insulated Panels)
- Solar PVs
- Transpired Solar Collector (TSC) cladding
- Integrated photovoltaic roof covering
- Air source heat pumps
- Ground water source heat pumps
- Mechanical Ventilation with Heat Recovery (MVHR)
- High levels of Insulation
- PV / Solar water heating
- Voltage optimisation
- Battery storage (allowing the solar energy to be collected, stored and released to meet the energy demands of the dwellings and their occupants)

The figure below presents a simple overview diagram of the project's different components and how each fits together.

Figure 2.3: Overview of the HAPS Project



Pembroke Dock Marine - Evolution of the Business Case from City Deal Heads of Terms (March 2017)			
	Submitted	Feedback Via	Summary of Feedback.
Version 2	14.08.17	Written Record submitted and addressed in V3 (See Answers to UK / WG Feedback 16.08.2018)	101 comments across submission. Review recognised the project not at formal FBC stage. More detail requested on how the project elements work together and a more robust. Full list of comments and responses included in Appendix K.
Version 3	08.08.2018	Regional Office Comments see Response Sheet 16.08. Version 4 in Appendix K). UK / WG Workshop held 29.09.2018.	Supplementary Information Produced and Submitted in December 2018 (see Appendix K) addressing comment summarised below. -Review of the current element deliverables for Pembroke Dock's Infrastructure from the HoT submission. -The provision of more information about how the Pembroke Dock Infrastructure element will minimise risk on the consenting with specific focus on the heritage assets within the former Royal Dockyard. - Provision of information in relation to alternative scenarios for Pembroke Port, if the residual impact of the preferred option on heritage assets is delayed or unacceptable. - Provision of additional information in relation to the Pembrokeshire Demonstration Zone (PDZ) element rationale from moving from an onshore build to a consenting only strategy within the 5-year timescale imposed on the project by the Swansea Bay City Region.
Version 4	29.03.2019	RO Feedback	Comments addressed in V05
ESB Review	NA	Meetings 26.02.2019 and 25.04.2019	Economic Strategy Board requested SWOT analysis for each element (see Appendix K).Comments focused on how the project would create legacy beyond the initial City Deal funding period, how the project would ensure long term links with academia and skills and a desire for more shared facilities to be included to support the needs of technology developers.
Version 5	28.05.2019	UK WG Workshop	Comments recorded and addressed in V06 (see appendix K)
Peer Review	30.09.2019	Feedback via report	Response to comments addressed in V06
Version 6	03.10.2019		

Table ES6: PDM costs								
Pembroke Dock Infrastructure (PDI)								
Costs	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	Totals
Capital		£680,271	£2,131,076	£4,509,906	£9,268,963	£17,067,926	£7,935,469	£41,593,611
Revenue								
Total		£680,271	£2,131,076	£4,509,906	£9,268,963	£17,067,926	£7,935,469	£41,593,611
Funded by:								
Catapult								
CCF								
City Deal			£1,260,800	£1,767,621	£3,800,000	£8,099,526	£6,622,053	£21,550,000
PoMH (Infrastructure)		£632,346	£360,000	£1,336,000	£2,427,090	£5,160,110	£630,572	£10,546,118
PoMH (Superstructure)			£50,000	£200,000	£750,000	£1,000,000	£500,000	£2,500,000
Private Sector								
WEFO		£47,925	£460,276	£1,206,285	£2,291,873	£2,808,290	£182,844	£6,997,493
OTHER								
Total	£0	£680,271	£2,131,076	£4,509,906	£9,268,963	£17,067,926	£7,935,469	£41,593,611
Marine Energy Test Area (META)								
Costs	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	Totals
Capital	39,823	45,927	83,703	84,783	85,895	78,703	0	418,833
Revenue	278,690	534,743	506,601	387,122	292,809	256,206	0	2,256,171
Total	318,513	580,670	590,304	471,904	378,704	334,909		2,675,004
Funded by:								
Catapult	0	0	0	0	0	0	0	0
CCF	75,000	150,000	75,000	0	0	0	0	300,000
City Deal	0	0	195,724	195,724	195,724	195,724	0	782,897
PoMH	0	0	0	0	0	0	0	0
Private Sector	0	0	0	0	0	0	0	0
WEFO	243,513	280,670	169,580	176,180	182,980	139,185	0	1,192,107
OTHER	0	150,000	150,000	100,000	0	0	0	400,000
Total	£318,513	£580,670	£590,304	£471,904	£378,704	£334,909	£0	£2,675,004
Marine Energy Engineering Centre of Excellence (MEECE)								
Costs	2017/18	2018/19	2019/20	2020/21	2021/21	2022/22	2023/24	Totals
Capital			£1,070,000	£600,000				£1,670,000
Revenue		£68,414	£1,353,637	£2,913,875	£2,461,632	£1,843,596	£869,588	£9,510,742
Total		£68,414	£2,423,637	£3,513,875	£2,461,632	£1,843,596	£869,588	£11,180,742
Funded by:								
Catapult		£23,691	£22,184	£394,587	£392,333	£167,114	£43,035	£1,042,944
CCF								£0
City Deal			£501,726	£920,715	£896,077	£1,286,156	£395,326	£4,000,000
PoMH								£0
Private Sector							£400,000	£400,000
WEFO		£44,469	£1,715,872	£1,965,337	£987,945	£286,377		£5,000,000
OTHER		£254	£183,854	£233,237	£185,277	£103,949	£31,226	£737,798
Total		£68,414	£2,423,637	£3,513,875	£2,461,632	£1,843,596	£869,588	£11,180,742
Pembrokeshire Demonstration Zone (PDZ)*								
Costs	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	Totals
Capital								
Revenue	£277,770	£98,919	£403,908	£2,163,610	£1,360,110	£543,988	£173,244	£5,021,549
Total	£277,770	£98,919	£403,908	£2,163,610	£1,360,110	£543,988	£173,244	£5,021,549
Funded by:								
Catapult								
CCF								
City Deal			£199,627	£701,874	£482,281	£196,934	£86,387	£1,667,103
PoMH								
WHL	£43,105	£18,360	£6,400	£9,600	£9,600	£41,728	£3,800	£132,593
Private Sector								
WEFO	£174,665	£80,559	£197,881	£1,452,136	£868,229	£305,326	£83,057	£3,161,853
OTHER	£60,000							£60,000
Total	£277,770	£98,919	£403,908	£2,163,610	£1,360,110	£543,988	£173,244	£5,021,549
PDI / META / MEECE / PDZ TOTALS								
Costs	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	Totals
Capital	£39,823	£726,198	£3,284,779	£5,194,689	£9,354,858	£17,146,629	£7,935,469	£43,682,444
Revenue	£556,460	£702,076	£2,264,146	£5,464,607	£4,114,552	£2,643,790	£1,042,832	£16,788,462
Total	£596,283	£1,428,274	£5,548,924	£10,659,296	£13,469,409	£19,790,419	£8,978,300	£60,470,906
Funded by:								
Catapult	£0	£23,691	£22,184	£394,587	£392,333	£167,114	£43,035	£1,042,944
CCF	£75,000	£150,000	£75,000	£0	£0	£0	£0	£300,000
City Deal	£0	£0	£2,157,877	£3,585,934	£5,374,082	£9,778,341	£7,103,766	£28,000,000
PoMH	£0	£632,346	£410,000	£1,536,000	£3,177,090	£6,160,110	£1,130,572	£13,046,118
Private Sector	£0	£0	£0	£0	£0	£0	£400,000	£400,000
WEFO	£418,178	£453,623	£2,543,609	£4,799,938	£4,331,027	£3,539,177	£265,901	£16,351,453
Other	£103,105	£168,614	£340,254	£342,837	£194,877	£145,677	£35,026	£1,330,391
Total	£596,283	£1,428,274	£5,548,924	£10,659,296	£13,469,409	£19,790,419	£8,978,300	£60,470,906

Total Allocat #####

Annual

Payment £16,066,667 £16,066,667 £16,066,667 £16,066,667 £16,066,667 £16,066,667 £16,066,667 £16,066,667

PDM % 0.0% 0.0% 13.4% 22.3% 33.4% 60.9% 44.2%

£0

£112,466,667

24.9%

PDM IO 2: Successfully attracts £60m of additional inward investment from technology developers within the SBCR area by 2024.			
	Source	Value (£m)	Evidence
Technology Developers	Bombora WavePower	£10.5	Link Here Also see Bombora Letter of Support in Appendix D
	Marine Power Systems	£12.80	Link here Also see Letter of Support SBCR - MPS 2016 and MPS-Letter to PCC Leader - 27.11.2018 in Appendix D
	Simply Blue Energy	£8.5m - £10m	See Letter of Support March 2019 SBE + PPI and SBE Development Investment 2020 - 2023 in Appendix D
Total		£31.8 - £33.3	
% Target to Date		53%	

Table 6.5 PDI Targeted Revenue from SBCD Funded and Enabled outputs			
Output	Scenario		
	Low	Medium	High
Port Services (Laydown,	£219k	£647k	£1.19m
Net Rental	£163k	£189k	220k
Total	£382k	£863k	£1,412

PDM IO 4: MEECE / META successfully attain legacy through further project collaboration and Funding applications (targeting at least 2 per year in year 2, 3,4 and 5 (total 8))			
Project & Funding Source	Project & Funding Source	Summary	Value (£m)
SELKIE Interreg (Ireland Wales)	Approved	Selkie is a 3.5-year project that was formerly launched by Leslie Griffiths at Ocean Energy Europe in Dublin on September 30th. The project has 6 partners including Swansea University and Marine Energy Wales. The Port of Milford Haven sit on the Project's Steering Committee. The aims of the Selkie project are to: 1. Establish a cross-border network of Ocean Energy SMEs and supply chain companies; 2. Conduct industry-academic collaborative R&D projects; 3. Transfer R&D knowledge to wave and tidal industry/SME stakeholders, thereby advancing the technology sector as whole; 4. Assist Irish and Welsh SMEs to progress along the path to commercialisation	€4.2m / £3.72m
TIGER (Interreg Atlantic Area)	Application Submitted - Decision Expected Oct 2019	The Offshore Renewable Energy Catapult is leading the €46M, Interreg-funded Tidal Stream Industry Energiser Project (TIGER). TIGER will drive the growth of Tidal Stream Energy (TSE) in France & the UK, and accelerate the deployment of TSE in those regions, with significant economic benefits for coastal communities. Cambrian Offshore Limited, with registered offices in Wales, through TIGER, will invest €6.3M (€3.8M grant and €2.5M private) into the Ramsey Sound tidal site, once operated by Tidal Energy Limited, to bring that site back into full operation. This site could also benefit from revenue support through a Renewable Obligations Certificate, so bringing extra revenue into the region while it is generating. This will enhance the market attractiveness to the sector to use the PDM outputs especially MEECE, META and the new assets in PDI	€6.3m / £5.58m
MILFORD HAVEN: ENERGY KINGDOM ISCF Prospering from the Energy Revolution (Detailed Designs)	Application Submitted -	The project is a two year Front End Engineering Study commencing January 2020. The objective of Milford Haven: Energy Kingdom is to establish seed markets for use of hydrogen around the Milford Haven Waterway, by integrating a wide range of major energy facilities, renewable energy generators and energy consumers in the community, using a systems architecture that can be implemented with commercial-ready solutions and which focusses on underlying fundamentals and is therefore robust in the face of regulatory change.	£4,405
Southeast Clsuter Enhanceme nts	Expression of Interest Submitted.	The Port of Milford Haven are at early stage proposals in collaboration with the Sunderland Trust, PCC and The National Museum of the Royal Navy To create a new sense of place for Pembroke Dock with themes of maritime and	£6m
Total			19.7m

Table 6.3 Other funding breakdown per year

Source	2018/19	2019/20	2020/21	2021/22	2022/23	2023/2024	Total
Swansea Uni	£0	£96,832	£107,293	£93,365	£65,629	£11,710	£374,829
Bangor Uni	£0	£37,312	£26,049	£26,049	£9,185	£19,517	£118,110
Cardiff Uni	£254	£36,305	£81,827	£50,909	£23,277	£0	£192,572
Cardiff Met Uni	£0	£13,405	£18,068	£14,955	£5,859	£0	£52,286
META (TMF)	£150,000	£150,000	£100,000				£400,000
Welsh Govt	40,000	£20,000					£60,000
Wavehub Ltd	£19,500	£39,972	£4,400				£63,872
Total	£209,754	£393,826	£337,637	£185,277	£103,949	£31,226	£1,261,669

£1,261,669

	Option 1	Option 2	Option 3	Option 4
Costs (discounted)	£2.3 million	£45.1 million	£6.8 million	£77.8 million

	Option 1	Option 2	Option 3	Option 4
B8: Storage	-	20,584	-	20,584
B1: Business	-	4,100	1,600	4,100
B2: General Industry	-	35,945	-	35,945
Total	-	60,629	1,600	60,629

	Option 1	Option 2	Option 3	Option 4
B8: Storage	-	321	-	321
B1: Business	-	373	145	373
B2: General Industry	-	1,198	-	1,198
Total	-	1,892	145	1,892

	18/19	19/20	20/21	21/22	22/23	23/24	24/25	TOTAL
Option 2	-	699	-	-	697	227	269	1,892
Option 3	-	145	-	-	-	-	-	145
Option 4	-	699	277	697	269	-	-	1,942

	Option 1	Option 2	Option 3	Option 4
B8: Storage	-	319	-	319
B1: Business	-	370	139	370
B2: General Industry	-	1,192	-	1,192
Net additional	0	1,881	139	1,881

	Option 2	Option 3	Option 4
Annual GVA*	£73.5 million	£5.4 million	£73.5 million
Cumulative GVA	£343.4 million	£26.4 million	£343.4 million

	Option 2	Option 3	Option 4
Land value uplift	£177,240	£4,060	£177,240

	Option 2	Option 3	Option 4
Wage Premium	£78.8 million	£6.5 million	£81.1 million

	Bottom Quintile	Second Quintile	Middle Quintile	Fourth Quintile	Top Quintile
Wales	25%	22%	21%	19%	14%
Welfare Weight	2.416	1.442	1	0.693	0.415
	0.604	0.317	0.21	0.132	0.058
					1.32

	Option 2	Option 3	Option 4
Carbon Dioxide (CO ₂) savings	£8.2 million	£2.5 million	£8.2 million

	Option 2	Option 3	Option 4
Land Value Uplift	£0.177	£0.004	£0.177
Wage premium	78.8	6.5	81.1
Distributional benefits ¹	25.2	2	26
Environmental benefits	8.20	2.50	8.20
Total net external impact	112.4	11.0	115.5

	Option 2	Option 3	Option 4
Present Value Costs (including OB) ¹	42.7	4.4	75.5
Present Value Benefits			
Land Value Uplift	0.177	0.004	0.177
Wage premium	78.8	6.5	81.1
Distributional benefits ¹	25.2	2	26
Environmental benefits	8.2	2.5	8.2
Total benefits	112.4	11.0	115.5
NPPV	69.7	6.7	40
BCR (adjusted)	2.63	2.52	1.53

	Option 2	Option 3	Option 4	
A	Present Value Quantified¹	87.1	9	89.4
B	Present Value Costs / (Surplus)	42.7	4.4	75.5
C	Present Value of other quantified impacts	25.2	2.1	26
D	Net Present Public Value A-B	44.4	4.6	13.9
E	*Initial* Benefit-Cost Ratio (A/B)	2.04	2.05	1.18
F	*Adjusted* Benefit-Cost Ratio ((A-C)/B)	2.63	2.52	1.53
G	Significant Non-monetised impacts	Agglomeration benefits	-	Agglomeration benefits
H	Value for Money (VFM) Category	"High VFM"	"High VFM"	"Acceptable VFM"
I	Switching Values (BCR±1)	-62%	-60%	-35%
J	Financial Cost (undiscounted)	45	7.3	80.6
K	Risks	External influences	External influences	External influences

Based on Green Book principles and Green Book Supplementary and Departmental evidence

	Option 2	Option 3	Option 4
Attributed total public sector economic costs (adjusted for optimism bias, £m)*			
Discounted public sector cost – economic	49.2	6.8	85
Benefits			
Net additional jobs	1,881	139	1,881
Net additional cumulative GVA (£m)	74	5	74
Cost effectiveness (attributed)			
Cost per net additional job	26,152	47,009	45,182
BCR (GVA:economic cost)	1.50	0.80	0.90

Pembroke Dock Infrastructure Financial Assessment Summary

Low Scenario						
Project Value:	£ 43,588,302				Project Start Date	01/01/15
Authorisation level:	Board				Project End Date	31.12.2023
Assumptions						
Assumptions	CAPITAL INVESTMENT PHASE			OUTPUTS / REVENUE PHASE		
	1. Acquisition of Triangle	£1,196,000		12. New Land Area's Created	23836m²	
	2. CPO Costs included in 5 year forecast	Yes		13. Utilisation of New Areas	90%	
	4. Capital costs include contingency of	25%		14. Rental per meter squared per week	0.125p/m²/ptw	
	5. SBCD funding is available from	31.03.2020		15. New Commercial Net Lettable Area Created	26909.75sqft	
	6. City Deal Funding	£21,550,000		16. New Fabrication Space Created	26909.75sqft	
	7. Other 3rd Party WEFO Funding	£6,977,012		17. Additional Wharfage	10000sq/yr	
	8. Port Investment	£14,929,271		18. Wharfage Rate	8£ p/ton	
	10. Total Project funding intervention	66%		19. Quay 1 Berth Utilisation (Additional % above 16%)	4%	
	11. Total Cost	£43,456,283		20. Additional Berthing GT above 174.545t	30,545	
	Planning Stages					
	Development Costs	Stage 1	Stage 2	Stage 3	Stage 4	
Date (Hold Point) Value (£'000)	1.1.15 - 19.3.17	31.03.18	31.06.18	31.03.19	30.06.19	
Dev. Stage		Screening / Stopping	Up to submission	Consents w. Conditions	Conditions Discharged	
CUSUM (£'000)	128.1	238.7	463.2	571.9	722.0	

Capital Expenditure Phase							
£'000	2020	2021	2022	2023	2024	2025	Total
	Consultancy Design	Commence P1	P1 : Cont. & Commence Phase 2	P1: Finish, P2: Cont. Commence P3	P2 & P3 : Finish, Demobilise		
Stage							
SBCD Funding	1,260.8	1,767.6	3,800.0	8,099.5	6,622.1	0.0	21,550.0
Other Funding (WEFO)	78.9	928.6	2,899.0	2,887.7	182.8	0.0	6,977.0
Port Match	410.9	2,440.8	8,450.7	2,811.3	225.6	590.0	14,929.3
CUSUM (£'000)	1,750.6	6,887.5	22,037.3	35,835.8	42,866.3	43,456.3	43,456.3

Phase 1: Contract Works - Retain Existing Quay Wall, Install mass concrete wall to entrance of Graving Dock, Infill Graving Dock, Extend Slipway (NO Cofferdam) formed with precast concrete units and provision of Concrete (15m from Quay Wall)/Hardcore Areas for Boat Repair					
Phase 2: Contract Works - Infill Pickling Pond, Land remediation, Ecology measures, Demolition of selective buildings, Provision of utilities and drainage, minor repairs to existing infrastructure and reposition security gate.					
Phase 3: Demolition of buildings and construction of transport corridors.					
Revenue (2027 onwards)					
Area Leasing	£201,494	Total Expenditure	£44,178,302	25 year IRR	-2.9%
Building Leasing	£276,579	Annual Costs (Y16)	£9,500	NPV @ 6.0%	£(34,037,955)
Additional Wharfage	51,599	Total Revenue (2027+)	£616,266	40 year IRR	0.9%
Additional Berthing	86,595			NPV @ 8%	-29,703,424

1. Acquisition of Triangle	£1,196,000	
2. CPO Costs included in 5 year forecast		
4. Capital costs include contingency of	25%	
5. SBCD funding is available from	31.03.2020	
6. City Deal Funding	£21,550,000	
7. Other 3rd Party WEFO Funding	£6,977,012	
8. Port Investment	£14,929,271	
9. Infrastructure funding intervention		
10. Total Project funding intervention	65.6%	
11. Total Cost	£43,456,283	
12. New Land Area's Created	23,836	m²
13. Utilisation of New Areas	90%	
14. Rental per meter squared per week	£0.13	p/m²/ptw
15. New Commercial Net Lettable Area Created	26,910	sqft
16. New Fabrication Space Created	26,910	sqft
17. Additional Wharfage	10,000	sq/yr
18. Wharfage Rate	8	£ p/ton
19. Quay 1 Berth Utilisation (Additional % above 16%)	4%	
20. Additional Berthing GT above 174.545t	30,545	174,545

Fixed Swansea Bay City Deal Funding 21,550,000

Pembroke Dock Infrastructure Financial Assessment Summary

High Scenario						
Project Value:	£ 43,588,302				Project Start Date	01/01/15
Authorisation level:	Board				Project End Date	31.12.2025
Assumptions						
CAPITAL INVESTMENT PHASE			OUTPUTS / REVENUE PHASE			
1. Acquisition of Triangle	£1,196,000		12. New Land Area's Created	23836m²		
2. CPO Costs included in 5 year forecast	Yes		13. Utilisation of New Areas	90%		
4. Capital costs include contingency of	25%		14. Rental per meter squared per week	0.125p/m²/ptw		
5. SBCD funding is available from	31.03.2020		15. New Commercial Net Lettable Area Created	26909.75sqft		
6. City Deal Funding	£21,550,000		16. New Fabrication Space Created	26909.75sqft		
7. Other 3rd Party WEFO Funding	£6,977,012		17. Additional Wharfrage	120000sq/yr		
8. Port Investment	£14,929,271		18. Wharfrage Rate	12£ p/ton		
10. Total Project funding Intervention	66%		19. Quay 1 Berth Utilisation (Additional % above 16%)	29%		
11. Total Cost	£43,456,283		20. Additional Berthing GT above 174.545t	300,000		
Planning Stages						
	Development Costs	Stage 1	Stage 2	Stage 3	Stage 4	
Date (Hold Point) Value (£'000)	1.1.15 - 19.3.17	31.03.18	31.06.18	31.03.19	30.06.19	
Dev. Stage		Screening / Stopping	Up to submission	Consents w. Conditions	Conditions Discharged	
CUSUM (£'000)	128.1	238.7	463.2	571.9	722.0	

Capital Expenditure Phase							
£'000	2020	2021	2022	2023	2024	2025	Total
	Consultancy Design	Commence P1	P1 : Cont. & Commence Phase 2	P1: Finish, P2: Cont. Commence P3	P2 & P3 : Finish, Demobilise		
Stage							
SBCD Funding	1,260.8	1,767.6	3,800.0	8,099.5	6,622.1	0.0	21,550.0
Other Funding (WEFO)	78.9	928.6	2,899.0	2,887.7	182.8	0.0	6,977.0
Port Match	410.9	2,440.8	8,450.7	2,811.3	225.6	590.0	14,929.3
CUSUM (£'000)	1,750.6	6,887.5	22,037.3	35,835.8	42,866.3	43,456.3	43,456.3
Phase 1: Contract Works - Retain Existing Quay Wall, Install mass concrete wall to entrance of Graving Dock, Infill Graving Dock, Extend Slipway (NO Cofferdam) formed with precast concrete units and provision of Concrete (15m from Quay Wall)/Hardcore Areas for Boat Repair							
Phase 2: Contract Works - Infill Pickling Pond, Land remediation, Ecology measures, Demolition of selective buildings, Provision of utilities and drainage, minor repairs to existing infrastructure and reposition security gate.							
Phase 3: Demolition of buildings and construction of transport corridors.							
Revenue (2027 onwards)							
Area Leasing	£201,494	Total Expenditure		£44,178,302	25 year IRR		2.0%
Building Leasing	£276,579	Annual Costs (Y16)		£9,500	NPV @ 6.0%		£(19,105,587)
Additional Wharfrage	298,102	Total Revenue (2027+)		£2,334,877	40 year IRR		4.6%
Additional Berthing	1,558,702				NPV @ 8%		-9,958,978

1. Acquisition of Triangle	£1,196,000	
2. CPO Costs included in 5 year forecast		
4. Capital costs include contingency of	25%	
5. SBCD funding is available from	31.03.2020	
6. City Deal Funding	£21,550,000	
7. Other 3rd Party WEFO Funding	£6,977,012	
8. Port Investment	£14,929,271	
9. Infrastructure Funding Intervention		
10. Total Project funding Intervention	65.6%	
11. Total Cost	£43,456,283	
12. New Land Area's Created	23,836	m²
13. Utilisation of New Areas	90%	
14. Rental per meter squared per week	£0.13	p/m²/ptw
15. New Commercial Net Lettable Area Created	26,910	sqft
16. New Fabrication Space Created	26,910	sqft
17. Additional Wharfrage	120,000	sq/yr
18. Wharfrage Rate	12	£ p/ton
19. Quay 1 Berth Utilisation (Additional % above 16%)	29%	
20. Additional Berthing GT above 174.545t	300,000	444,000

Fixed Swansea Bay City Deal Funding	21,550,000
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	Option 2	Option 3	Option 4
Present Value Costs (including OB)	49.2	6.8	85
Present Value Benefits			
Land Value Uplift	0.2	0	0.2
Wage premium	44.4	2.1	46.1
Distributional benefits ¹	14.3	0.7	14.8
Environmental benefits	3.4	1.1	3.8
Total benefits	62.3	3.9	64.9
NPPV	13.1	-2.9	-20.1
BCR (adjusted)	1.27	0.57	0.76

	Option 2	Option 3	Option 4
Present Value Costs (including OB)	42,748,315	4,421,327	75,503,426
Present Value Benefits			
Land Value Uplift	142,561	4,060	146,762
Wage premium	78,777,071	6,536,605	81,098,435
Distributional benefits ¹	25,254,282	2,093,013	25,998,463
Environmental benefits	8,190,192	2,501,032	8,190,192
Total benefits	#####	11,134,710	#####
NPPV	69,615,791	6,713,383	39,930,426
BCR (adjusted)	2.63	2.52	1.53

		Option 2	Option 3	Option 4
A	Present Value Benefits ^[1]	87,109,824	9,041,697	89,435,389
B	Present Value Costs / (Surplus)*	42,748,315	4,421,327	75,503,426
C	Present Value of other quantified impacts	25,254,282	2,093,013	25,998,463
D	Net Present Public Value A-B & [A-B+C]	#####	4,620,370	#####
		#####	6,713,383	#####

E	'Initial' Benefit-Cost Ratio [A/B]	2.04	2.05	1.18
F	'Adjusted' Benefit-Cost Ratio [(A+C)/B]	2.63	2.52	1.53
G	Significant Non-monetised impacts	-	-	-
H	Value for Money (VFM) Category			
I	Switching Values and rationale for VFM category			
J	Financial Cost			
K	Risks			

Based on Green Book principles and Green Book Supplementary and Departmental guidance

[1]

Switching Benefits	1.0	1.0	1.0
Switching Costs	1.0	1.0	1.0

Table 4.18: Switching values (BCR=1:1)

	Option 2	Option 3	Option 4
% change in net additional benefits	-62%	-60%	-35%
% change in net cost	163%	152%	53%

Scenarios

- Scenario 1 20% lower wage premium
- Scenario 2 Exclude distributional impact
- Scenario 3 20% higher costs

Table 4.19: scenario BCR

	Option 2	Option 3	Option 4
Scenario 1	1.09	0.51	0.66
Scenario 2	0.98	0.47	0.59
Scenario 3	1.06	0.48	0.64

vFm - Jobs and GVA

	Option 2	Option 3	Option 4
Discounted public sector cost	49.2	6.8	85
Net additional jobs	1,881	145	1,881

Net additional annual GVA (£m)	£73	£6	£73
Cost effectiveness			
Cost per net additional job	26,152	47,009	45,182
BCR (GVA:economic cost)	1.5	0.8	0.9

Table 3: Carbon prices and sensitivities 2010-2100 for appraisal, 2017

	Traded			Non-traded		
	Low	Central	High	Low	Central	High
2010	14	14	14	29	59	88
2011	12	12	12	30	60	89
2012	6	6	6	30	60	91
2013	4	4	4	31	61	92
2014	5	5	5	31	62	93
2015	6	6	6	32	63	95
2016	4	4	4	32	64	96
2017	0	4	5	33	65	98
2018	0	4	7	33	66	99
2019	0	4	8	34	67	101
2020	0	5	10	34	68	102
2021	4	12	21	35	69	104
2022	8	20	32	35	70	106
2023	12	27	43	36	71	107
2024	16	34	54	36	73	109
2025	20	42	64	37	74	111
2026	23	49	75	37	75	112
2027	27	57	86	38	76	114
2028	31	64	97	39	77	116
2029	35	72	108	39	78	117
2030	40	79	119	40	79	119
2031	43	87	130	43	87	130
2032	47	94	141	47	94	141
2033	51	102	152	51	102	152
2034	54	109	163	54	109	163
2035	58	116	174	58	116	174
2036	62	124	186	62	124	186
2037	66	131	197	66	131	197
2038	69	138	208	69	138	208
2039	73	146	219	73	146	219
2040	77	153	230	77	153	230
2041	80	161	241	80	161	241
2042	84	168	252	84	168	252
2043	88	175	263	88	175	263
2044	91	183	274	91	183	274
2045	95	190	285	95	190	285
2046	99	197	296	99	197	296
2047	102	205	307	102	205	307
2048	106	212	318	106	212	318
2049	110	220	329	110	220	329
2050	113	227	340	113	227	340
2051	116	235	354	116	235	354
2052	119	243	367	119	243	367
2053	122	251	380	122	251	380
2054	124	258	393	124	258	393
2055	126	266	406	126	266	406

2056	129	274	419	129	274	419
2057	131	281	431	131	281	431
2058	133	288	444	133	288	444
2059	134	295	456	134	295	456
2060	136	302	468	136	302	468
2061	137	307	478	137	307	478
2062	138	313	488	138	313	488
2063	138	318	497	138	318	497
2064	139	322	506	139	322	506
2065	139	326	514	139	326	514
2066	139	330	522	139	330	522
2067	138	334	529	138	334	529
2068	138	337	535	138	337	535
2069	137	339	541	137	339	541
2070	137	342	546	137	342	546
2071	136	344	552	136	344	552
2072	135	346	556	135	346	556
2073	134	347	561	134	347	561
2074	132	348	564	132	348	564
2075	131	349	567	131	349	567
2076	129	349	569	129	349	569
2077	127	349	571	127	349	571
2078	126	349	572	126	349	572
2079	124	348	573	124	348	573
2080	121	347	572	121	347	572
2081	120	347	574	120	347	574
2082	118	346	574	118	346	574
2083	116	345	574	116	345	574
2084	113	344	574	113	344	574
2085	111	343	574	111	343	574
2086	109	341	572	109	341	572
2087	107	339	571	107	339	571
2088	104	337	569	104	337	569
2089	102	334	566	102	334	566
2090	100	332	564	100	332	564
2091	97	330	562	97	330	562
2092	95	328	560	95	328	560
2093	93	325	557	93	325	557
2094	90	322	554	90	322	554
2095	88	319	551	88	319	551
2096	85	316	547	85	316	547
2097	83	314	544	83	314	544
2098	81	310	540	81	310	540
2099	78	307	536	78	307	536
2100	76	304	532	76	304	532

Source: BEIS modelling

which can be downloaded from the Green Book supplementary guidance section of GOV.UK

For further details on carbon valuation, see:

<https://www.gov.uk/government/collections/carbon-valuation--2>

Median and mean weekly equivalised household incomes for working-age adults

Median - Before Housing Costs	£pw equivalised 2015/16 prices
Region/Country (3-year average)	
England	520
North East	467
North West	480
Yorkshire and the Humber	483
East Midlands	485
West Midlands	464
East of England	550
London	577
South East	586
South West	514
Wales	470
Scotland	510
Northern Ireland	450
All individuals⁴	514

Median - After Housing Costs	
Region/Country (3-year average)	
England	432
North East	397
North West	414
Yorkshire and the Humber	411
East Midlands	426
West Midlands	399
East of England	463
London	434
South East	486
South West	429
Wales	404
Scotland	445
Northern Ireland	401
All individuals⁴	431

Mean - Before Housing Costs	
Region/Country (3-year average)	
England	631
North East	531
North West	547
Yorkshire and the Humber	551
East Midlands	547
West Midlands	551
East of England	680
London	713
South East	760
South West	614
Wales	527
Scotland	591
Northern Ireland	502
All individuals⁴	619

Mean - After Housing Costs	
Region/Country (3-year average)	
England	536
North East	458
North West	472
Yorkshire and the Humber	481
East Midlands	476
West Midlands	476
East of England	586
London	565
South East	656
South West	524
Wales	462
Scotland	520
Northern Ireland	450
All individuals⁴	529

Mean - Before Housing Costs	£pw equivalised 2015/16 prices
Region/Country (3-year average)	
England	631
North East	531
North West	547
Yorkshire and the Humber	551
East Midlands	547
West Midlands	551
East of England	680
London	713
South East	760
South West	614
Wales	527
Scotland	591
Northern Ireland	502
All individuals⁴	619

Mean - After Housing Costs	
Region/Country (3-year average)	
England	536
North East	458
North West	472
Yorkshire and the Humber	481
East Midlands	476
West Midlands	476
East of England	586
London	565
South East	656
South West	524
Wales	462
Scotland	520
Northern Ireland	450
All individuals⁴	529

2015/16	UK Quintile Medians £					
	1	2	3	4	5 Median	
BHC	244	363	481	638	946	481
Welfare Weights (power 1.3)						
	2.416	1.442	1.000	0.693	0.415	
	2.416					

2015/16	UK Quintile Medians £					
	1	2	3	4	5 Median	
AHC	169	292	413	565	873	413
Welfare Weights (power 1.3)						
	3.195	1.569	1.000	0.665	0.378	

Region/Cc	Net equivalised disposable household income					All individual s (millions)
	Bottom quintile	Second quintile	Middle quintile	Fourth quintile	Top quintile	
England	20	20	20	20	21	53.4
North E	23	22	23	19	13	2.6
North V	23	22	20	21	15	7.0
Yorkshi	23	22	21	20	15	5.3
East Mi	22	22	20	20	16	4.5
West M	25	22	19	19	15	5.6
East of	17	19	20	20	24	5.9
London	17	18	17	18	30	8.4
Inner	20	17	15	15	34	2.9
Oute	16	18	18	20	28	5.5
South E	15	16	19	21	28	8.7
South V	17	20	23	21	19	5.3
Wales	25	22	21	19	14	3.0
Scotland	19	20	20	21	19	5.2
Northern	25	23	21	19	12	1.8
All individ	20	20	20	20	20	64.0

Region/Cc	Net equivalised disposable household income					All individual s (millions)
	Bottom quintile	Second quintile	Middle quintile	Fourth quintile	Top quintile	
England	20	20	20	20	20	53.4
North E	21	23	22	20	14	2.6
North V	21	21	21	21	15	7.0
Yorkshi	21	21	21	21	16	5.3
East Mi	19	21	22	20	17	4.5
West M	22	23	20	19	16	5.6
East of	18	19	20	20	24	5.9
London	25	18	15	16	26	8.4
Inner	30	19	13	12	27	2.9
Oute	23	17	17	18	25	5.5
South E	17	16	19	21	27	8.7
South V	18	21	21	22	19	5.3
Wales	22	22	21	21	15	3.0
Scotland	17	20	21	22	20	5.2
Northern	19	24	23	21	13	1.8
All individ	20	20	20	20	20	64.0

BHC					
Percentage of Working Age Adults					
Region/Country (3-year average)	1	2	3	4	5
England	18	16	19	22	25
North E	22	18	23	21	17
North V	21	18	19	23	19
Yorkshi	20	18	20	23	18
East Mi	20	18	19	23	20
West M	22	19	19	21	19
East of	15	15	19	22	29
London	15	15	16	19	35
Inner	18	14	13	16	39
Oute	14	15	17	21	33
South E	13	13	18	23	32
South V	15	17	22	24	22
Wales	23	18	21	21	17
Scotland	18	17	19	24	22
Northern	23	21	21	22	14
All workin	18	17	19	22	24

AHC					
Region/Country (3-year average)					
Region/Country (3-year average)	1	2	3	4	5
England	20	17	19	21	24
North E	22	18	21	21	17
North V	21	18	19	23	18
Yorkshi	21	17	20	23	18
East Mi	20	17	20	23	20
West M	22	20	19	20	19
East of	17	15	19	21	28
London	24	16	15	17	29
Inner	28	17	12	13	30
Oute	21	15	17	19	28
South E	16	14	18	22	31
South V	17	18	21	23	21
Wales	22	18	20	23	18
Scotland	18	16	20	23	23
Northern	19	21	23	23	15
All workin	19	17	19	21	23

25 22 21 19 14

Bottom Second Middle Fourth Top
Quintile Quintile Quintile Quintile Quintile

Wales	25%	22%	21%	19%	14%
Welfare W	2.416	1.442	1	0.693	0.415
	0.604	0.317	0.210	0.132	0.058
					1.321

32% welfare gain

Cambridge	East	£277	£229	£2,776	£2,727
Peterborough	East	£44	-£5	£238	£189
Nottingham	East Midlands	£43	£17	£238	£212
Leicester	East Midlands	£43	£17	£238	£212
Victoria	London			£35,504	£35,249
Croydon	London			£2,135	£1,880
Southwark	London			£18,364	£18,109
Harrow	London			£186	-£69
Newcastle-upon-Tyne	North East	£18	£18	£175	£175
Middlesbrough	North East	£13	£13	£161	£161
Manchester	North West	£62	£41	£1,948	£1,926
Preston	North West	£33	£11	£178	£157
Southampton	South East	£43	-£48	£160	£69
Reading	South East	£666	£574	£3,687	£3,595
Bristol	South West	£69	£45	£1,844	£1,820
Exeter	South West	£48	£24	£499	£474
Birmingham	West Midlands	£65	£33	£1,948	£1,916
Coventry	West Midlands	£33	£2	£188	£157
Leeds	Yorkshire and Humber	£55	£36	£1,844	£1,825
Sheffield	Yorkshire and Humber	£23	£4	£238	£219

East	£ 67,000	£ 56,000	£ 60,000
East Midlands	£ 24,000	£ 19,000	£ 21,000
London	#####	£ 88,000	£ 89,000
North East	£ 32,000	£ 34,000	£ 33,000
North West	£ 34,000	£ 33,000	£ 33,000
South East	£ 96,000	£ 74,000	£ 81,000
South West	£ 51,000	£ 48,000	£ 49,000
West Midlands	£ 34,000	£ 31,000	£ 31,000
Yorkshire	£ 34,000	£ 32,000	£ 33,000
England	£ 53,000	£ 46,000	£ 48,000
England	£ 64,000	£ 52,000	£ 55,000

GVA (ONS, Per Worker, 2011)

Region	GVA
North East	£ 37,138
North West	£ 39,903
Yorkshire	£ 38,337
East Midlands	£ 37,909
West Midlands	£ 38,817
East of England	£ 42,522
London	£ 63,303
South East	£ 46,174
South West	£ 38,702

56

Cambridge	East	£277	£229	£2,776	£2,727
Peterborough	East	£44	-£5	£238	£189
Nottingham	East Midlands	£43	£17	£238	£212
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Yorkshire	£ 34,000	£ 32,000	£ 33,000
England e	£ 53,000	£ 46,000	£ 48,000
England n	£ 64,000	£ 52,000	£ 55,000

£ 53,909 Cheshire E 65,489

GVA (ONS, Per Worker, 2011)

Region	GVA
North East	£ 37,138
North West	£ 39,903
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Village Health System Benefits Breakdown by Year

			2020	2021	Post-Project											15 Yr Total	
		Population			2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032		
Benefits		Population	320	320	320	320	320	320	320	320	320	320	320	320	320	320	
Resident - Reduced GP Visits #			640	640	640	640	640	640	640	640	640	640	640	640	640	640	8,320
Resident - Reduced GP Visits £			24,320	24,320	24,320	24,320	24,320	24,320	24,320	24,320	24,320	24,320	24,320	24,320	24,320	24,320	316,160
Resident - Reduced Admittance #			64	64	64	64	64	64	64	64	64	64	64	64	64	64	832
Resident - Reduced Admittance £			52,224	52,224	52,224	52,224	52,224	52,224	52,224	52,224	52,224	52,224	52,224	52,224	52,224	52,224	678,912
Resident - Improved Return (wks)			64	64	64	64	64	64	64	64	64	64	64	64	64	64	832
Resident - Improved Return £			159,360	159,360	159,360	159,360	159,360	159,360	159,360	159,360	159,360	159,360	159,360	159,360	159,360	159,360	2,071,680
Community - Reduced GP Visits #			640	1,280	3,840	3,840	3,840	3,840	3,840	3,840	3,840	3,840	3,840	3,840	3,840	3,840	44,160
Community - Reduced GP Visits £			48,640	48,640	145,920	145,920	145,920	145,920	145,920	145,920	145,920	145,920	145,920	145,920	145,920	145,920	1,702,400
Community - Reduced Admittance #			128	128	384	384	384	384	384	384	384	384	384	384	384	384	4,480
Community - Reduced Admittance £			104,448	104,448	313,344	313,344	313,344	313,344	313,344	313,344	313,344	313,344	313,344	313,344	313,344	313,344	3,655,680
Community - Improved Return (wks)			64	64	192	192	192	192	192	192	192	192	192	192	192	192	2,240
Community - Improved Return £			159,360	159,360	478,080	478,080	478,080	478,080	478,080	478,080	478,080	478,080	478,080	478,080	478,080	478,080	5,577,600
																	-
Total Benefits			548,352	548,352	1,173,248	1,173,248	1,173,248	1,173,248	1,173,248	1,173,248	1,173,248	1,173,248	1,173,248	1,173,248	1,173,248	1,173,248	14,002,432
Total Benefits (discounted)			510,639	492,767	1,017,417	981,808	947,444	914,284	882,284	851,404	821,605	792,849	765,099	738,320	712,479		10,428,398
Cumulative Benefits (discounted)			510,639	1,003,406	2,020,823	3,002,631	3,950,075	4,864,359	5,746,643	6,598,046	7,419,651	8,212,500	8,977,599	9,715,919	10,428,398		10,428,398
NPV			510,639	1,003,406	2,020,823	3,002,631	3,950,075	4,864,359	5,746,643	6,598,046	7,419,651	8,212,500	8,977,599	9,715,919	10,428,398		10,428,398

Short-list Detailed Appraisal

The 4 short listed options identified are described in more detailed below along with an assessment of the potential outcomes.

Status Quo

Each constituent organisation matures their strategic business plans in relative isolation. The ILS in Swansea continues to progress research and business development opportunities in Swansea, with growth and development on the existing University campus. There is strong competition for development space from other initiatives and University main stream business and grant application priorities across the institution. Partnership working continues in existing capacity and environments. CCC pushes ahead with development at Delta Lakes but it lacks strategic connection.

Resulting impact:

- Delay in realising the opportunities for economic development and risk for a further decline in demographics
- Loss of identified private and public sector funding due to lack of pace and responsiveness
- Missed opportunities to contribute to ARCH and partner organisation objectives
- Reputational risk and loss of confidence in partners due to slow progress being achieved
- Competitiveness of the region compromised due to lack of timely investment
- Exacerbation of current economic and health needs of the region, making it much more challenging to achieve positive impact in the future.

Do Minimum

Attract publically funded investment for the public sector partners to develop key areas of the life science and wellbeing village within existing affordability and timing constraints. A new business development site, including a satellite of the ILS network, is developed at Delta Lakes that has a 'sector focus' and incrementally enhances partnership working.

Resulting impact:

- Failure to meet full economic development potential
- Potential time delays in delivery of any Public Sector deliverables due to not being fully involved and engaged
- Questionable overall affordability for SMEs and growing enterprise in the sector due to lack of integration with Public Sector resources
- Will result in regional disparity and potential widening of the social gap – particularly in terms of delivering affordable health and wellbeing services
- Benefits for the Llanelli area will be realised, but not replicated elsewhere
- Living Laboratory potential reduced, making engagement of the full population unlikely
- Failure to enhance Research Impact and Research Excellence Framework (REF) outputs to full potential
- Creating competition rather than collaboration within the Life Science & Well-Being Ecosystem

Preferred Way Forward – Limited Scope

Funding secured through a combination of private and other public sector investment. Private sector investment attracted through property development. ILS, I2 business incubation and acceleration facilities are created alongside a new Wellbeing Skills Centre, (funded by University-secured grant/loan rather than City Deal), which compliments new health and social care facilities funded through private and other public sector investment. Incremental development over medium-long term, as funding opportunities materialise and can be secured. NHS integration achieved through either NHS Wales capital funding (when available) or private sector property investment.

Resulting impact:

- Considerable economic development potential
- Improvements in health and wellbeing of people with the region
- Access to business incubation and acceleration capabilities with access to the market
- Leisure and tourism facilities partially linked to health, research and tourism. However, opportunities for development not maximised
- Realisation of a comprehensive benefits programme through developing the links between all elements of the Villages, albeit over a longer period. Therefore whilst there will be a strong environment for co-production between skills, employment and business development, some opportunities may take longer to be realised
- Some improvement in the current ecosystem within the life science and health sector in the region
- Links between research and development and sustainability within related sectors not optimised.

Preferred Way Forward – Full Scope

City Deal investment secured with 50/50 match funding requirement exceeded, allowing the full ambition of the Life Science and Wellbeing Village to be realised in the short-medium term, catalysing and accelerating economic development. In addition to the ILS, I2 and the Wellbeing Skills Centre, state-of-the-art leisure and tourism facilities are created for the local communities and a critical mass of business activity attracts global brands for collaborative working with the partners. NHS integration achieved through private sector investment – economies of scale (financial and knowledge) achieved.

Resulting impact:

- Impact of investment would have regional and national significance maximising the potential of a UK-leading initiative.
- Integrated business, skills, health and leisure resources for communities in the region
- Large scale collaboration across public, private and third sectors addressing the needs of the region; the whole being greater than the sum of the parts
- Diversified and upskilled fit-for-purpose workforce
- Living Laboratory for research and development and service improvement across multiple sites working towards inclusion of all citizens
- Maximised opportunities for job creation and economic impact

The short-listed options were evaluated in the following matrix (table 9) to ensure each is appraised on merit. A RAG scoring system has been utilised, with green taken to mean optimum/best outcome, yellow an intermediate outcome and red an undesirable output. The matrix assumes that we will achieve more than the status-quo scenario, and hence this is not included.

	Do minimum	PWF – limited scope (Intermediate)	PWF – Full Scope (Do Maximum)
Scope	Development of publically funded business space at Delta Lakes, anchored in a specialist sector including an ILS satellite facility	ILS and I2 in Llanelli, alongside Wellbeing Skills Centre. Some private sector property investment	ILS and I2 and Wellbeing Skills Centre in Llanelli, featured as part of a whole Village concept (leisure centre, assisted living, hotel) with property and knowledge investments from industry
Service Solution	Creation of business park with specific service focus which includes some ILS activity linked to Swansea University and the wider network	Specific life science focus with multiplier effect due to integration with education, health service delivery, skills and training	Specific life science focus with enhanced and accelerated economic impact due to integrated development alongside full remit of the Wellbeing Village, including tourism and assisted living
Service Delivery	Tendency to focus on a silo approach. Resources available to deliver services are limited due to availability of public capital investment and individual partner revenue implications	Specific business development and education partnership working. Delayed service development due to availability of grant and loan funding. Challenging revenue implications of repaying any private-only property investment	Innovative, enhanced partnership working across public and private partners with the development of fully integrated services: economic development, health care, social care, and leisure/tourism. Includes 'living laboratory' for enhanced R&D opportunities. Economies of scale and cost-effective funding
Implementation Timing	Long term	Medium-long term	Short-medium term
Funding	Publically funded from some already	Mixed funding solution. Public	Potential for public funding from

	identified sources and some unidentified, but traditional, sources. Limitations and delays due to pressures on the public purse	funding from some already identified sources and some unidentified, but traditional, sources. Limitations and delays due to pressures on the public purse. Accelerated with private investment (property-only). Lacks ongoing private sector engagement.	identified sources (CCC and City Deal) with appropriate scope and no delays. Private investment (property and knowledge) aligned with public sector investment. Ongoing collaborative approach to project delivery. Economy of scale for private sector loan/equity. Integrated master planning and workflows.
Outcomes	Some job creation without integrated skills and development programme. Distributed activity minimises impact	Enhanced job creation through opportunities to link skills development, improving over medium-long term. Benefits from co-location and collaboration between public sector partners.	Maximised impact; projected job creation of 1,853 and training across life science & wellbeing, leisure and tourism sectors. Benefits from co-location and collaboration between all partners. 'The whole is greater than the sum of the parts'.

The key rationale for co-location of services is to maximise the potential benefits and interconnectivity of economic development, training and healthy lifestyles to identify and facilitate opportunities for co-production. Llanelli Life Science and Wellbeing Village will not focus on providing an environment for business and services to be delivered as they currently are but through collaboration and co-production to enable benefits to be maximised through working in a different way to meet this transformational economic aim. This is the driver behind the preferred option of a full scope development incorporating and enhancing the diversity and full potential of all partners. The carefully chosen location will give critical land masses with integrated infrastructure and resources to deliver this revolutionary concept at regional scale and of national significance

Annex 2.3: Note on valuation of energy and GHG

Guidance on Energy and GHG impacts

Clear advice on how process to quantify and monetise energy use and carbon emissions impacts is provided in supplementary guidance to the Green Book. However, for most of the projects within this programme there is currently insufficient information available to enable this guidance to be followed exactly and therefore definitive quantification and monetisation of these project aspects has not yet been possible. Nevertheless, the methodology by which such impacts would be quantified and monetised, when sufficient information is available, is discussed below, and examples of such calculations using estimated inputs for the Technology Centre and the Hydrogen Stimulus Project are included in the Annex.

Energy Impacts

To quantify and monetise the impacts of a project on energy use, the first step is to assess what changes are expected to occur, by fuel type, to the energy use associated with a project over the forecast horizon. Where possible this forecast should be specific for the project, and a comparison over the base line expectations of energy use by fuel type for the counterfactual will enable projected changes in energy use to be determined.

Changes in energy use can then be monetised using the long-run variable costs (LRVCs) of energy supply (by fuel type), provided in the Green Book guidance. These costs are used instead of retail energy prices as they exclude carbon costs (which are monetised separately as discussed below), economic transfers such as taxes, and fixed costs which will not change in the long run. LRVCs vary by fuel, end user and over time and thus should be used accordingly to calculate the full costs of energy use changes of the project compared with the counterfactual. Monetisation of changes in energy use could relate to savings associated with reduced energy use, or revenues associated with the sale of generated energy.

GHG Emissions Impacts

Once the forecast energy impacts of a project have been quantified and monetised, it is then possible to analyse the resulting changes in greenhouse gas emissions, and any value created as a result. The first step in this process is to convert changes in energy usage to changes in emissions via the use of fuel-specific emissions factors. These are again provided in the Green Book guidance, and express expected emissions of all greenhouse gases due to energy use in terms of the equivalent mass of carbon dioxide emissions (kgCO₂e). For individual fuel types (such as coal or gas) these emissions factors are static, while the emissions factor for grid electricity varies over time due to expected shifts in methods of electricity generation in the UK.

Finally, any changes to greenhouse gas emissions attributable to a project can be valued and monetised using forecast prices per tonne of carbon dioxide equivalent emissions. These are provided in the Green Book under two categories; traded and non-traded. Traded emissions are those produced by sectors or activities included

under the EU Emission Trading System (EU ETS), who are mandated to surrender sufficient emissions credits each year to account for their carbon footprint. Example emissions which should be monetised using the traded emissions price forecasts include changes to energy use by the steel industry. In contrast, non-traded emissions price forecasts should be used to monetise all other forecast emissions changes from a project, such as changes to domestic gas consumption.

Analysis of Environmental and Social Benefits for Early Stage Projects

The SILCG programme includes a number of projects which are still an early stage of development and for which full details are not yet known. While quantification and monetisation of their environmental and social benefits is therefore not yet possible, this will change as details become finalised. Consideration for how this could occur once this is the case are discussed below.

Technology Centre

This project is expected to have a number of environmental impacts which should be considered including:

- Cost savings to the building owner and tenants due to on-site energy generation.
- Potential revenue to the building owner due to export of surplus electricity to the grid or to the H2 Centre for conversion to low carbon vehicle fuels; this is assumed to balance to revenue net zero since on some days the TC will require energy imported from H2 and on other days will be able to export surplus energy
- Carbon emission reductions due to on-site generation instead of use of grid electricity and fossil fuels such as natural gas. This will include some monetisable, traded emissions reductions where surplus electricity is sold back to the grid.
- Improved local air quality due to switch from carbon-based to hydrogen-based vehicle fuels via the H2 Link.

Several of these impacts are monetisable and therefore should be considered within a broader CBA of the SBTC project. However, exact values for several parameters are not yet available and therefore a precise calculation of monetisable impacts is not yet possible.

Instead, calculation of potential monetisable benefits has been approximated using a hypothetical example energy positive building compared to a hypothetical counterfactual, to show the likely order of magnitude of monetisable environmental benefits for the project. This calculation was based on the following assumptions:

- A counterfactual was assumed where all future SBTC tenants would instead occupy average standard UK office buildings consuming 87.5kWh/m² of grid electricity and 88.6kWh/m² natural gas^[1]. Energy costs were based on Long-run Variable Costs and emissions factors based on long run marginal factors as given in Green Book guidance^[2].

- An example energy neutral building was assumed that would include energy consumption equal to the counterfactual, but with all energy supplied by zero carbon on-site generation.

The table below shows the results of this calculation for the first year of SBTC's operation; 2023. The value generated for the energy positive building includes avoided energy costs, electricity sales and carbon emissions reductions.

Annual Cost of Energy avoided under the Counterfactual	£24,739
Value of Carbon reduction by electricity generated and used (Non-traded)	£3,977
Value of Carbon reduction by non-electrical energy generated and used (Non-traded)	£2,956
Annual Value Generated for Energy Neutral Building	£31,686

^[1] Building Energy Efficiency Survey 2014-15 (<https://www.gov.uk/government/publications/building-energy-efficiency-survey-bees>)

^[2] Green Book Supplementary guidance: valuation of energy use & GHG emissions for appraisal (<https://www.gov.uk/government/publications/valuation-of-energy-use-and-greenhouse-gas-emissions-for-appraisal>)

^[3] Sale price based on assumptions used for H2 Link BJC

^[4] <https://gov.wales/sites/default/files/consultations/2019-12/consultation-a-clean-air-plan-for-wales.pdf>

Annex 2.4: Key assumptions in CBA BCR analysis

Technology Centre (TC)

Period of analysis	Construction 2021 Open 2022 Operational until 2053	Employment Accommodated	150
Total capital cost (excluding optimism bias (undiscounted))	£8,500,000	Additional employment (to UK)	120
Operational cost (undiscounted)	£200,000 pa	Salary uplift (per additional employee)	£10,800
Optimism bias	10%	Annual salary uplift (proxy for productivity benefit)	£1,293,000
Discount rate	3.5%	Rent and service charge pa (cash releasing benefit)	£350,000
Facility size	2,500sqm (80% efficiency) 2000sqm lettable	Energy use	Energy neutral over a year, (some days of importing energy from H2 other days exporting energy)
Location	Baglan Energy Park	Energy savings benefit /annum	£24,700
		CO ₂ savings benefit /annum	£6,900

South Wales Industrial Transition from Carbon Hub (SWITCH)

Period of analysis	Construction 2021 and 2022 Open in 2023	Benefit of new products	Valued on an annual basis using estimated greater success rates of projects, their product value to market and the attribution to SWITCH Builds up over years to c £5,900,000 pa
Total capital cost (excluding optimism bias (undiscounted))	£20,000,000	Benefit of research and development, low carbon processes	Valued using research funding attracted C£3,000,000 pa
Operational cost (undiscounted)	£5-7,000,000 depending on year	Benefits of research and development, waste utilisation	C£2,000,000 pa
Optimism bias	15%		
Discount rate	3.5%		
Location	NPT Waterfront Enterprise Zone		

Hydrogen Stimulus Project (H2)

Period of analysis	Capital costs included in the overall SILCG split 50/50 between 2021 and 2022.
Total capital cost (excluding optimism bias (undiscounted))	£2,000,000
Operational cost (undiscounted)	Under development.
Optimism bias	Not included since capital costs are allocated budget with further detail once project is further finalised
Discount rate	3.5%
Location	Baglan Energy Centre, potentially physically linked to the Technology Centre (to be determined)
Benefits	Benefits considered qualitatively.

Air Quality Monitoring Project

Period of analysis	Capital costs included in the overall SILCG in 2021.
Total capital cost (excluding optimism bias (undiscounted))	£500,000
Operational cost (undiscounted)	Under development
Optimism bias	Not included since capital costs are allocated budget with further detail once project is further finalized
Discount rate	3.5%
Location	Within Neath Port Talbot authority area, specific locations to be determined
Benefits	Benefits considered qualitatively.

Low Emission Vehicle Charging Infrastructure (LEV)

Period of analysis	Capital costs included in the overall SILCG split 50/50 between 2021 and 2022.
Total capital cost (excluding optimism bias (undiscounted))	£500,000
Operational cost (undiscounted)	Under development
Optimism bias	Not included since capital costs are allocated budget with further detail once project is further finalised
Discount rate	3.5%
Location	Within Neath Port Talbot authority area, specific locations to be determined
Benefits	Benefits considered qualitatively.

Advanced Manufacturing Production Facility (AMPF)

Period of analysis	Construction 2022-2023 Open 2024 Operational until 2053	Employment Accommodated	281
Total capital cost (excluding optimism bias (undiscounted))	£17,200,000 (including £12,000,000 construction and £5,200,000 equipment budget)	Additional employment (to UK)	225
Operational cost (undiscounted)	£500,000 pa	Salary uplift (per additional employee)	£10,800
Optimism bias	Not included at this stage as capital cost is an allocated budget	Annual salary uplift (proxy for productivity benefit)	£2,1423,000
Discount rate	3.5%	Rent and service charge pa (cash releasing benefit)	£344,000 (approx. £10psf)
Facility size	4,000sqm (80% efficiency) 3,200sqm lettable	Annual public research income attracted (as proxy for research benefit value)	£500,000
Location	NPT Waterfront Enterprise Zone		

Property Development Fund (PDF)

Period of analysis	Construction 2021-2023 with take up 10%, 20% and further 70% in consecutive years Units open in 2022, 2023, 2024 Operational until 2053	Employment Accommodated	400
Total capital cost (excluding optimism bias (undiscounted))	£10,000,000 (55%)	Additional employment (to UK)	200
Operational cost (undiscounted)	£300,000 pa once all units operational in 2024	Salary uplift (per additional employee)	£10,800
Optimism bias	Not included at this stage as capital cost is an allocated budget	Annual salary uplift (proxy for productivity benefit)	£2,156,000 once all units operational for 15 years (earlier years proportional to units operational 10%, 30% 70%)
Discount rate	3.5%	Rent and service charge pa (cash releasing benefit)	£516,000 (approx. £10psf)
Facility size	Total 6,000sqm (80% efficiency) 4,800sqm lettable		
Location	NPT Waterfront Enterprise Zone		

Annex 2.5: Summary of evidence, local demand for facilities

Neath Port Talbot Firm's Enquiry Database

Introduction

Neath Port Talbot record enquiries from firms for land and/or floorspace and follow their progress to record how many of those enquiries are satisfied in the area and to the extent possible the reason if not. The records also aim to record the industry sector of the enquiry where possible.

The aims to record whether they are high tech, spin out, associated with low carbon; factors which relate to policy and target outcomes but which are to some extent, subjective. It might be useful across SBCR to standardise the process and recording to enable this data to contribute to performance assessment in the future and include the source of enquiry to assist in ascertaining additionality, particularly in contributing to analysis of place impact, to SBCR as well as to the UK.

The enquiries include direct enquiries to the authority or indirectly through the Welsh Government or other sources.

For the analysis, the following assumptions/ cleaning of the data were adopted:

- Data refers to enquiries from December 2019 to December 2020
- Where no size requirement was recorded, the enquiry is counted but the size is recorded as zero. Of the total 107 enquiries, 11 are recorded as zero because they are unknown
- In the database, size is recorded by industrial office and laboratory, and land (included in the notes where applicable). Where subcategories were recorded but they did not align with the total, the subcategory total was taken as the total. Where the total and one subcategory were recorded but they did not align, the subcategory was adjusted to align with the total.
- Those that were recorded as not progressing were split into 2 further categories to provide insight on why. Based on the notes and comments in the database, those not progressing were divided into 'nothing suitable' i.e. there were no suitable premises (NS) / accommodation to suit the enquiry and retracted demand (RD), such as where in the notes COVID/ Brexit etc were given as reasons that the enquiry was not being pursued. The former sheds some light on whether IF suitable accommodation had been available NPT might have been able to satisfy the enquiry i.e. unsatisfied demand, against those that were withdrawn for external reasons

Overall key findings, status and type of business

Key findings of analysis of the Enquiry Database, as at December 2020, data starting from December 2019.

- Total number of enquiries was 107

- Total floorspace requirement was about 320,000sqm (Note that 10% of enquiries were recorded as zero) but this includes a few very large enquiries
- Of those enquiries 34 (32%) of total enquiries and some 48,000 sqm (15%) of floorspace were completed during the year
- Of the total number, 23 or 12% are still ongoing
- Of the total 47, 44% are not progressing, of those 20% because no suitable accommodation or location could be offered and 24% because of external factors

Total Enquiries, by status and floorspace

	No Enquiries	% Enquiries	Floorspace	% Enquiries
C	34	32%	48,360	15%
OG	23	21%	39,433	12%
OH	3	3%	25,000	8%
NS	21	20%	158,429	49%
RD	26	24%	49,603	15%
Total	107	100%	320,825	100%

C=Completed; OG=Ongoing; OH= On Hold; NS=no suitable accommodation available; RD=Retracted Demand (for external reason)

- The largest number of enquiries came from businesses classified as manufacturing.
- Research, development and innovation and innovative manufacturing were also significant with 17% and 18% of enquiries, respectively.
- Manufacturing and innovative manufacturing made up the majority of enquiries by floorspace.
- Assuming ICT, RDI, IM and E are included in the target high tech, innovation and low carbon sectors of SILCG the number of enquiries was 46 or 43%.

Total Enquiries, by business type and floorspace

	No enquiries	% Enquiries	Floorspace	% Enquiries
ICT	4	4%	1,255	0%
RDI	19	18%	5,158	2%
SO	1	1%	93	0%
IM	18	17%	158,856	50%
E	5	5%	9,693	3%
M	33	31%	126,801	40%
PS	8	7%	1,334	0%

O	19	18%	17,635	5%
Total	107	100%	320,825	100%

ICT=Information, communications, technology; RDI=Research, development & innovation; SO=Spin Out; IM=Innovation Manufacturing; E=Energy; M=Manufacturing; PS=Professional Services;)=Other

Key findings and insights relevant to SILCG

Whilst the analysis of the overall database is interesting in terms of the overall scale of enquiries and their progress, the findings by floorspace are more meaningful if broken down by size relevant to the type of spaces potentially available under the SILCG programme i.e. relatively small units in the Technology Centre and the Advanced Manufacturing Production Facility and larger potential accommodation for developer/bespoke build under the property development fund.

Enquiries with Floorspace Requirement over 3,000sqm:

- There were 20 enquiries for floorspace over 3,000sqm. Noting that the property development fund total floorspace amounts to about 6,000sqm with an intended 2 or more investors, size requirements of more than 3,000sqm are not the target for accommodation under SILCG.
- Of these larger requirements only 12% was completed.
- Almost 70% was not progressed due to either nothing suitable (55%) or external reasons (14%)
- One notably large enquiry of some 90,000sqm that was categorised as low carbon innovation manufacturing, made up the majority of the not progressed because nothing suitable category

Enquiries over 3,000sqm, by status and floorspace

	No Enquiries	% Enquiries	Floorspace	% Enquiries
C	3	3%	33,457	12%
OG	4	5%	28,810	10%
OH	1	1%	23,234	8%
NS	6	7%	153,327	55%
RD	6	7%	39,394	14%
Total	20	23%	278,222	100%

C=Completed; OG=Ongoing; OH= On Hold; NS=no suitable accommodation available; RD=Retracted Demand (for external reason)

Enquiries with Floorspace Requirement less than 200sqm (but not zero) and less than 400sqm (but not zero)

- There were 30 enquiries for floorspace less than 200sqm but not zero, a total of about 2,900sqm.

- There were 43 enquiries for floorspace less than 400sqm but not zero, a total of about 6,500sqm.
- Noting that the technology centre and the advanced manufacturing facilities are targeting SMEs and spin outs with small size requirements, these enquiries could be potentially suitable for accommodation in these facilities, subject to other location, type and other requirements.
- These enquiries relate to a single year, 2020, which was unprecedented in terms of disruption to the economy from COVID and also the implementation of Brexit.
- Of the smallest enquiries of less than 200sqm, around one third were completed, with 27% not pursued as no suitable accommodation or not pursued for other reasons. The 27% where no suitable accommodation could be found, could be viewed as an opportunity lost, if the SILCG accommodation was available, could these enquiries be satisfied?
- Of the enquiries less than 400sqm around one third were completed, with 26% not pursued as no suitable accommodation and 21% not pursued for other reasons. The 26% where no suitable accommodation could be found, could be viewed as an opportunity lost, if the SILCG accommodation was available, could these enquiries be satisfied?

Enquiries less than 200sqm (but not zero) by status and floorspace

	No Enquiries	% Enquiries	Floorspace	% Enquiries
C	10	33%	748	25%
OG	4	13%	446	15%
OH	0	0%	-	0%
NS	8	27%	716	24%
RD	8	27%	1,055	36%
Total	30	100%	2,965	7%

C=Completed; OG=Ongoing; OH= On Hold; NS=no suitable accommodation available;
RD=Retracted Demand (for external reason)

Enquiries over less than 400sqm (but not zero) by status and floorspace

	No Enquiries	% Enquiries	Floorspace	% Enquiries
C	15	35%	2,170	33%
OG	7	16%	1,375	21%
OH	1	2%	372	6%
NS	11	26%	1,385	21%
RD	9	21%	1,287	20%

Total	43	100%	6,589	15%
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*C=Completed; OG=Ongoing; OH= On Hold; NS=no suitable accommodation available;
RD=Retracted Demand (for external reason)*

No's of enquiries over less than 400sqm (but not zero) by status and business type

	C	OG	OH	NS	RD	Total	%
ICT	2	0	0	0	1	3	7%
RDI	8	1	1	3	2	15	35%
SO	0	0	0	1	0	1	2%
IM	0	2	0	0	0	2	5%
E	0	2	0	0	0	2	5%
M	1	0	0	2	1	4	9%
PS	1	2	0	1	3	7	16%
O	3	0	0	4	2	9	21%
Total	15	7	1	11	9	43	100%

Enquiries less than 400sqm (but not zero) by status, business type and total floorspace

	C	OG	OH	NS	RD	Total	%
ICT	279	-	-	-	232	511	8%
RDI	1,399	279	372	414	232	2,695	41%
SO	-	-	-	93	-	93	1%
IM	-	232	-	-	-	232	4%
E	-	400	-	-	-	400	6%
M	28	-	-	297	186	511	8%
PS	37	465	-	56	311	869	13%
O	428	-	-	525	325	1,278	19%
Total	2,170	1,375	372	1,385	1,287	6,589	100%

Conclusions for SILCG

- There are enquiries for a range of sizes and from a range of industries, a large proportion of which are the target sectors under SILCG

- Total floorspace demand for a single year (2020) for accommodation under 400sqm (the likely size for TC and AMPF) was about 6,500sqm. Given that 2020 was a very unusual year, it would be prudent to consider that this is a lower bound estimation of demand in a less unusual year.
- Of this about 20% was not able to be satisfied due to a lack of available accommodation and 20% demand retracted for other reasons.
- RDI is an important source of enquiry for those for less than 400sqm by number of enquiries 35% and by floorspace, over 40%.
- The analysis suggests that the Tech Centre and Advanced Manufacturing Production Facility could potentially satisfy a significant proportion of enquiries, given the size and type of business.

Baglan Bay Innovation Centre

Introduction

Baglan Bay Innovation Centre is located on Baglan Bay Energy Park, a 73 ha (180 acre) business/industrial park located just off the M4 motorway in Neath Port Talbot.

Baglan Bay Energy Park is the location of two of the SILCG projects, the Technology Centre (TC) and Hydrogen Stimulus project (H2).

Baglan Bay Innovation Centre is a business incubator, providing accommodation and an environment for young, innovative, high tech, sustainable technology-led businesses to grow. The incubator provides about 3,600 sqm (39,000sq ft) of space, including 32 units, as well as meeting rooms, a business support facility. The centre has close links with universities, particularly Swansea University.

Occupation of the Baglan Bay Innovation Centre

Key findings of analysis of the Innovation Centre, as of December 2020.

- Total number of units available to tenants is 32; some are subdivided with a total of 37 units available, a total of 2,205sqm available to rent
- The Innovation Centre is 94% occupied. Of the 37 units, only 2 are vacant, (6% of floorspace)
- The dominant business type is RD&I which accounts for 43% of the space (19 units), whilst product development/technology accounts for a further 7% (3 units) a total of 50% (22 units)
- Other significant business types are ICT and energy which together amount to a further 27% (7 units), with a further 4% (4 units) in life science
- Total ICT, RDI/Product devt/technology, energy and life science amount to 82% of floorspace (31 units)
- Corporate tenants account for just over half of the floorspace (52%)
- University tenants are very significant, some 41% of floorspace, with the remaining occupied space taken by private sector companies/corporates

- All of the university tenants are engaged in RD&I

Business Type	Number	Floorspace (m2)	Floorspace (%)	Tenant	Number	Floorspace (m2)	Floorspace (%)
ICT	3	305	14%	University	18	911	41%
RD&I	19	944	43%	Corporate	17	1,155	52%
Product Devt/Technology	3	163	7%	Vacant	2	139	6%
Energy	4	286	13%	TOTAL	37	2,205	100%
Life science	2	99	4%				
Other	4	269	12%				
Vacant	2	139	6%				
TOTAL	37	2,205	100%				

SWITCH

The projected demand for SWITCH is based on activities to date at its predecessor, the Steel and Metals Institute, as well as stakeholder and industrial analysis to identify future opportunities with expanded equipment infrastructure and research focus. Additionally, the University has extensive experience working with funding partners on a wide range of research projects, which informed the assumptions around the nature of industrial partnerships, match funding and the likely research landscape and funding opportunities available.

Industrial Partners	Company size	Research themes	Collaborative opportunities
Primary steel and metal producers	Large	Low carbon steelmaking Waste utilisation Product Development Process and product optimisation	Research projects Co-location of research staff Studentships & training
Steel and metal suppliers (including refractories, waste management and hardware)	SMEs/Medium	Decarbonisation Waste management and utilisation (circular economy) Product Development Process and product optimisation	Research projects Co-location/hot desks Studentships & training
End users (including transport, construction and other sectors)	Various	Product development Integrity testing and analysis Process and product optimisation	Research projects Studentships & training

SWITCH Demand Overview

Demand forecasting has been carried out based on existing enquiries and research partnerships at SaMI, as shown in the table below. It is envisaged that with increased capacity and capability at SWITCH, there will also be increased opportunities to engage with the industry for both private and public research projects. The initial focus for potential partnerships has been on steel and metals producers in line with the identified research themes, however with an emphasis on collaboration, significant opportunities to work with the wider supply chain including suppliers and end users in key markets such as construction and automotive are being developed. Similarly, an initial focus on regional opportunities in steel and metals is broadening to create prospects and synergies more widely across the UK and in other foundation industries. A key factor to achieve this will be building on the existing research partnerships and relationships with other academic institutes including Cardiff University, Warwick University and Sheffield University, RTOs and other research partnerships such as SWIC through the benefits of co-location and collaborative research.

Key: Existing partnerships Developing partnerships Early engagement

Industry	Type	Demand
Steel producer A	Primary steel and metal producers	Directly funded research projects, collaborative publicly funded research projects, co-location of industrial research staff, studentships & training
Steel producer B	Primary steel and metal producers	Directly funded research projects and collaborative publicly funded research projects, potential hot desks
Steel producer C	Primary steel and metal producers	Collaborative publicly funded research projects, potential hot desks
Steel producer D	Primary steel and metal producers	Collaborative publicly funded research projects, potential hot desks
Steel producer E	Primary steel and metal producers	Collaborative publicly funded research projects
Metal alloys producer A	Primary steel and metal producers	Directly funded research projects and studentships
Metal alloys producer B	Primary steel and metal producers	Directly funded research projects, collaborative publicly funded research projects and potential hot desks
Metal alloys producer C	Primary steel and metal producers	Directly funded research projects and collaborative publicly funded research projects

Metal alloys producer D	Primary steel and metal producers	Potential for directly funded research projects and collaborative publicly funded research projects
Metal alloys producer E	Primary steel and metal producers	Potential for directly funded projects and collaborative publicly funded research projects
Metal alloys producer F	Primary steel and metal producers	Directly funded research projects
Construction products	Secondary steel producer	Directly funded research projects
Coated construction semi finished products	Secondary steel producer	Directly funded research projects, collaborative publicly funded research projects, potential hot desks and studentships
Tubes for construction and oil & gas	Secondary steel producer	Directly funded research projects, collaborative publicly funded research projects and potential hot desks
Packaging semi finished products	Secondary steel producer	Directly funded research projects, collaborative publicly funded research projects, potential hot desks and studentships
Automotive semi finished products	Secondary steel producer	Directly funded research projects, collaborative publicly funded research projects, potential hot desks and studentships
Aerospace and energy semi finished products	Secondary steel producer	Potential for directly funded projects
Coated semi finished products	Secondary steel producer	Potential for directly funded projects
Waste management and recycling	Steel and metal suppliers	Collaborative publicly funded research projects
Raw material recycling	Steel and metal suppliers	Directly funded research projects and collaborative publicly funded research projects
Refractory materials	Steel and metal suppliers	Directly funded research projects and collaborative publicly funded research projects
Wood products	Other industry	Directly funded research projects
Rail sector	End users	Directly funded research projects
Packaging sector	End users	Potential for directly funded research projects, collaborative publicly funded research projects and studentships

Other sector	End users	Potential for collaborative publicly funded research projects and studentships
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Annex 2.6: Detailed economic CBA results

	Programme		TC		SWITCH		H2		AQMP		LEV		AMPF		PDF	
	Undiscounted	Discounted	Undiscounted	Discounted	Undiscounted	Discounted	Undiscounted	Discounted	Undiscounted	Discounted	Undiscounted	Discounted	Undiscounted	Discounted	Undiscounted	Discounted
Costs in the Appraisal of Public Value																
1. Total Direct Public Costs (to originating organisation)	101.3	71.9	3.0	2.9	76.6	49.6	-	-	-	-	-	-	17.2	15.2	4.5	4.1
1.1 Capital	44.7	41.1	3.0	2.9	20.0	18.8	-	-	-	-	-	-	17.2	15.2	4.5	4.1
1.2 Revenue	56.6	30.8	-	-	56.6	30.8	-	-	-	-	-	-	-	-	-	-
2. Total Indirect Public Costs (to wider public sector)	98.8	55.5	5.5	5.3	87.8	45.2	-	-	-	-	-	-	-	-	5.5	5.0
2.1 Capital	11.0	10.3	5.5	5.3	-	-	-	-	-	-	-	-	-	-	5.5	5.0
2.2 Revenue	87.8	45.2	-	-	87.8	45.2	-	-	-	-	-	-	-	-	-	-
3. Wider Social Costs	42.8	23.0	6.4	3.7	12.3	5.9	-	-	-	-	-	-	15.0	8.3	9.1	5.1
3.1 Capital	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
3.2 Revenue	42.8	23.0	6.4	3.7	12.3	5.9	-	-	-	-	-	-	15.0	8.3	9.1	5.1
4. Total Risk Costs	5.0	4.7	0.9	0.8	3.0	2.8	-	-	-	-	-	-	1.2	1.1	-	-
4.1 Optimism bias	5.0	4.7	0.9	0.8	3.0	2.8	-	-	-	-	-	-	1.2	1.1	-	-
4.2 Estimated or measured risk	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
5. Total of Costs	247.9	155.1	15.8	12.7	179.7	103.5	-	-	-	-	-	-	33.4	24.6	19.1	14.2
Benefits in Appraisal of Public Value																
6. Total Direct Public Sector Benefits	137.9	77.5	-	-	137.9	77.5	-	-	-	-	-	-	-	-	-	-
6.1 Cash releasing benefits (CRB)	137.9	77.5	-	-	137.9	77.5	-	-	-	-	-	-	-	-	-	-
6.2 Non-cash releasing benefits (NCRB)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
7. Total Indirect Public Sector Benefits	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
7.1 Cash releasing benefits (CRB)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
7.2 Non-cash releasing benefits (NCRB)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
8. Wider Social Costs	315.9	172.3	53.6	30.9	115.4	55.3	-	-	-	-	-	-	98.0	54.2	48.9	31.9
8.1 Cash releasing benefits (CRB)	152.6	76.3	11.2	6.4	115.4	55.3	-	-	-	-	-	-	10.3	5.7	15.7	8.8
8.2 Non-cash releasing benefits (NCRB)	163.3	96.1	42.4	24.4	-	-	-	-	-	-	-	-	87.7	48.5	33.2	23.2
9. Total Value of Benefits	453.8	249.8	53.6	30.9	253.3	132.8	-	-	-	-	-	-	98.0	54.2	48.9	31.9
Net Public Value	205.8	94.7	37.9	18.1	73.6	29.3	-	-	-	-	-	-	64.6	29.6	29.8	17.7
Benefit Cost Ratio	1.8	1.6	3.4	2.4	1.4	1.3	na	na	na	na	na	na	2.9	2.2	2.6	2.2

Annex 2.7: Summary employment analysis, sector concentration and diversity

Key findings

Key findings of analysis of employment data by industry section 2015 and 2019 provides context and a baseline for future comparison. It should be noted that this data does not include data for 2020 and thus does not include the impact of the COVID19 pandemic. Data is extracted from NOMIS Business Register and Employment Survey, Office of National Statistics, January 4 2021. Totals for areas reflect the sum of reported industry sections and are not subject to NOMIS rounding.

- Total employment in Neath Port Talbot (NPT) is about 50,000. Total employment increased about 4% 2015 to 2019.
- Swansea Bay City Region (covering NPT, Swansea, Camarthenshire, Pembrokeshire) total employment is about 280,00; employment decreased slightly 2015 to 2019 in the region.
- NPT accounts for about 18% of employment in the Swansea Bay City Region (SBCR).
- A location quotient (LQ) measures the concentration of a particular industry section in a geographical area relative to a wider geographical area, in this case, Great Britain.
 - A LQ of >1 means there is a greater concentration of the industry than in GB as a whole, or the sector is 'overweight' in the area
 - A LQ of <1 means there is a lower concentration of the industry than in GB as a whole, or the sector is 'underweight' in the area
- Of the industry sections employing more than 1,000 people NPT is overweight in the following:
 - Manufacturing
 - Transportation and storage
 - Public administration and defence
 - Education
 - Human health and social work
- Apart from manufacturing above sectors generally have lower levels of labour productivity than, as such the concentration in these sectors partly explains the lower overall productivity and relative GVA when compared to GB. SBCR shows similar concentration in sections with generally lower productivity levels.
- Notably there is a 50% increase in employment in information and communication section, albeit only from a small base.
- A diversity index is calculated measuring the spread of employment across industry sections between 0 and 1, where 1 means perfect distribution across all sectors and low scores means employment is concentrated in a few sectors:
 - NPT has an index of 0.84 in 2019, slightly lower (less diverse) than in 2015. It is less diverse than SBCR as would be expected for a smaller area.

- SBCR has an index of 0.86 in 2019, lower (less diverse) than in 2015.

Implications for SILCG Programme

- The simple analysis and supporting data provide a baseline and context estimates of employment in the SILCG projects, as well as for informing future assessments.
- With total employment of about 50,000, employment in public administration, education and health totals 16,500 far outweighs that of manufacturing at 9,000. These industries together account for more than half the jobs.
- Even relatively small changes in employment and growth, particularly in high productivity sectors could support the levelling up agenda within certain industry sections and support the growth of the low carbon cluster.
- However, with such dominance of public service sectors, significant shifts will be required to change the overall profile, the levelling up agenda and diversity for NPT and SBCR.

Summary Employment, Sector Concentration and Diversity, Neath Port Talbot, Swansea Bay City Region, Wales and Great Britain

	Neath Port Talbot				Swansea Bay City Region				Wales				Great Britain	
	2015	2019	LQ2015	LQ2019	2015	2019	LQ2015	LQ2019	2015	2019	LQ2015	LQ2019	2015	2019
A : Agriculture, forestry and fishing	700	900	0.9	1.1	16,050	10,300	3.5	2.3	61,000	43,000	2.9	2.1	479,000	486,000
B : Mining and quarrying	350	350	3.7	4.1	590	675	1.0	1.4	1,500	2,500	0.6	1.1	59,000	53,000
C : Manufacturing	9,000	9,000	2.3	2.3	26,000	24,500	1.1	1.1	146,000	143,000	1.4	1.4	2,389,000	2,424,000
D : Electricity, gas, steam and air conditioning supply	200	150	1.0	0.7	1,400	850	1.2	0.7	11,000	8,000	2.0	1.4	125,000	135,000
E : Water supply; sewerage, waste management and remediation activities	1,000	700	3.3	2.1	3,000	2,325	1.7	1.3	13,000	13,000	1.6	1.5	188,000	203,000
F : Construction	2,500	2,250	1.1	0.9	14,500	13,750	1.1	1.0	58,000	65,000	0.9	1.0	1,392,000	1,563,000
G : Wholesale and retail trade; repair of motor vehicles and motorcycles	7,000	7,000	0.9	0.9	44,000	45,000	1.0	1.1	198,000	202,000	1.0	1.0	4,652,000	4,638,000
H : Transportation and storage	2,000	3,000	0.9	1.2	9,750	10,000	0.7	0.7	45,000	44,000	0.7	0.7	1,360,000	1,506,000
I : Accommodation and food service activities	2,500	3,500	0.7	0.9	23,500	27,500	1.1	1.3	101,000	123,000	1.1	1.2	2,152,000	2,370,000
J : Information and communication	350	700	0.2	0.3	3,700	4,500	0.3	0.4	20,000	28,000	0.4	0.5	1,201,000	1,301,000
K : Financial and insurance activities	400	300	0.2	0.2	6,050	6,350	0.6	0.7	30,000	32,000	0.7	0.7	1,029,000	1,058,000
L : Real estate activities	900	800	1.0	0.8	4,000	3,400	0.8	0.6	20,000	18,000	0.8	0.7	542,000	600,000
M : Professional, scientific and technical activities	2,250	1,250	0.5	0.3	12,250	10,500	0.5	0.4	68,000	66,000	0.6	0.6	2,531,000	2,741,000
N : Administrative and support service activities	2,000	2,500	0.5	0.6	15,000	16,500	0.6	0.7	80,000	84,000	0.7	0.7	2,616,000	2,701,000
O : Public administration and defence; compulsory social security	3,000	4,000	1.5	1.9	21,500	24,000	1.8	2.0	86,000	96,000	1.5	1.7	1,262,000	1,315,000
P : Education	5,000	4,500	1.2	1.1	25,500	25,000	1.0	1.1	125,000	115,000	1.1	1.0	2,621,000	2,607,000
Q : Human health and social work activities	7,000	8,000	1.1	1.2	45,000	48,000	1.2	1.3	200,000	201,000	1.2	1.2	3,854,000	3,971,000
R : Arts, entertainment and recreation	1,500	900	1.3	0.7	8,750	6,150	1.3	0.9	35,000	27,000	1.1	0.8	720,000	767,000
S : Other service activities	800	600	0.8	0.6	5,350	3,950	0.9	0.7	24,000	21,000	0.8	0.8	646,000	647,000
Total	48,450	50,400			285,890	283,250			1,322,500	1,331,500			29,818,000	31,086,000
Total (growth rate)		4%				-1%				1%				4%
Diversity Index	0.85	0.84			0.88	0.86			0.88	0.88			0.89	0.90

Annex 2.3: Note on valuation of energy and GHG

Guidance on Energy and GHG impacts

Clear advice on how to process to quantify and monetise energy use and carbon emissions impacts is provided in supplementary guidance to the Green Book. However, for most of the projects within this programme there is currently insufficient information available to enable this guidance to be followed exactly and therefore definitive quantification and monetisation of these project aspects has not yet been possible. Nevertheless, the methodology by which such impacts would be quantified and monetised, when sufficient information is available, is discussed below, and examples of such calculations using estimated inputs for the Technology Centre and the Hydrogen Stimulus Project are included in the Appendix.

Energy Impacts

To quantify and monetise the impacts of a project on energy use, the first step is to assess what changes are expected to occur, by fuel type, to the energy use associated with a project over the forecast horizon. Where possible this forecast should be specific for the project, and a comparison over the base line expectations of energy use by fuel type for the counterfactual will enable then projected changes in energy use to be determined.

Changes in energy use can then be monetised using the long-run variable costs (LRVCs) of energy supply (by fuel type), provided in the Green Book guidance. These costs are used instead of retail energy prices as they include exclude carbon costs (which are monetised separately as discussed below), economic transfers such as taxes, and fixed costs which will not change in the long run. LRVCs vary by fuel, end user and over time and thus should be used accordingly to calculate the full costs of energy use changes of the project compared with the counterfactual. It should be noted that monetisation of changes in energy use could relate to savings associated with reduced energy use, or revenues associated with the sale of generated energy.

GHG Emissions Impacts

Once the forecast energy impacts of a project have been quantified and monetised, it is then possible to analyse the resulting changes in greenhouse gas emissions, and any value created as a result. The first step in this process is to convert changes in energy usage to changes in emissions via the use of fuel-specific emissions factors. These are again provided in the Green Book guidance, and express expected emissions of all greenhouse gases due to energy use in terms of the equivalent mass of carbon dioxide emissions (kgCO₂e). For individual fuel types (such as coal or gas) these emissions factors are static, while the emissions factor for grid electricity varies over time due to expected shifts in methods of electricity generation in the UK.

Finally, any changes to greenhouse gas emissions attributable to a project can be valued and monetised using forecast prices per tonne of carbon dioxide equivalent emissions. These are provided in the Green Book under two categories; traded and non-traded. Traded emissions are those produced by sectors or activities included under the EU Emission Trading System (EU ETS), who are mandated to surrender

sufficient emissions credits each year to account for their carbon footprint. Example emissions which should be monetised using the traded emissions price forecasts include changes to energy use by the steel industry. In contrast, non-traded emissions price forecasts should be used to monetise all other forecast emissions changes from a project, such as changes to domestic gas consumption.

Analysis of Environmental and Social Benefits for Early Stage Projects

The SILCG programme includes a number of projects which are still an early stage of development and for which full details are not yet known. While quantification and monetisation of their environmental and social benefits is therefore not yet possible, this will change as details become finalised. Consideration for how this could occur once this is the case are discussed below.

Technology Centre

This project is expected to have a number of environmental impacts which should be considered including:

- Cost savings to the building owner and tenants due to on-site energy generation.
- Potential revenue to the building owner due to export of surplus electricity to the grid or to the H2 Centre for conversion to low carbon vehicle fuels; this is assumed to balance to revenue net zero since on some days the TC will require energy imported from H2 and on other days will be able to export surplus energy
- Carbon emission reductions due to on-site generation instead of use of grid electricity and fossil fuels such as natural gas. This will include some monetisable, traded emissions reductions where surplus electricity is sold back to the grid.
- Improved local air quality due to switch from carbon-based to hydrogen-based vehicle fuels via the H2 Link.

Several of these impacts are monetizable and therefore should be considered within a broader CBA of the SBTC project. However, exact values for several parameters are not yet available and therefore a precise calculation of monetisable impacts is not yet possible.

Instead, calculation of potential monetisable benefits has been approximated using a hypothetical example energy positive building compared to a hypothetical counterfactual, in order to show the likely order of magnitude of monetisable environmental benefits for the project. This calculation was based on the following assumptions:

- A counterfactual was assumed where all future SBTC tenants would instead occupy average standard UK office buildings consuming 87.5kWh/m² of grid electricity and 88.6kWh/m² natural gas^[1]. Energy costs were based on Long-run Variable Costs and emissions factors based on long run marginal factors as given in Green Book guidance^[2].

- An example energy neutral building was assumed that would include energy consumption equal to the counterfactual, but with all energy supplied by zero carbon on-site generation.

The table below shows the results of this calculation for the first year of SBTC's operation; 2023. The value generated for the energy positive building includes avoided energy costs, electricity sales and carbon emissions reductions.

Annual Cost of Energy avoided under the Counterfactual	£24,739
Value of Carbon reduction by electricity generated and used (Non-traded)	£3,977
Value of Carbon reduction by non-electrical energy generated and used (Non-traded)	£2,956
Annual Value Generated for Energy Neutral Building	£31,686

^[1] Building Energy Efficiency Survey 2014-15 (<https://www.gov.uk/government/publications/building-energy-efficiency-survey-bees>)

^[2] Green Book Supplementary guidance: valuation of energy use & GHG emissions for appraisal (<https://www.gov.uk/government/publications/valuation-of-energy-use-and-greenhouse-gas-emissions-for-appraisal>)

^[3] Sale price based on assumptions used for H2 Link BJC

^[4] <https://gov.wales/sites/default/files/consultations/2019-12/consultation-a-clean-air-plan-for-wales.pdf>

Annex 2.4: Key assumptions in CBA BCR analysis

Technology Centre (TC)

Period of analysis	Construction 2021 Open 2022 Operational until 2053	Employment Accommodated	150
Total capital cost (excluding optimism bias (undiscounted))	£8,500,000	Additional employment (to UK)	62
Operational cost (undiscounted)	£200,000 pa	Salary uplift (per additional employee)	£10,800
Optimism bias	10%	Annual salary uplift (proxy for productivity benefit)	£517,000
Discount rate	3.5%	Rent and service charge pa (cash releasing benefit)	£350,000
Facility size	2,500sqm (80% efficiency) 2000sqm lettable	Energy use	Energy neutral over a year, (some days of importing energy from H2 other days exporting energy)
Location	Baglan Energy Park	Energy savings benefit /annum	£24,700
		CO ₂ savings benefit /annum	£6,900

South Wales Industrial Transition from Carbon Hub (SWITCH)

Period of analysis	Construction 2021 and 2022 Open in 2023	Benefit of new products	Valued on an annual basis using estimated greater success rates of projects, their product value to market and the attribution to SWITCH Builds up over years to c £5,900,000 pa
Total capital cost (excluding optimism bias (undiscounted))	£20,0000	Benefit of research and development, low carbon processes	Valued using research funding attracted C£3,000,000 pa
Operational cost (undiscounted)	£5-7,000,000 depending on year	Benefits of research and development, waste utilisation	C£2,000,000 pa
Optimism bias	15%		
Discount rate	3.5%		
Location	NPT Waterfront Enterprise Zone		

Hydrogen Stimulus Project (H2)

Period of analysis	Capital costs included in the overall SILCG split 50/50 between 2021 and 2022.
Total capital cost (excluding optimism bias (undiscounted))	£2,000,000
Operational cost (undiscounted)	Not included in the SILCG programme BCR analysis.
Optimism bias	Not included since capital costs are allocated budget with further detail once project is further finalised
Discount rate	3.5%
Location	Baglan Energy Centre, potentially physically linked to the Technology Centre (to be determined)
Benefits	Benefits considered qualitatively. No monetised benefits included in the SILCG programme BCR analysis.

Air Quality Monitoring Project

Period of analysis	Capital costs included in the overall SILCG in 2021.
Total capital cost (excluding optimism bias (undiscounted))	£500,000
Operational cost (undiscounted)	Not included in the SILCG programme BCR analysis.
Optimism bias	Not included since capital costs are allocated budget with further detail once project is further finalized
Discount rate	3.5%
Location	Within Neath Port Talbot authority area, specific locations to be determined
Benefits	Benefits considered qualitatively. No monetised benefits included in the SILCG programme BCR analysis.

Low Emission Vehicle Charging Infrastructure (LEV)

Period of analysis	Capital costs included in the overall SILCG split 50/50 between 2021 and 2022.
Total capital cost (excluding optimism bias (undiscounted))	£500,000
Operational cost (undiscounted)	Not included in the SILCG programme BCR analysis.
Optimism bias	Not included since capital costs are allocated budget with further detail once project is further finalised
Discount rate	3.5%
Location	Within Neath Port Talbot authority area, specific locations to be determined
Benefits	Benefits considered qualitatively. No monetised benefits included in the SILCG programme BCR analysis.

Advanced Manufacturing Production Facility (AMPF)

Period of analysis	Construction 2022-2023 Open 2024 Operational until 2053	Employment Accommodated	281
Total capital cost (excluding optimism bias (undiscounted))	£17,200,000 (including £12,000,000 construction and £5,200,000 equipment budget)	Additional employment (to UK)	121
Operational cost (undiscounted)	£500,000 pa	Salary uplift (per additional employee)	£10,800
Optimism bias	Not included at this stage as capital cost is an allocated budget	Annual salary uplift (proxy for productivity benefit)	£1,196,000
Discount rate	3.5%	Rent and service charge pa (cash releasing benefit)	£344,000 (approx. £10psf)
Facility size	4,000sqm (80% efficiency) 3,200sqm lettable	Annual public research income attracted (as proxy for research benefit value)	£500,000
Location	NPT Waterfront Enterprise Zone		

Property Development Fund (PDF)

Period of analysis	Construction 2021-2023 with take up 10%, 20% and further 70% in consecutive years Units open in 2022, 2023, 2024 Operational until 2053	Employment Accommodated	400
Total capital cost (excluding optimism bias (undiscounted))	£10,000,000 (55%)	Additional employment (to UK)	120 Based on evidence of other projects undertaken in NPT, c30% of the jobs are additional to the UK
Operational cost (undiscounted)	£300,000 pa once all units operational in 2024	Salary uplift (per additional employee)	£10,800
Optimism bias	Not included at this stage as capital cost is an allocated budget	Annual salary uplift (proxy for productivity benefit)	£1.8 million once all units operational for 10 years (earlier years proportional to units operational 10%, 70%)
Discount rate	3.5%	Rent and service charge pa (cash releasing benefit)	£516,000 (approx. £10psf)
Facility size	Total 6,000sqm (80% efficiency) 4,800sqm lettable		
Location	NPT Waterfront Enterprise Zone		

Annex 2.5: Summary of evidence, local demand for facilities

Neath Port Talbot Firm's Enquiry Database

Introduction

Neath Port Talbot record enquiries from firms for land and/or floorspace and follow their progress to record how many of those enquiries are satisfied in the area and to the extent possible the reason if not. The records also aim to record the industry sector of the enquiry where possible.

The aims to record whether they are high tech, spin out, associated with low carbon; factors which relate to policy and target outcomes but which are to some extent, subjective. It might be useful across SBCR to standardise the process and recording to enable this data to contribute to performance assessment in the future and include the source of enquiry to assist in ascertaining additionality, particularly in contributing to analysis of place impact, to SBCR as well as to the UK.

The enquiries include direct enquiries to the authority or indirectly through the Welsh Government or other sources.

For the purpose of the analysis, the following assumptions/ cleaning of the data were adopted:

- Data refers to enquiries from December 2019 to December 2020
- Where no size requirement was recorded, the enquiry is counted but the size is recorded as zero. Of the total 107 enquiries, 11 are recorded as zero because they are unknown
- In the database, size is recorded by industrial office and laboratory, and land (included in the notes where applicable). Where subcategories were recorded but they did not align with the total, the subcategory total was taken as the total. Where the total and one subcategory were recorded but they did not align, the subcategory was adjusted to align with the total.
- Those that were recorded as not progressing were split into 2 further categories to provide insight on why. Based on the notes and comments in the database, those not progressing were divided into 'nothing suitable' i.e. there were no suitable premises (NS) / accommodation to suit the enquiry and retracted demand (RD), such as where in the notes COVID/ Brexit etc were given as reasons that the enquiry was not being pursued. The former sheds some light on whether IF suitable accommodation had been available NPT might have been able to satisfy the enquiry i.e. unsatisfied demand, against those that were withdrawn for external reasons

Overall key findings, status and type of business

Key findings of analysis of the Enquiry Database, as at December 2020, data starting from December 2019.

- Total number of enquiries was 107

- Total floorspace requirement was about 320,000sqm (Note that 10% of enquiries were recorded as zero) but this includes a few very large enquiries
- Of those enquiries 34 (32%) of total enquiries and some 48,000 sqm (15%) of floorspace were completed during the year
- Of the total number, 23 or 12% are still ongoing
- Of the total 47, 44% are not progressing, of those 20% because no suitable accommodation or location could be offered and 24% because of external factors

Total Enquiries, by status and floorspace

	No Enquiries	% Enquiries	Floorspace	% Enquiries
C	34	32%	48,360	15%
OG	23	21%	39,433	12%
OH	3	3%	25,000	8%
NS	21	20%	158,429	49%
RD	26	24%	49,603	15%
Total	107	100%	320,825	100%

C=Completed; OG=Ongoing; OH= On Hold; NS=no suitable accommodation available; RD=Retracted Demand (for external reason)

- The largest number of enquiries came from businesses classified as manufacturing.
- Research, development and innovation and innovative manufacturing were also significant with 17% and 18% of enquiries, respectively.
- Manufacturing and innovative manufacturing made up the majority of enquiries by floorspace.
- Assuming ICT, RDI, IM and E are included in the target high tech, innovation and low carbon sectors of SILCG the number of enquiries was 46 or 43%.

Total Enquiries, by business type and floorspace

	No enquiries	% Enquiries	Floorspace	% Enquiries
ICT	4	4%	1,255	0%
RDI	19	18%	5,158	2%
SO	1	1%	93	0%
IM	18	17%	158,856	50%
E	5	5%	9,693	3%
M	33	31%	126,801	40%
PS	8	7%	1,334	0%

O	19	18%	17,635	5%
Total	107	100%	320,825	100%

ICT=Information, communications, technology; RDI=Research, development & innovation; SO=Spin Out; IM=Innovation Manufacturing; E=Energy; M=Manufacturing; PS=Professional Services;)=Other

Key findings and insights relevant to SILCG

Whilst the analysis of the overall database is interesting in terms of the overall scale of enquiries and their progress, the findings by floorspace are more meaningful if broken down by size relevant to the type of spaces potentially available under the SILCG programme i.e. relatively small units in the Technology Centre and the Advanced Manufacturing Production Facility and larger potential accommodation for developer/bespoke build under the property development fund.

Enquiries with Floorspace Requirement over 3,000sqm

- There were 20 enquiries for floorspace over 3,000sqm. Noting that the property development fund total floorspace amounts to about 6,000sqm with an intended 2 or more investors, size requirements of more than 3,000sqm are not the target for accommodation under SILCG.
- Of these larger requirements only 12% was completed.
- Almost 70% was not progressed due to either nothing suitable (55%) or external reasons (14%)
- One notably large enquiry of some 90,000sqm that was categorised as low carbon innovation manufacturing, made up the majority of the not progressed because nothing suitable category

Enquiries over 3,000sqm, by status and floorspace

	No Enquiries	% Enquiries	Floorspace	% Enquiries
C	3	3%	33,457	12%
OG	4	5%	28,810	10%
OH	1	1%	23,234	8%
NS	6	7%	153,327	55%
RD	6	7%	39,394	14%
Total	20	23%	278,222	100%

C=Completed; OG=Ongoing; OH= On Hold; NS=no suitable accommodation available; RD=Retracted Demand (for external reason)

Enquiries with Floorspace Requirement less than 200sqm (but not zero) and less than 400sqm (but not zero)

- There were 30 enquiries for floorspace less than 200sqm but not zero, a total of about 2,900sqm.

- There were 43 enquiries for floorspace less than 400sqm but not zero, a total of about 6,500sqm.
- Noting that the technology centre and the advanced manufacturing facilities are targeting SMEs and spin outs with small size requirements, these enquiries could be potentially be suitable for accommodation in these facilities, subject to other location, type and other requirements.
- These enquiries relate to a single year, 2020, which was unprecedented in terms of disruption to the economy from COVID and also the implementation of Brexit.
- Of the smallest enquiries of less than 200sqm, around one third were completed, with 27% not pursued as no suitable accommodation or not pursued for other reasons. The 27% where no suitable accommodation could be found, could be viewed as an opportunity lost, if the SILCG accommodation was available, could these enquiries be satisfied?
- Of the enquiries less than 400sqm around one third were completed, with 26% not pursued as no suitable accommodation and 21% not pursued for other reasons. The 26% where no suitable accommodation could be found, could be viewed as an opportunity lost, if the SILCG accommodation was available, could these enquiries be satisfied?

Enquiries less than 200sqm (but not zero) by status and floorspace

	No Enquiries	% Enquiries	Floorspace	% Enquiries
C	10	33%	748	25%
OG	4	13%	446	15%
OH	0	0%	-	0%
NS	8	27%	716	24%
RD	8	27%	1,055	36%
Total	30	100%	2,965	7%

C=Completed; OG=Ongoing; OH= On Hold; NS=no suitable accommodation available;
RD=Retracted Demand (for external reason)

Enquiries over less than 400sqm (but not zero) by status and floorspace

	No Enquiries	% Enquiries	Floorspace	% Enquiries
C	15	35%	2,170	33%
OG	7	16%	1,375	21%
OH	1	2%	372	6%
NS	11	26%	1,385	21%
RD	9	21%	1,287	20%

Total	43	100%	6,589	15%
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*C=Completed; OG=Ongoing; OH= On Hold; NS=no suitable accommodation available;
RD=Retracted Demand (for external reason)*

No's of enquiries over less than 400sqm (but not zero) by status and business type

	C	OG	OH	NS	RD	Total	%
ICT	2	0	0	0	1	3	7%
RDI	8	1	1	3	2	15	35%
SO	0	0	0	1	0	1	2%
IM	0	2	0	0	0	2	5%
E	0	2	0	0	0	2	5%
M	1	0	0	2	1	4	9%
PS	1	2	0	1	3	7	16%
O	3	0	0	4	2	9	21%
Total	15	7	1	11	9	43	100%

Enquiries less than 400sqm (but not zero) by status, business type and total floorspace

	C	OG	OH	NS	RD	Total	%
ICT	279	-	-	-	232	511	8%
RDI	1,399	279	372	414	232	2,695	41%
SO	-	-	-	93	-	93	1%
IM	-	232	-	-	-	232	4%
E	-	400	-	-	-	400	6%
M	28	-	-	297	186	511	8%
PS	37	465	-	56	311	869	13%
O	428	-	-	525	325	1,278	19%
Total	2,170	1,375	372	1,385	1,287	6,589	100%

Conclusions for SILCG

- There are enquiries for a range of sizes and from a range of industries, a large proportion of which are the target sectors under SILCG

- Total floorspace demand for a single year (2020) for accommodation under 400sqm (the likely size for TC and AMPF) was about 6,500sqm. Given that 2020 was a very unusual year, it would be prudent to consider that this is a lower bound estimation of demand in a less unusual year.
- Of this about 20% was not able to be satisfied due to a lack of available accommodation and 20% demand retracted for other reasons.
- RDI is an important source of enquiry for those for less than 400sqm by number of enquiries 35% and by floorspace, over 40%.
- The analysis suggests that the Tech Centre and Advanced Manufacturing Production Facility could potentially satisfy a significant proportion of enquiries, given the size and type of business.

Baglan Bay Innovation Centre

Introduction

Baglan Bay Innovation Centre is located on Baglan Bay Energy Park, a 73 ha (180 acre) business/industrial park located just off the M4 motorway in Neath Port Talbot.

Baglan Bay Energy Park is the location of two of the SILCG projects, the Technology Centre (TC) and Hydrogen Stimulus project (H2).

Baglan Bay Innovation Centre is a business incubator, providing accommodation and an environment for young, innovative, high tech, sustainable technology-led businesses to grow. The incubator provides about 3,600 sqm (39,000sq ft) of space, including 32 units, as well as meeting rooms, a business support facility. The centre has close links with universities, particularly Swansea University.

Occupation of the Baglan Bay Innovation Centre

Key findings of analysis of the Innovation Centre, as at December 2020.

- Total number of units available to tenants is 32; some are subdivided with a total of 37 units available, a total of 2,205sqm available to rent
- The Innovation Centre is 94% occupied. Of the 37 units, only 2 are vacant, (6% of floorspace)
- The dominant business type is RD&I which accounts for 43% of the space (19 units), whilst product development/technology accounts for a further 7% (3 units) a total of 50% (22 units)
- Other significant business types are ICT and energy which together amount to a further 27% (7 units)
- Corporate tenants account for just over half of the floorspace (52%)
- University tenants are very significant, some 41% of floorspace, with the remaining occupied space taken by private sector companies/corporates
- All of the university tenants are engaged in RD&I

Business Type	Number	Floorspace (m2)	Floorspace (%)	Tenant	Number	Floorspace (m2)	Floorspace (%)
ICT	3	305	14%	University	18	911	41%
RD&I	19	944	43%	Corporate	17	1,155	52%
Product Devt/Technology	3	163	7%	Vacant	2	139	6%
Energy	4	286	13%	TOTAL	37	2,205	100%
Life science	2	99	4%				
Other	4	269	12%				
Vacant	2	139	6%				
TOTAL	37	2,205	100%				

SWITCH

The projected demand for SWITCH is based on activities to date at its predecessor, the Steel and Metals Institute, as well as stakeholder and industrial analysis to identify future opportunities with expanded equipment infrastructure and research focus. Additionally, the University has extensive experience working with funding partners on a wide range of research projects, which informed the assumptions around the nature of industrial partnerships, match funding and the likely research landscape and funding opportunities available.

Industrial Partners	Company size	Research themes	Collaborative opportunities
Primary steel and metal producers	Large	Low carbon steelmaking Waste utilisation Product Development Process and product optimisation	Research projects Co-location of research staff Studentships & training
Steel and metal suppliers (including refractories, waste management and hardware)	SMEs/Medium	Decarbonisation Waste management and utilisation (circular economy) Product Development Process and product optimisation	Research projects Co-location/hot desks Studentships & training
End users (including transport, construction and other sectors)	Various	Product development Integrity testing and analysis Process and product optimisation	Research projects Studentships & training

Annex 2.6: Detailed economic CBA results

	Programme vs Counterfactual		Counterfactual		Programme vs NPV zero		TC		SWITCH		H2		AQ		LEV		AMPF		PDF	
	Undiscounted	Discounted	Undiscounted	Discounted	Undiscounted	Discounted	Undiscounted	Discounted	Undiscounted	Discounted	Undiscounted	Discounted	Undiscounted	Discounted	Undiscounted	Discounted	Undiscounted	Discounted	Undiscounted	Discounted
Costs in the Appraisal of Public Value																				
1. Total Direct Public Costs (to originating organisation)	104.3	74.7	4.6	3.9	108.9	78.6	3.0	2.9	81.2	53.5	2.0	1.9	0.5	0.5	0.5	0.5	17.2	15.2	4.5	4.1
1.1 Capital	47.7	43.9	-	-	47.7	43.9	3.0	2.9	20.0	18.8	2.0	1.9	0.5	0.5	0.5	0.5	17.2	15.2	4.5	4.1
1.2 Revenue	56.6	30.8	4.6	3.9	61.2	34.7	-	-	61.2	34.7	-	-	-	-	-	-	-	-	-	-
2. Total Indirect Public Costs (to wider public sector)	98.8	55.5	17.4	14.7	116.2	70.2	5.5	5.3	105.2	59.9	-	-	-	-	-	-	-	-	5.5	5.0
2.1 Capital	11.0	10.3	-	-	11.0	10.3	5.5	5.3	-	-	-	-	-	-	-	-	-	-	5.5	5.0
2.2 Revenue	87.8	45.2	17.4	14.7	105.2	59.9	-	-	105.2	59.9	-	-	-	-	-	-	-	-	-	-
3. Wider Social Costs	42.8	23.0	4.3	3.6	47.1	26.6	6.4	3.7	16.6	9.5	-	-	-	-	-	-	15.0	8.3	9.1	5.1
3.1 Capital	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
3.2 Revenue	42.8	23.0	4.3	3.6	47.1	26.6	6.4	3.7	16.6	9.5	-	-	-	-	-	-	15.0	8.3	9.1	5.1
4. Total Risk Costs	5.0	4.7	-	-	5.0	4.7	0.9	0.8	3.0	2.8	-	-	-	-	-	-	1.2	1.1	-	-
4.1 Optimism bias	5.0	4.7	-	-	5.0	4.7	0.9	0.8	3.0	2.8	-	-	-	-	-	-	1.2	1.1	-	-
4.2 Estimated or measured risk	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
5. Total of Costs	250.9	158.0	26.3	22.2	277.2	180.1	15.8	12.7	206.0	125.7	2.0	1.9	0.5	0.5	0.5	0.5	33.4	24.6	19.1	14.2
Benefits in Appraisal of Public Value																				
6. Total Direct Public Sector Benefits	137.9	77.5	4.9	4.1	142.8	81.6	-	-	142.8	81.6	-	-	-	-	-	-	-	-	-	-
6.1 Cash releasing benefits (CRB)	137.9	77.5	4.9	4.1	142.8	81.6	-	-	142.8	81.6	-	-	-	-	-	-	-	-	-	-
6.2 Non-cash releasing benefits (NCRB)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
7. Total Indirect Public Sector Benefits	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
7.1 Cash releasing benefits (CRB)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
7.2 Non-cash releasing benefits (NCRB)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
8. Wider Social Costs	242.4	129.1	0.6	0.4	242.9	129.6	33.4	19.2	116.0	55.8	-	-	-	-	-	-	64.4	35.6	29.2	18.9
8.1 Cash releasing benefits (CRB)	152.6	76.3	0.6	0.4	153.2	76.7	11.2	6.4	116.0	55.8	-	-	-	-	-	-	10.3	5.7	15.7	8.8
8.2 Non-cash releasing benefits (NCRB)	89.7	52.9	-	-	89.7	52.9	22.2	12.8	-	-	-	-	-	-	-	-	54.1	29.9	13.5	10.2
9. Total Value of Benefits	380.2	206.6	5.5	4.5	385.7	211.1	33.4	19.2	258.8	137.3	-	-	-	-	-	-	64.4	35.6	29.2	18.9
Net Public Value	129.3	48.7	20.8	17.7	108.5	31.0	17.7	6.5	52.8	11.7	2.0	1.9	0.5	0.5	0.5	0.5	31.0	11.0	10.0	4.7
Benefit Cost Ratio	1.5	1.3	0.2	0.2	1.4	1.2	2.1	1.5	1.3	1.1	-	-	-	-	-	-	1.9	1.4	1.5	1.3

Annex 2.7: Summary employment analysis, sector concentration and diversity

Key findings

Key findings of analysis of employment data by industry section 2015 and 2019 provides context and a baseline for future comparison. It should be noted that this data does not include data for 2020 and thus does not include the impact of the COVID19 pandemic. Data is extracted from NOMIS Business Register and Employment Survey, Office of National Statistics, January 4 2021. Totals for areas reflect the sum of reported industry sections and are not subject to NOMIS rounding.

- Total employment in Neath Port Talbot (NPT) is about 50,000. Total employment increased about 4% 2015 to 2019.
- Swansea Bay City Region (covering NPT, Swansea, Camarthenshire, Pembrokeshire) total employment is about 280,00; employment decreased slightly 2015 to 2019 in the region.
- NPT accounts for about 18% of employment in the Swansea Bay City Region (SBCR).
- A location quotient (LQ) measures the concentration of a particular industry section in a geographical area relative to a wider geographical area, in this case, Great Britain.
 - A LQ of >1 means there is a greater concentration of the industry than in GB as a whole, or the sector is 'overweight' in the area
 - A LQ of <1 means there is a lower concentration of the industry than in GB as a whole, or the sector is 'underweight' in the area
- Of the industry sections employing more than 1,000 people NPT is overweight in the following:
 - Manufacturing
 - Transportation and storage
 - Public administration and defence
 - Education
 - Human health and social work
- Apart from manufacturing above sectors generally have lower levels of labour productivity than, as such the concentration in these sectors partly explains the lower overall productivity and relative GVA when compared to GB. SBCR shows similar concentration in sections with generally lower productivity levels.
- Notably there is a 50% increase in employment in information and communication section, albeit only from a small base.
- A diversity index is calculated measuring the spread of employment across industry sections between 0 and 1, where 1 means perfect distribution across all sectors and low scores means employment is concentrated in a few sectors:
 - NPT has an index of 0.84 in 2019, slightly lower (less diverse) than in 2015. It is less diverse than SBCR as would be expected for a smaller area.

- SBCR has an index of 0.86 in 2019, lower (less diverse) than in 2015.

Implications for SILCG Programme

- The simple analysis and supporting data provide a baseline and context estimates of employment in the SILCG projects, as well as for informing future assessments.
- With total employment of about 50,000, employment in public administration, education and health totals 16,500 far outweighs that of manufacturing at 9,000. These industries together account for more than half the jobs.
- Even relatively small changes in employment and growth, particularly in high productivity sectors could support the levelling up agenda within certain industry sections and support the growth of the low carbon cluster.
- However with such dominance of public service sectors, significant shifts will be required to change the overall profile, the levelling up agenda and diversity for NPT and SBCR.

Summary Employment, Sector Concentration and Diversity, Neath Port Talbot, Swansea Bay City Region, Wales and Great Britain

	Neath Port Talbot				Swansea Bay City Region				Wales				Great Britain	
	2015	2019	LQ2015	LQ2019	2015	2019	LQ2015	LQ2019	2015	2019	LQ2015	LQ2019	2015	2019
A : Agriculture, forestry and fishing	700	900	0.9	1.1	16,050	10,300	3.5	2.3	61,000	43,000	2.9	2.1	479,000	486,000
B : Mining and quarrying	350	350	3.7	4.1	590	675	1.0	1.4	1,500	2,500	0.6	1.1	59,000	53,000
C : Manufacturing	9,000	9,000	2.3	2.3	26,000	24,500	1.1	1.1	146,000	143,000	1.4	1.4	2,389,000	2,424,000
D : Electricity, gas, steam and air conditioning supply	200	150	1.0	0.7	1,400	850	1.2	0.7	11,000	8,000	2.0	1.4	125,000	135,000
E : Water supply; sewerage, waste management and remediation activities	1,000	700	3.3	2.1	3,000	2,325	1.7	1.3	13,000	13,000	1.6	1.5	188,000	203,000
F : Construction	2,500	2,250	1.1	0.9	14,500	13,750	1.1	1.0	58,000	65,000	0.9	1.0	1,392,000	1,563,000
G : Wholesale and retail trade; repair of motor vehicles and motorcycles	7,000	7,000	0.9	0.9	44,000	45,000	1.0	1.1	198,000	202,000	1.0	1.0	4,652,000	4,638,000
H : Transportation and storage	2,000	3,000	0.9	1.2	9,750	10,000	0.7	0.7	45,000	44,000	0.7	0.7	1,360,000	1,506,000
I : Accommodation and food service activities	2,500	3,500	0.7	0.9	23,500	27,500	1.1	1.3	101,000	123,000	1.1	1.2	2,152,000	2,370,000
J : Information and communication	350	700	0.2	0.3	3,700	4,500	0.3	0.4	20,000	28,000	0.4	0.5	1,201,000	1,301,000
K : Financial and insurance activities	400	300	0.2	0.2	6,050	6,350	0.6	0.7	30,000	32,000	0.7	0.7	1,029,000	1,058,000
L : Real estate activities	900	800	1.0	0.8	4,000	3,400	0.8	0.6	20,000	18,000	0.8	0.7	542,000	600,000
M : Professional, scientific and technical activities	2,250	1,250	0.5	0.3	12,250	10,500	0.5	0.4	68,000	66,000	0.6	0.6	2,531,000	2,741,000
N : Administrative and support service activities	2,000	2,500	0.5	0.6	15,000	16,500	0.6	0.7	80,000	84,000	0.7	0.7	2,616,000	2,701,000
O : Public administration and defence; compulsory social security	3,000	4,000	1.5	1.9	21,500	24,000	1.8	2.0	86,000	96,000	1.5	1.7	1,262,000	1,315,000
P : Education	5,000	4,500	1.2	1.1	25,500	25,000	1.0	1.1	125,000	115,000	1.1	1.0	2,621,000	2,607,000
Q : Human health and social work activities	7,000	8,000	1.1	1.2	45,000	48,000	1.2	1.3	200,000	201,000	1.2	1.2	3,854,000	3,971,000
R : Arts, entertainment and recreation	1,500	900	1.3	0.7	8,750	6,150	1.3	0.9	35,000	27,000	1.1	0.8	720,000	767,000
S : Other service activities	800	600	0.8	0.6	5,350	3,950	0.9	0.7	24,000	21,000	0.8	0.8	646,000	647,000
Total	48,450	50,400			285,890	283,250			1,322,500	1,331,500			29,818,000	31,086,000
Total (growth rate)		4%				-1%				1%				4%
Diversity Index	0.85	0.84			0.88	0.86			0.88	0.88			0.89	0.90

3.8 ECONOMIC APPRAISAL

3.8.1 Introduction

This section provides a detailed overview of the costs and benefits associated with each of the selected short-listed options. The detailed information and calculations supporting the conclusions reached are attached at Appendix G – Skills and Talent Programme Cost Benefit Analysis. The calculations are at this stage of the Business Case process, based on external educational statistical data, as it is not possible to calculate specific City Deal Project requirements, costs and benefits. Costs are based on usual education costs and benefits are based on national statistics of additional income derived from each higher skill level.

3.8.3 Estimating Benefits

The Skills and Talent Programme has an enabling role in the SBCD in developing the appropriate skills supply pipeline to populate the additional jobs necessary for the City Deal projects to achieve their objectives from within the region as far as is possible. Consequently, any quantitative and qualitative benefits to be derived from the Skills and Talent Programme are effectively already 'double-counted' within these Projects' declared outcome targets.

The approach to the Skills and Talent Programme Business Case therefore is not to evaluate the Programme by the benefits delivered directly by the activity but to assess the cost effectiveness of the Programme in delivering the required skills (relative to existing skills delivery benchmarks) and as the means to compare different delivery options. The benefits to individuals from achieving incremental skills qualifications/levels in terms of additional annual remuneration is well documented from national statistics and other data. The estimated effects on regional income can therefore be calculated on an annual basis and the cost effectiveness of each option deduced.

To calculate benefits for the Skills and Talent Programme Options reference has been made to national statistics on additional income to be derived by individuals as each higher skill level is achieved.

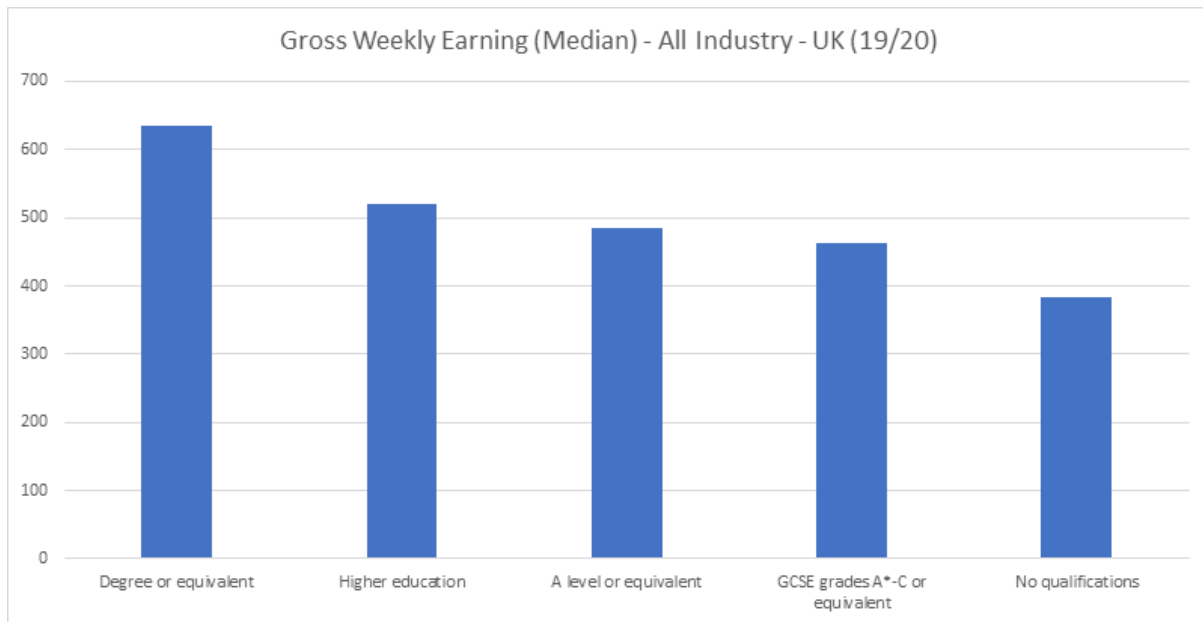


Table 13 - Summary of Additional Income by Skill Level

These translate into additional incomes as follows,

NVQ Skill Level Achieved	Additional Annual Income (per person)
Level 2	£4,160
Level 3	£1,040
Level 4	£1,560
Level 5	£1,560
Level 6-8	£5,720

With regard to assessing net benefits for the City Deal region, allowances for leakage, displacement, multiplier effects and deadweight are already included within the project Business Cases for each of the other City Deal Projects,

- **Leakage** – anticipated leakage beyond the City Deal target area is already included within each City Deal Project Business Case and can therefore be ignored for the Skills and Talent Programme
- **Displacement** – as the Skills and Talent Programme will only deliver new skills/courses which do not currently exist, displacement is expected to be zero
- **Multiplier effects** – any multiplier effects from economic activity associated with additional local income and local supplier purchases have been ignored as all benefits are already included within each City Deal Project Business Case
- **Deadweight** – as, by definition, the Skills and Talent Programme will only deliver new skills/courses for Projects which would not materialise without the City Deal, deadweight is assumed to be zero.

To calculate the benefits for each Option, the respective breakdown of skills to be offered by level set out in Section 3.2 above has been used. The calculations have assumed skills delivery being split evenly over the 5-year delivery period and that additional annual income,

for each respective additional skills level achieved by an individual learner, is first earned 12 months after completion of the respective course. The annual income growth will be measured over 15 years. For example, a full-time Level 3 learner on a 1-year course, and who commenced study in Year 3 of the Programme, would first earn additional income in Year 5 of the Programme. Likewise, a part-time Level 6 learner undertaking a 6 year course, and who commenced study in Year 5 of the Programme would not earn additional income until Year 12 of the Programme.

3.8.3 Summary of Benefits

	Option 1: Business as usual	Option 2: Supported City Deal Skills Fund	Option 3: Targeted Skills Delivery	Option 4: City Deal Ambitious
Operational phase impacts				
Additional Income Generated p.a. at the end of the Programme period	-	£1.82M	£5.46M	£32.12M
No. of Additional Skills Delivered	-	760	2,276	14,000

Table 14 – Summary of Additional Annual Income and Skills Delivered

3.8.4 Estimating Costs

Methodology

Costs have been calculated using current course fees for skills being delivered in the region within related skills disciplines. The calculations have taken into account the number of skills expected to be delivered at each skill level in accordance with the table in Section 3.2 above, broken down into the projected proportion of full time and part time learners.

Optimism Bias

An allowance for optimism bias of 10% has also been made for each short-listed option to account for those risks not reflected. The extent of optimism bias has been derived through consideration of the level of remaining risk and potential for increase. As all costs are based on current, standard public sector course costs, the potential for cost increase (excluding for inflation) is very low. Whilst the Programme will require the development of new courses, these costs are expected to be absorbed by the educational provider and recovered through course fees.

As with economic benefits, the economic costs for all short-listed options have been appraised over a 15-year period (in line with the funding model for the SBCD), after allowing for Optimism Bias of 10% and discounted at a rate of 3.5% in line with the HM Treasury Green Book. All discounted costs have been presented in 2021 prices, with general inflation excluded.

Description, Sources and Assumptions

The gross costs and funding under each of the short-listed options are described in Table 14 below,

Source of funding	Option 1: Business as usual	Option 2: Supported City Deal Skills Fund	Option 3: Targeted Skills Delivery	Option 4: City Deal Ambitious
City Deal	-	£10,000,000	£10,000,000	£57,552,000
Other Public Sector	-	-	£16,000,000	£92,083,200
Private Sector	-	-	£4,000,000	£4,000,000
Total gross cost	-	£10,000,000	£30,000,000	£153,635,200
Optimism bias (OB) @10%	-	£1,000,000	£3,000,000	£15,363,520
Total gross cost plus OB	-	£11,000,000	£33,000,000	£168,998,720

Table 15 - Summary of Gross Costs and Funding Sources

Net Present Cost Findings (All Public Sector Costs, but excludes private sector costs/investment)

	Undiscounted Value (£)	Net Present Value (£)
Option 1 – Business as usual		
Additional Income Generated	-	-
Less City Deal funding	-	-
Less Other Public Sector Funding	-	-
Total	-	-
Option 2 – Supported City Deal Skills Fund		
Additional Income Generated	£16,537,040	£11,932,301
Less City Deal Funding	£10,000,000	£9,812,949
Less Other Public Sector Funding	-	-

Total	£6,537,040	£2,119,352
Option 3 – Targeted Skills Delivery		
Additional Income Generated	£49,603,320	£35,788,186
Less City Deal funding	£10,000,000	£9,812,949
Less Other Public Sector Funding	£16,000,000	£15,700,965
Total	£23,603,320	£10,274,272
Option 4 – City Deal Ambitious		
Additional Income Generated	£292,948,032	£211,535,059
Less City Deal funding	£57,552,000	£56,482,633
Less Other Public Sector Funding	£92,083,200	£90,372,214
Total	£143,312,832	£64,680,212

Table 16 – Net Present Cost Findings

Option Ranking

The Short-listed Options have been ranked in terms of their respective costs and benefits (All Public Sector Costs). The results are summarised in Table 17. It can be seen that whilst Option 4 ranks the highest in terms of costs, it ranks the highest in terms of additional income benefits and overall Net Present Value (costs net all benefits), followed by Option 3.

Options Ranking	Option 1: Business as usual	Option 2: Supported City Deal Skills Fund	Option 3: Targeted Skills Delivery	Option 4: City Deal Ambitious
Net Present Cost	1	2	3	4
Additional Income	4	3	2	1
Net Present Value	4	3	2	1
Overall Ranking	4	3	2	1

Table 17 – Short-list Options Costs and Benefits Ranking

Value for Money Assessment

City Deal Funding only

	Option 1: Business as usual	Option 2: Supported City Deal Skills Fund	Option 3: Targeted Skills Delivery	Option 4: City Deal Ambitious
City Deal funding (after allowing for optimism bias)				
Undiscounted City Deal funding	-	£10,000,000	£10,000,000	£57,552,000
Discounted City Deal funding	-	£9,812,949	£9,812,949	£56,475,484
Additional Income benefits (discounted)				
		£11,932,301	£35,788,186	£211,535,059
Cost effectiveness				
Cost per net additional skill	-	£12,912	£4,460	£4,034
Benefit/Cost Ratio	-	1.216	3.647	3.745

Table 18 – Value for Money Assessment, City Deal Costs only

All Public Sector Costs

	Option 1: Business as usual	Option 2: Supported City Deal Skills Fund	Option 3: Targeted Skills Delivery	Option 4: City Deal Ambitious
All Public Sector funding (after allowing for optimism bias)				
Undiscounted Public Sector funding	-	£10,000,000	£26,000,000	£149,635,200
Discounted Public Sector funding	-	£9,812,949	£25,516,897	£146,854,847
Additional Income benefits (discounted)				
		£11,932,301	£35,788,186	£211,535,059
Cost effectiveness				
Cost per net additional skill	-	£12,912	£4,460	£4,034
Benefit/Cost Ratio	-	1.216	1.403	1.440

Table 19 – Value for Money Assessment, All Public Sector Costs

Option Appraisal Conclusions

Whilst Option 4 can potentially achieve the highest additional income benefits, this is primarily a reflection of the much greater quantum of skills delivery and the additional costs required. Despite the much greater scale, and attendant risks of delivering such a large Programme, it achieves only a relatively small increase in the Benefit/Cost ratio and reduction in average costs for delivery of each additional skill. Consequently Option 3 was chosen as the Preferred Option going forward.

3.9 QUALITATIVE BENEFITS APPRAISAL

Methodology

In line with HM Treasury Green Book supplementary guidance on Business Cases, the qualitative benefits under each option have been weighted and scored. This was undertaken by:

- identifying the benefits criteria relating to each of the investment objectives.
- weighting the relative importance (in %s) of each benefit criterion in relation to each investment objective.
- scoring each of the short-listed options against the benefit criteria on a scale of 0 to 9; and
- deriving a weighted benefit score for each option.

Qualitative Benefits Criteria

The weights that were applied to each investment objective / benefits criterion are shown in Table 20 below.

Investment Objectives	Qualitative Benefits	Weight Total 100%
Objective 1: To directly deliver at least 2,200 additional skills and support the development of around 14,000 individuals with higher level skills (level 2-8) within 10 years.	<ul style="list-style-type: none"> • Higher skilled individuals for the jobs created through the City Deal projects. • Increased number of individuals progressing into a career offering higher earnings. • Increased number of people gaining a permanent role, moving from temporary or zero hour contracts. 	30%
Objective 2: To create 3,000 new apprenticeship opportunities to include level 3 through to Degree apprenticeships.	<ul style="list-style-type: none"> • Opportunities for all to achieve a qualification and skills for a career pathway in a vocational occupation. • Increased number taking up opportunities through the apprenticeship route to further their career in specialist areas developed through the 8 City Deal projects. • Increased number of individuals entering the Degree apprenticeship programme. 	25%

<p>Objective 3: To create at least 2 Centres of Best of Excellence within specific sector(s) to develop the region as being the best area for skills development.</p>	<ul style="list-style-type: none"> • Developing a Centre that specialises in the development of fit for purpose skills within a particular sector(s) • Increase investment in the region for specialist sectors as a result of a specific Centre of Excellence for skills. • Increased awareness of the job opportunities in region as a result of the Centre of Excellence through the 8 City Deal projects and other associated investment. 	15%
<p>Objective 4: To create a clear pathway from school education through FE and HE in the key areas of digital, energy, smart manufacturing and life-science and wellbeing, through engagement and development work with schools increasing the number of pupils following the STEM subjects in FE and HE.</p>	<ul style="list-style-type: none"> • The engagement with schools will develop the pathway for children from primary school through to secondary school through the introduction of new vocational training opportunities specialist workshops etc. • Integrate the City Deal projects within the curriculum of every school in the region, to generate awareness of the opportunities and the new skills that will be needed for the jobs created. • Increased work experience for pupils and students through the 8 City Deal projects to raise awareness of the skills needs. • Increased number of students studying STEM subjects in FE or HE. 	20%
<p>Objective 5: Deliver 20 new/updated course frameworks to ensure they meet the training needs of the future.</p>	<ul style="list-style-type: none"> • Developing new and updating existing frameworks to meet the needs of the projects and employers across the region. • Reduce duplication and focus training in key areas to increase opportunities. • Ensure that frameworks are developed to meet the longer term (10-15 year) skills needs. 	10%

Table 20 – Qualitative Benefits Weighting

Qualitative Benefits Scoring

Benefits scores were allocated to each option according to its contribution to the investment objectives. The scores were based on a scale from 0-9, with the scores to be interpreted as follows:

- 7 – 9: a significant positive impact;
- 4 – 6: a positive impact;
- 1 – 3: a marginal positive impact; and

- 0: a neutral / no change position.

The scores for each option were discussed and agreed by workshop participants to confirm that the scores were fair and reasonable.

3.10 ANALYSIS OF KEY RESULTS

The results of the benefits appraisal are shown in Table 21 below,

Benefit Criteria and Weight	Option 1: Business as usual		Option 2: Supported City Deal Skills Fund		Option 3: Targeted Skills Delivery		Option 4: City Deal Ambitious	
	R	W	R	W	R	W	R	W
Raw (R) weighted (W) scores								
Objective 1: To directly deliver at least 2,200 additional skills and support the development of around 14,000 individuals with higher skills (level 2 – 8) within 10 years.	0	0	4	1.2	7	2.1	9	2.7
Objective 2: To create 3,000 new apprenticeship opportunities to include level 3 through to Degree apprenticeships.	0	0	7	1.8	7	1.8	7	1.8
Objective 3: To create at least 2 Centres of Best Practice within specific sector(s) to develop the region as being the best area for skills development.	0	0	6	0.9	6	0.9	6	0.9
Objective 4: To create a clear pathway from school education through FE and HE in the key areas of digital, energy, smart manufacturing and life-science and wellbeing, through engagement and development work with schools. Increasing the	0	0	5	1.0	7	1.4	7	1.4

number of pupils following STEM subjects in FE and HE.								
Objective 5: Invest in the delivery of 20 new/updated course frameworks to ensure they meet the training needs of the future.	0	0	3	0.3	6	0.6	8	0.8
Total	0	0	25	5.2	33	6.8	37	7.6
Percentage Scores (Max. 90%)		-		52%		68%		76%
Rank	4		3		2		1	

Table 21 – Qualitative Benefits Appraisal Key Results

The key considerations that influenced the scores achieved by the various options were as follows:

Option 1 – This Option would bring no change to the existing scale and scope of skills delivery thereby delivering no additional benefits to the regional economy.

Option 2 – The Supported City Deal Skills Fund would only deliver a proportion (c.30%) of the new skills training required. It would provide assistance and support to the development of apprenticeships, Centres of Excellence and Schools engagement but in a responsive rather than programmed manner. It would not have the capacity to support investment in new course frameworks which would be left to individual organisations without critical mass.

Option 3 – Targeted Skills Delivery would have a positive, or significantly positive, impact on all 5 Investment Objectives and enable a co-ordinated and sustainable approach to the timing and delivery of Programme outputs.

Option 4 – This Option would have a positive, or significantly positive, impact on all 5 Investment Objectives and deliver major additions in terms of regional skills provision and sustainable Programmes resulting in the highest percentage benefits score of all the Options and is therefore ranked 1st.

3.11 RISK APPRAISAL - UNQUANTIFIABLES

A risk analysis has been undertaken that encompasses an assessment of the main risks associated with the project. The analysis has been informed by the guidance contained within the HM Treasury's Green Book. A workshop was held on the 21st April 2021 to evaluate the risks associated with each option. A summary of the key risk areas is set out below, identifying the risks that may affect the successful delivery of the Programme and the overall severity of each risk, based upon a judgement of the probability and potential impact.

Methodology

Within the risk table below a score has been given to the probability of each risk arising – ranging from very high (a maximum score of 5) to very low (a score of 1). The impact of each risk has also been assessed, using the same scoring range as has been used for probability (i.e. a range of 1-5). The overall risk score is calculated by multiplying the probability score by the impact score (giving a maximum score of 25, representing an extreme risk). The scores can be banded low, medium or high to provide an indication of the overall rating of each risk.

Risk Scores

The workshop assigned the risk scores shown in Table 22 below on the basis of participants' judgements and assessments of previous projects.

Summary of Risk Appraisal Results (Pr. = probability)	Strategic Risk No.	Impact	Option 1: Business as usual		Option 2: Supported City Deal Skills Fund		Option 3: Targeted Skills Delivery		Option 4: City Deal Ambitious		
			Pr.	Tot.	Pr.	Tot.	Pr.	Tot.	Pr.	Tot.	
City Deal Funding not secured – without this funding the programme will not be implemented.	1	5	-	-		2	10	2	10	5	25
Project partners operating their own skills projects	2	4	-	-		5	20	3	12	3	12
Insufficient capacity and capability to Project manage the programme and to deliver the stated activities and results	3	4	-	-		4	16	2	8	4	16
Organisational and financial risks associated	4	3	-	-		3	9	3	9	5	15

with taking on this project											
The programme does not secure sufficient partner/stakeholder buy in.	5	5	-	-		5	25	3	15	5	25
Slippage to the project timescales	6	2	-	-		4	8	3	6	4	8
Failure to increase the number of skilled individuals.	7	5	-	-		4	20	3	15	3	15
Lead times in the development of a new skills offer in the region.	8	2	-	-		5	10	3	6	5	10
Failure to engage with training providers to deliver the necessary skills development	9	4	-	-		4	16	2	8	4	16
Total (Maximum Possible Score 161)				-			134		89		142
Rank				4			2		1		3

Table 22 – Risks Assessment

3.2 THE PREFERRED OPTION

The results of the investment appraisal are summarised in Table 23 below.

Evaluation Results	Option 1: Business as usual	Option 2: Supported City Deal Skills Fund	Option 3: Targeted Skills Delivery	Option 4: City Deal Ambitious
--------------------	--------------------------------	--	---------------------------------------	-------------------------------

Economic appraisals	4	3	2	1
Benefits appraisal	4	3	2	1
Risk appraisal	4	2	1	3
Overall Ranking	4	3	1	2

Table 23 – Short-list Options Evaluation Results

On the basis of this analysis, the preferred option is Option 3 – Targeted Skills Delivery. Whilst Option 4 – City Deal Ambitious scored 1st in the Economic and Benefits Appraisals, this is purely a reflection of the much higher costs and scale of the skills delivery projected. The level of funding for a Programme of this scale not currently available and there would be very significant delivery risks due to the enormous increase in regional capacity and capability that would be required. Option 3 can be delivered within identified costs at a low risk exposure and can deliver the prime objective of ensuring sufficient new and additional skills can be provided to meet the needs of the other City Deal Projects. This has therefore been selected as the Preferred Option going forward.

3.3 SENSITIVITY ANALYSIS

The methods used were:

- a) 'switching values'
- b) scenario planning/ analysis ('what if ') by altering the values of the 'uncertain' costs and benefits to observe the effect on the overall ranking of options.

Results of Switching Values

Table 24 below shows the values (in %'s) at which the preferred option would change in the overall ranking of options. As all external Programme benefits are, by definition, included within the other City Deal Projects' Business Cases, the switching values analysis looks only at the impact on each Option of changes in public sector cost and additional income benefits to individuals in achieving increased skills levels. Under the current Programme approach, new skills would be delivered over the first 5 years and aggregate additional income would accumulate year on year to reach maximum benefit at the end of the SBCD Programme benefits period in 15 years. To estimate total Programme benefits and to calculate the Net Present Value of additional income benefits for comparison purposes, benefits have been assumed to occur within 1 year after each learner completes the additional skills level course as set out in Section 3.8 above.

Change in Costs (%)	Option 1: Business as usual	Option 2: Supported City Deal Skills Fund	Option 3: Targeted Skills Delivery (Preferred Option)	Option 4: City Deal Ambitious
Total costs	-	-	-	-75.63%

Additional Learner Income benefits	-	+300%	-	-
NPV/C	-	+15.38%	-13.33%	-

Table 24 – Results of Switching Values

Key Observations

The assessment of switching values shows that the benefits under the alternative options would have to increase considerably, compared to the preferred option, in order to change the overall ranking of options. The magnitude of change required is such that Option 3 can be identified as the preferred option with a high degree of confidence.

Results of Scenario Planning

Tables 25 below summarises the results associated with variances made to increasing costs, the time taken to deliver the Programme benefits and reducing overall benefits, as follows.

- 20% increase in costs
- 1-year delay in benefits
- 40% reduction in benefits

Net Present Value (15-year appraisal)	Option 1: Business as usual	Option 2: Supported City Deal Skills Fund	Option 3: Targeted Skills Delivery	Option 4: City Deal Ambitious
Base	-	£2,119,352	£6,348,876	£60,754,534
Increasing costs by 20%	-	£156,763	£461,015	£30,598,430
1-year delay in benefits	-	£996,275	£2,977,715	£40,906,125
Reducing benefits by 40%	-	-£2,653,568	-£7,966,398	-£23,859,489

Table 25 – Results of Scenario Planning

Summary Table of Economic Appraisals

The results of the economic appraisals above are summarised in Table 26 as follows. As explained above, the only benefits captured are additional learner wage benefits as all other benefits and unquantifiable factors are contained within the specific Business Cases of the other 8 City Deal Projects the Skills and Talent Programme will support.

Summary of Economic Appraisal	Option 1: Business as usual	Option 2: Supported City Deal Skills Fund	Option 3: Targeted Skills Delivery	Option 4: City Deal Ambitious
--------------------------------------	------------------------------------	--	---	--------------------------------------

Net Present Value (after allowing for private sector investment)	-	£2,119,352	£6,348,476	£60,754,534
Public Sector Cost	-	£9,812,949	£25,516,897	£146,854,847
Appropriate BCR	-	1.216	1.403	1.440
Significant un-monetizable costs/benefits	-	N/A	N/A	N/A
Significant unquantifiable factors	-	N/A	N/A	N/A
Risk costs (increased education delivery costs) - residual optimism bias (undiscounted)	-	£1,000,000	£3,000,000	£15,363,520
Switching Values (preferred option only)			-13.33%	
Time Horizon and Reason	15 Year Programme Period in accordance with City Deal requirements			

Table26 – Economic Appraisal Summary

City and County of Swansea

**Economic Impact Assessment of
Swansea City Centre
Regeneration Programme
Phase 1**

Final Report

June 2019

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City and County of Swansea

Economic Impact Assessment of Swansea City Centre Regeneration Programme Phase 1

Final Report

June 2019

Reviewed and approved by:	
Signature(s):	
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Job Title(s):	Chief Executive
Date:	June 2019

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Phase 1 Economic Impact Assessment V2.docx

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Appendix A – Assessment of net additional impacts

1 Introduction

1.1 Overview

AMION Consulting (AMION) has been appointed by the City and County of Swansea and Rivington Land to assess the economic impact of the **first phase** of the planned Swansea City Centre Regeneration Programme on the local, regional and national economy. As part of an ambitious regeneration programme that will transform Swansea City Centre, an attractive mix of city working, living and learning is being created, supported by a diverse retail and leisure offering and improved connections between the City Centre and Waterfront. The aim is that, together, these developments will create a strong and vibrant digital city that will be the economic engine of the wider city region.

The planned investments that form the first phase of the Regeneration Programme have the potential, in the short-term, to create a significant number of new jobs and provide a boost to the local and wider regional economy, while in the longer-term delivering a scale of investment that could have a substantial catalytic effect economically, increasing investor and business confidence and stimulating further economic growth.

This short report focuses on the first phase of the regeneration programme only and builds on the previous economic impact assessment undertaken in 2017.

The key elements of Phase 1 of the City Centre Regeneration programme include:

- a new 3,500 capacity arena which will host music/entertainment events as well as conferences and exhibitions and is to be operated by ATG;
- a 150-bed, upper-mid scale hotel (not directly delivered but enabled through a site sale);
- car parking for 950 cars on two separate car parks;
- a small café/restaurant of 140sq metres;
- further commercial units for A3 usage totalling 457sq metres;
- 33 residential units for key-workers (13no. 1 bed units and 20no. 2 bed units);
- major public realm works including Digital Square and Coastal Park (outdoor events spaces, children's play and toilets); and
- infrastructure works including a pedestrian/cyclist bridge, major highway improvements and some demolition of surrounding redundant buildings (to enable Phase 2).

The economic impact assessment has focused upon the range of possible economic benefits that may arise from the development proposals set out above including the new employment opportunities that may be created, the additional economic activity (Gross Value Added (GVA)¹) generated and the resulting wider socio-economic benefits.

¹ Gross Value Added is a measure of the economic value of goods and services produced in an area.

1.2 Scope and nature of the assessment

The approach to the impact assessment has been developed in line with best practice guidance, including the HM Treasury’s Green Book (*Appraisal and Evaluation in Central Government*) and the Homes and Communities Agency’s (HCA’s) *Additionality Guide*. The approach has also given regard to the HM Treasury’s supplementary Green Book guidance on *Public Sector Business Cases: Using the Five Case Model* and the Department for Communities and Local Government’s (DCLG’s) appraisal guide.

The assessment of economic benefits has incorporated an analysis of the expected quantifiable outputs and outcomes, including:

- temporary jobs and GVA created through the construction phase;
- new permanent employment opportunities and GVA generated through the operational phase of the Phase 1 project;
- broader job creation as a result of increased expenditure and economic activity in the local economy;
- attraction of new households and household expenditure; and
- additional business rates income and Council Tax.

The assessment has sought to estimate both the gross and net additional impact of the programme, at the Swansea, City Region and Wales level, in line with appraisal guidance. Consequently, consideration has been given to who is likely to secure the benefits generated, the level of activity that might be displaced by each project and the possible multiplier effects that could be realised. The approach to calculating additionality is described further below.

2 Assessment of benefits

2.1 Construction jobs

The total construction spend associated with the Phase 1 project has been used as the basis for calculating the number of temporary construction jobs generated through the proposals. Labour coefficients sourced from guidance produced by the HCA² have been being applied to the construction spend figures to derive an estimate of the gross number of person years of employment supported during the construction phase.

2.2 Operational jobs

The level of direct on-site employment in the Arena has been derived by scrutinising the business plan provided (confidentially) by the preferred operator, ATG. For the other elements of the Phase 1 project such as the hotel and the café/restaurant units, the main approach applied to estimate the number of direct operational jobs has been to use employment density benchmarks, sourced from the HCA's employment densities guide.³ The use of employment densities provides an estimate of the number of full-time equivalent (FTE) jobs created. However, the number of actual jobs created will be higher once part-time workers are taken into account – for example, one FTE job may actually support, say, two part-time workers.

2.3 Broader job creation

As well as the direct jobs supported through the construction and operational phases of the project, there is also the potential for further job creation either through the attraction of visitors to Swansea and resulting 'off-site' expenditure.

For the arena and hotel projects which are expected to attract additional visitors to Swansea, an analysis has been undertaken of the likely number of visitors, visitor origin and spend in the local economy (based on figures provided by ATG, comparable venues and national estimates of visitor expenditure). The estimate of visitor expenditure has then been converted into an employment impact, based principally on analysis developed by Deloitte and Oxford Economics for VisitBritain, which identified that an increase in tourism revenue of circa £54,000 will support one new job.

2.4 Gross Value Added

The GVA generated has been calculated by using average GVA per FTE job figures for relevant sectors in Swansea, sourced from Experian local market forecasts.

2.5 Indirect and induced multiplier effects

Alongside directly supporting the creation of new jobs, the proposed developments will also lead to additional employment opportunities (and GVA) through supply chain expenditure (indirect effects)

² HCA (2015), *Calculating Cost Per Job, Best Practice Note*

³ HCA (2015), *Employment Density Guide, 3rd Edition*

and employee spend on goods and services (induced effects) within Swansea, the wider City Region and Wales. To take account of both the indirect and induced effects associated with each project, a composite multiplier has been applied at the local, regional and national levels.

The choice of multiplier at each spatial level has taken into account national guidance and benchmarks, including the HCA's Additionality Guide and guidance on additionality produced by BEIS, along with input-output tables for Wales.

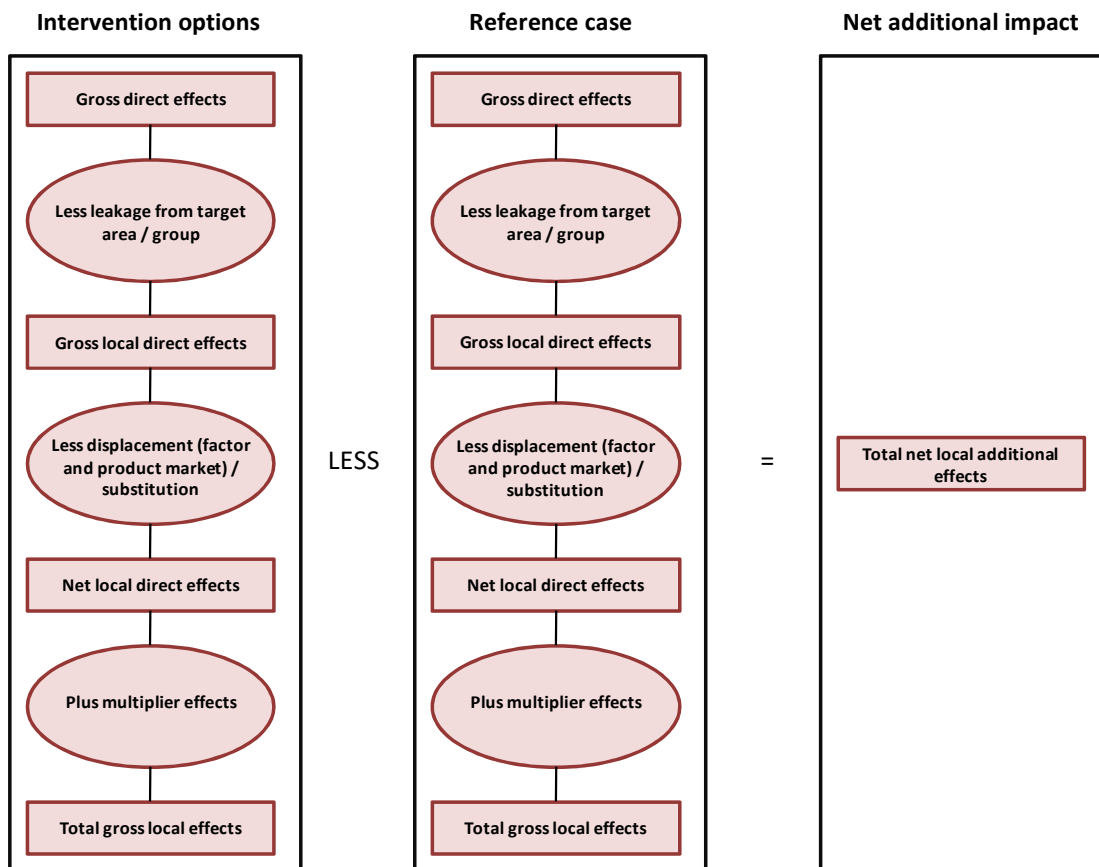
2.6 Net additional impact

In determining the net additional impact, the key issue to be addressed is the additionality of the project under consideration – in other words, the extent to which activity takes place at all, on a larger scale, earlier or within a specific designated area or target group as a result of the intervention. In order to assess the additionality of the proposals, the following factors have therefore been considered for each project:

- leakage – the proportion of outputs that benefit those outside of the project's target area or group;
- displacement – the proportion of project outputs accounted for by reduced outputs elsewhere in the target area;
- multiplier effects – further economic activity associated with additional local income and local supplier purchases; and
- deadweight – outputs which would have occurred without the project.

The approach to assessing the net additional impact of a project, taking into account the above adjustments, is shown diagrammatically in Figure 1. For the purposes of this assessment, the additionality of each project has been considered at the Swansea, City Region and Wales levels.

Figure 1: Net additional impact



2.7 Household expenditure

The first phase of the regeneration programme includes a small number of new housing units which, as new households, will generate additional local expenditure. In order to estimate the additional household expenditure that might be created as a result of the proposed development, reference has been made to the ONS Living Costs and Food Survey (LCF). This suggests that the average household in Wales spends £389 per week on goods and services that could potentially be purchased within Swansea, which equates to approximately £20,228 per year.

Not all household expenditure will be retained locally, with a proportion likely to be spent within the wider sub-region and beyond. An analysis has therefore been undertaken of the results of the Swansea Retail and Leisure Study⁴ to estimate the average household expenditure that might be retained in Swansea and the wider City Region.

2.8 Business rates

In addition to the economic impacts outlined above, it is anticipated that the delivery of new commercial accommodation will result in an increase in business rates within Swansea. The analysis

⁴ GVA (2015), *Swansea Retail & Leisure Study 2015*

of business rates has been informed by benchmarks for rateable values, derived from the Valuation Office Agency website. For standard commercial uses (including retail, food and drink and hotel floorspace), comparable evidence has been used for existing hereditaments within Swansea. For the arena, the amount assumed within the ATG business plan has been used.

The business rates income has been calculated through applying the Uniform Business Rate for 2019/20 of 0.504 with a 10% risk allowance.

2.9 Council Tax revenues

An analysis has also been carried out of the potential additional Council Tax that might be generated by the small number of residential units that will be created. The calculation of Council Tax assumes that the 1-bed units are rated Band A for Council Tax purposes and all qualify for single occupancy discount and that the 2-bed are rated Band B. A rate of £801 and £1,246 has been applied respectively in relation to Bands A and B, consistent with the published rates (and single occupancy discounts) for 2019/20.

3 Economic benefits

3.1 Project details

The main elements of the Swansea Central Phase 1 proposals are the creation of a new digital entertainments venue and conference centre (referred to in this report as the Arena) and 150 bed hotel. The preferred operator of the Arena, ATG, has prepared detailed trading projections for the venue which has enabled AMION to build a detailed picture of the number and type of events together with the number and type of visitors (day visitors v staying visitors). This information has been provided to AMION on a confidential basis for the purpose of calculating the potential economic impact. Whilst this detail has been fed into the spreadsheet version of the economic model, AMION is prevented from revealing commercially sensitive information within this report.

Assumptions regarding the origin and type of visitors (day or staying) have been used to provide a profile of the overall number of visitors projected for the Arena each year. Broadly, for concerts and other shows it is assumed that 80% of visitors will come to Swansea just for the day, while the remaining 20% will stay overnight. In relation to exhibitions, conferences and banquets, the split is 60% day and 40% staying. This is consistent with other research for the conference and events market where we have drawn on the UK Conference and Meetings Survey 2018 (UKCAMS), an economic impact study of Motorpoint Arena in Cardiff (2015) and the Greater Manchester Conference Market Research (2015).

3.2 Constructions phase impacts

It has been estimated that the proposed development could involve approximately £102.8 million of construction related expenditure (excluding professional fees) and a further (notional) £20m for the hotel development which will be constructed separately. Based on HCA Construction Labour Coefficients for public non-housing projects of 10.7 workers per £1m (HCA, Calculating Cost Per Job: Best Practice Note, 2015), this combined expenditure of £122.8m would support 1,314 person years of construction related employment (the equivalent of 1,314 people being employed on a full-time basis for 12 months). Note that this figure goes beyond the direct labour working on-site on construction and therefore does not tally with the man-hours required on-site and the estimates provided by the contractor. On the basis of the standard convention that each permanent job equates to ten person years of temporary employment, this would be equal to 131 FTE jobs.

After adjusting for deadweight, displacement and multiplier effects (see Appendix A for a breakdown of the additionality assumptions applied), it is estimated that Swansea Central Phase 1 would support the creation of 1,262 net additional person years of construction employment in Swansea. Assuming leakage of 75% and displacement of 20%, some 316 of these person years of employment would be taken-up by Swansea residents.

The total net additional GVA impact associated with the construction phase, derived from the estimates of net additional employment, would amount to approximately £73.3 million within the Swansea economy.

Table 1: Construction phase impacts			
	Swansea	City Region	Wales
Gross employment (person years)	1,314	1,314	1,314
Net additional employment (person years) – workplace based	1,262	1,196	1,052
Net additional employment (person years) – resident based	316	598	789
Net additional GVA (cumulative)*	£73.3m	£69.5m	£61.1m

*The net additional GVA impact is derived from the estimate of net additional workplace based employment, as GVA is a workplace based measure and therefore does not take account of where those employed live.

3.3 Operational phase impacts – employment and GVA

A confidential review of the arena business plan provided by the preferred operator, ATG, suggests that direct on-site employment will amount to 58 FTE. In addition, there would be an estimated £18.57m of off-site visitor expenditure per annum in the economy, supporting the creation of 344 gross FTE jobs.

The hotel would be expected to generate a further 75 FTE jobs on-site, based on employment density benchmarks which suggest that an upscale hotel will provide 0.5 FTE jobs for each hotel room. In addition, there would be an estimated £6.26m of off-site visitor expenditure per annum in the local economy, supporting the creation of 116 FTE jobs.

The retail units which will host cafes/restaurants are expected to generate 27.3 FTE jobs on site based on employment density benchmarks which suggest that A3 units generate 1 FTE job per 15-20 square metres of net internal floorspace.

This brings the total gross employment impact in Swansea to some 620 FTE jobs.

As with the construction phase, adjustments have been made for deadweight, leakage, displacement and multiplier effects to calculate the net additional impact – in total, Phase 1 is projected to create 593 net additional FTE jobs, of which 475 FTE jobs would be taken-up by Swansea residents. This would drive a net additional GVA impact of approximately £17.15 million per annum within the local Swansea economy.

Table 2: Operational phase impacts – employment and GVA			
	Swansea	City Region	Wales
Gross employment (FTE jobs)	620	620	620
Net additional employment (FTE jobs) – workplace based	593	507	387
Net additional employment (FTE jobs) – resident based	475	482	387
Net additional GVA per annum*	£17.1m	£14.5m	£11.2m

*The net additional GVA impact is derived from the estimate of net additional workplace based employment, as GVA is a workplace based measure and therefore does not take account of where those employed live.

3.4 Operational phase impacts – fiscal benefits

Along with the economic impacts identified above, the proposed Swansea Central Phase 1 scheme will also generate an increase in business rates received per annum, due to the provision of new commercial space. The project could bring an additional £279k per annum in business rates. Furthermore, the scheme will also generate additional Council Tax receipts of £35,000 per annum.

Table 3: Operational phase impacts – fiscal benefits			
	Swansea	City Region	Wales
Business rates per annum	£0.279m	£0.279m	£0.279m
Council Tax per annum	£0.035m	£0.035m	£0.035m

3.5 Operational phase impacts – additional household expenditure

The proposals include the provision of 33 new housing units which will help to generate additional expenditure in the local economy. Based on data from the ONS Living Costs and Food Survey and Swansea Retail and Leisure Study, it is estimated that the Phase 1 scheme could generate £667,524 per annum of expenditure on goods and services with £334,000 retained within Swansea. The employment impact of this expenditure has not been calculated in order to avoid double counting. However, the attraction of new households will contribute towards stimulating further economic growth and development.

Table 4: Additional household expenditure			
	Swansea	City Region	Wales
New households	33	33	33
Average spend per household (per annum)	£20,228	£20,228	£20,228
Total additional spend (per annum)	£0.668m	£0.668m	£0.668m
Spend retained in the area (per annum)	£0.334m	£0.401m	£0.601m

4 Summary of overall economic impact

The combined economic impact of the first phase of the Swansea City Centre Regeneration Programme is summarised in Table 5. Overall, it is estimated that the construction investment generated will support the creation 1,262 net additional person years of construction employment, resulting in a cumulative GVA impact of £73.3 million. Once the scheme is operational, it is projected that it will create 604 net additional FTE jobs (workplace based), generating a GVA impact of £17.4 million per annum within the Swansea economy.

The economic benefits will extend beyond these employment and GVA effects. For example, the project will generate £279k and £35k of additional business rates and Council Tax receipts per annum, respectively.

Table 5: Summary of Swansea City Centre Phase 1 Regeneration Programme economic impact

	Swansea	City Region	Wales
Construction phase			
Construction investment (inc. hotel)	£123m	£123m	£123m
Gross employment (person years)	1,314	1,314	1,314
Net additional employment (person years) – workplace based	1,262	1,196	1,051
Net additional GVA (cumulative)*	£73.3m	£69.5m	£61.1m
Operational phase			
Gross employment (FTE jobs)	620	620	620
Net additional employment (FTE jobs) – workplace based	593	507	387
Net additional GVA per annum*	£17.1m	£14.5m	£11.2m
New households	33	33	33
Additional household spend retained (per annum)	£0.334m	£0.401m	£0.601m
Business rates per annum	£0.279m	£0.279m	£0.279m
Council Tax revenues per annum	£0.035m	£0.035m	£0.035m

*The net additional GVA impact is derived from the estimate of net additional workplace based employment, as GVA is a workplace based measure and therefore does not take account of where those employed live.

Appendix A – Assessment of net additional impact

The assumptions that have been applied for each project, relating to leakage, displacement, multiplier effects and deadweight are summarised in Table A1. The scale of net additional impact has been assessed at three spatial levels: Swansea; Swansea Bay City Region; and Wales.

Table A1: Additionality assumptions				
	Leakage	Displacement	Multiplier effects	Deadweight
Construction phase (all projects)	Swansea – 75% City Region – 50% Wales – 25%	Swansea – 20% City Region – 30% Wales – 50%	Swansea – 1.2 City Region – 1.3 Wales – 1.6	Assumed to be 0% as development unlikely to come forward, at least in the foreseeable future, in the absence of the proposed regeneration programme and public sector support.
Arena (operational phase)	Swansea – 20% City Region – 5% Wales – 0%	Swansea – 12% City Region – 40% Wales – 71% (Applied only to jobs created through off-site visitor expenditure). Effectively, any resident of the target area visiting the arena is considered to be displacement (they could have spent their money at other leisure/entertainment venues elsewhere in the economy).	Swansea – 1.3 City Region – 1.4 Wales – 1.5	Assumed to be 0% as above.
Hotel (operational phase)	Swansea – 20% City Region – 5% Wales – 0%	Swansea – 6% City Region – 20% Wales – 36% (Applied only to jobs created through off-site visitor expenditure). Assumes that 50% of guests at the hotel are attending an event at the arena and therefore (for 50% of guests) displacement must be considered as with the arena above.	Swansea – 1.3 City Region – 1.4 Wales – 1.5	0% in relation to on-site direct jobs on the basis that in the absence of the proposed regeneration programme, development would not go ahead. However, 100% deadweight has been applied to the jobs created through off-site visitor expenditure on the basis that hotel guests will be in the target area for other reasons – the hotel will not be primary reason for the visit to Swansea and it is not appropriate therefore to attribute

Table A1: Additionality assumptions				
	Leakage	Displacement	Multiplier effects	Deadweight
				the jobs created as a result of off-site visitor expenditure to the hotel.
A3 units (operational phase)	Swansea – 20% City Region – 5% Wales – 0%	Swansea – 20% City Region – 10% Wales – 5%	Swansea – 1.3 City Region – 1.4 Wales – 1.5	Assumed to be 0% on the basis that in the absence of the proposed regeneration programme, development would not go ahead.
Notes on assumptions	The level of leakage applied at each spatial level has been based on Census origin destination data and reflects the nature of employment expected to be created.	Displacement has been assessed with regard to the type of activity proposed and the extent to which this is likely to compete with existing businesses. With the arena, an assessment has been made of the expected origin of visitors.	An assessment has been undertaken of the principal sectors in which employment will be created and then an appropriate multiplier has been applied, informed by benchmarks from additionality guidance, along with Wales input-output figures.	

SBCR Cost-Benefit Analysis: December 2017

Project Name Digital District

Version 1.7DS

Date 13/12/2017

Scenario (Base)	10Yr NPV	15Yr NPV
Option 1 Do Minimum	29,524,867	49,113,319
Option 2 Reference Project	181,490,215	407,508,927
Option 3 More Ambitious	222,983,828	530,871,490
Option 4 Less Ambitious	168,490,365	364,633,699

Sensitivity Analysis

10Yr NPV	15Yr NPV
----------	----------

10Yr NPV	15Yr NPV
----------	----------

20% reduction in Wider Benefit

Option 1 Do Minimum	29,524,867	49,113,319
Option 2 Reference Project	181,490,215	407,508,927
Option 3 More Ambitious	222,983,828	530,871,490
Option 4 Less Ambitious	168,490,365	364,633,699

40% reduction in Benefits

Option 1 Do Minimum	12,214,767	23,967,838
Option 2 Reference Project	53,545,101	189,156,329
Option 3 More Ambitious	34,598,352	219,330,949
Option 4 Less Ambitious	73,715,016	191,401,016

1Yr Delay in Benefits

Option 1 Do Minimum	25,170,780	45,469,694
Option 2 Reference Project	133,952,928	364,816,560
Option 3 More Ambitious	157,852,792	473,317,647
Option 4 Less Ambitious	127,600,001	327,494,252

Slow Mobilisation (6month delay)

Option 1 Do Minimum	27,347,824	47,291,506
Option 2 Reference Project	157,721,571	386,162,744
Option 3 More Ambitious	190,418,310	502,094,569
Option 4 Less Ambitious	148,045,183	346,063,975

20% increase in costs

Option 1 Do Minimum	26,774,790	46,363,242
Option 2 Reference Project	153,815,701	379,834,413
Option 3 More Ambitious	173,387,856	481,275,518
Option 4 Less Ambitious	154,800,763	350,944,097

1Yr Delay and -20% Wider Benefit

Option 1 Do Minimum	25,170,780	45,469,694
Option 2 Reference Project	133,952,928	364,816,560
Option 3 More Ambitious	157,852,792	473,317,647
Option 4 Less Ambitious	127,600,001	327,494,252

CBA (Simplified) Option 1 - Do Minimum

	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	15 Yr Total	10Yr 2026	
	Project Period				Post-Project													
	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031			
Costs																		
Public Sector Capital Investment	6,361,500	6,361,500	0	0	0	0	0	0	0	0	0	0	0	0	0	0	12,723,000	12,723,000
Investment (discounted/bias factored)	6,997,650	6,752,732	-	-	-	-	-	-	-	-	-	-	-	-	-	-	13,750,382	13,750,382
Cumulative Costs (discounted/bias)	6,997,650	13,750,382	13,750,382	13,750,382	13,750,382	13,750,382	13,750,382	13,750,382	13,750,382	13,750,382	13,750,382	13,750,382	13,750,382	13,750,382	13,750,382	13,750,382	13,750,382	13,750,382
Benefits																		
Cash-releasing benefits																		-
Non-Cash-releasing benefits																		-
Construction Jobs Created	74	74																74
Construction Benefit	3,297,070	3,297,070																6,594,140
Technology Jobs Created																		-
Theme Sector Benefit																		-
Other Jobs Created			47	94	94	94	94	94	94	94	94	94	94	94	94	94	94	94
Other Jobs Benefit			3,000,000	6,000,000	6,000,000	6,000,000	6,000,000	6,000,000	6,000,000	6,000,000	6,000,000	6,000,000	6,000,000	6,000,000	6,000,000	6,000,000	75,000,000	45,000,000
Induced Wage Benefit (Multiplier)*																		-
Total Benefits	3,297,070	3,297,070	3,000,000	6,000,000	6,000,000	6,000,000	6,000,000	6,000,000	6,000,000	6,000,000	6,000,000	6,000,000	6,000,000	6,000,000	6,000,000	81,594,140	51,594,140	
Total Benefits (discounted)	3,297,070	3,181,673	2,793,675	5,391,793	5,203,080	5,020,972	4,845,238	4,675,655	4,512,007	4,354,087	4,201,694	4,054,634	3,912,722	3,775,777	3,643,625	62,863,701	43,275,249	
Cumulative Benefits (discounted)	3,297,070	6,478,743	9,272,418	14,664,210	19,867,290	24,888,263	29,733,501	34,409,156	38,921,162	43,275,249	47,476,943	51,531,577	55,444,299	59,220,076	62,863,701	62,863,701	62,863,701	43,275,249
NPV	- 3,700,580	- 7,271,640	- 4,477,965	913,828	6,116,908	11,137,880	15,983,118	20,658,773	25,170,780	29,524,867	33,726,561	37,781,195	41,693,917	45,469,694	49,113,319	49,113,319	49,113,319	29,524,867

Base Analysis

Scenario Summary	
10Yr NPV	29,524,867
15Yr NPV	49,113,319

Sensitivity Analysis

20% reduction in Wider Benefit	
10Yr NPV	29,524,867
15Yr NPV	49,113,319

40% reduction in Benefits	
10Yr NPV	12,214,767
15Yr NPV	23,967,838

1Yr Delay in Benefits	
10Yr NPV	25,170,780
15Yr NPV	45,469,694

Slow Mobilisation (6month delay)	
10Yr NPV	27,347,824
15Yr NPV	47,291,506

20% increase in costs	
10Yr NPV	26,774,790
15Yr NPV	46,363,242

1Yr Delay and -20% Wider Benefit	
10Yr NPV	25,170,780
15Yr NPV	45,469,694

Optimism Bias

0.10

CBA (Simplified) Option 2 - Reference Project

	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	15 Yr Total	
	Project Period				Post-Project												15 Yr Total
	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031		
Costs																	
Public Sector Capital Investment	17,486,512	26,144,497	45,355,229	38,068,269	7,647,777	0	0	0	0	0	0	0	0	0	0	134,702,285	
Investment (discounted/bias factored)	19,235,163	27,752,384	46,459,516	37,630,307	7,295,199	-	-	-	-	-	-	-	-	-	-	138,372,569	
Cumulative Costs (discounted/bias)	19,235,163	46,987,547	93,447,063	131,077,370	138,372,569	138,372,569	138,372,569	138,372,569	138,372,569	138,372,569	138,372,569	138,372,569	138,372,569	138,372,569	138,372,569	138,372,569	
Benefits																	
Cash-releasing benefits	-	-	49,000	69,500	458,466	1,027,268	1,135,185	1,131,925	1,187,983	1,185,252	1,182,372	1,179,839	1,176,644	1,173,282	1,169,745	12,126,460	
Non-Cash-releasing benefits	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Construction Jobs Created	84	213	465	467	88	-	-	-	-	-	-	-	-	-	-	467	
Construction Benefit	3,847,440	9,473,176	20,568,857	20,590,965	3,883,880	-	-	-	-	-	-	-	-	-	-	58,364,318	
Technology Jobs Created	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Theme Sector Benefit	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Other Jobs Created	-	-	66	489	687	964	1,065	1,146	1,147	1,249	1,268	1,300	1,324	1,324	1,324	1,324	
Other Jobs Benefit	-	-	4,023,614	16,755,200	29,295,399	46,403,644	52,755,456	57,831,198	57,904,844	64,321,878	65,572,030	67,607,381	69,135,371	69,132,281	69,132,281	669,870,578	
Induced Wage Benefit (Multiplier)*	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Total Benefits	3,847,440	9,473,176	24,641,471	37,415,665	33,637,745	47,430,913	53,890,640	58,963,123	59,092,827	65,507,130	66,754,403	68,787,220	70,312,015	70,305,563	70,302,026	740,361,356	
Total Benefits (discounted)	3,847,440	9,141,614	22,946,754	33,622,918	29,169,980	39,691,549	43,518,831	45,948,535	44,437,874	47,537,287	46,746,925	46,484,504	45,851,897	44,243,020	42,692,366	545,881,495	
Cumulative Benefits (discounted)	3,847,440	12,989,054	35,935,808	69,558,727	98,728,706	138,420,255	181,939,086	227,887,622	272,325,496	319,862,783	366,609,708	413,094,213	458,946,109	503,189,129	545,881,495	545,881,495	
NPV	- 15,387,724 -	- 33,998,493 -	- 57,511,255 -	- 61,518,643 -	39,643,862	47,687	43,566,518	89,515,053	133,952,928	181,490,215	228,237,140	274,721,644	320,573,541	364,816,560	407,508,927	407,508,927	

10Yr 2026	134,702,285
	138,372,569
	#####
	6,244,579
	-
	467
	58,364,318
	-
	-
	1,249
	#####
	#####
	#####

Base Analysis

Scenario Summary	
10Yr NPV	#####
15Yr NPV	#####

Sensitivity Analysis

20% reduction in Wider Benefit	
10Yr NPV	181,490,215
15Yr NPV	407,508,927

40% reduction in Benefits	
10Yr NPV	53,545,101
15Yr NPV	189,156,329

1Yr Delay in Benefits	
10Yr NPV	133,952,928
15Yr NPV	364,816,560

Slow Mobilisation (6month delay)	
10Yr NPV	157,721,571
15Yr NPV	386,162,744

20% increase in costs	
10Yr NPV	153,815,701
15Yr NPV	379,834,413

1Yr Delay and -20% Wider Benefit	
10Yr NPV	133,952,928
15Yr NPV	364,816,560

Optimism Bias

0.10

CBA (Simplified) Option 3 - More Ambitious

	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	15 Yr Total
	Project Period				Post-Project											15 Yr Total
	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	
Costs																
Public Sector Capital Investment	31,337,880	46,854,003	81,281,888	68,222,801	13,705,712	0	0	0	0	0	0	0	0	0	0	241,402,284
Investment (discounted/bias factored)	34,471,668	49,735,525	83,260,899	67,437,921	13,073,851	-	-	-	-	-	-	-	-	-	-	247,979,863
Cumulative Costs (discounted/bias)	34,471,668	84,207,192	167,468,091	234,906,012	247,979,863	247,979,863	247,979,863	247,979,863	247,979,863	247,979,863	247,979,863	247,979,863	247,979,863	247,979,863	247,979,863	247,979,863
Benefits																
Cash-releasing benefits			49,000	439,500	2,487,866	4,716,176	4,829,711	4,832,182	1,618,085	3,429,716	5,241,318	5,244,987	5,248,119	1,647,610	3,642,316	43,426,584
Non-Cash-releasing benefits																-
Construction Jobs Created	221	366	816	788	156											816
Construction Benefit	9,978,154	16,281,389	36,179,462	34,917,820	6,907,492											104,264,317
Technology Jobs Created																-
Theme Sector Benefit																-
Other Jobs Created	-		66	489	895	1,380	1,481	1,562	1,563	1,665	1,684	1,716	1,740	1,740	1,740	1,665
Other Jobs Benefit	-		4,023,614	16,755,200	40,295,399	68,403,644	74,755,456	79,831,198	79,904,844	86,321,878	87,572,030	89,607,381	91,135,371	91,132,281	91,132,281	900,870,578
Induced Wage Benefit (Multiplier)*																-
Total Benefits	9,978,154	16,281,389	40,252,076	52,112,520	49,690,757	73,119,821	79,585,166	84,663,380	81,522,929	89,751,594	92,813,348	94,852,368	96,383,490	92,779,891	94,774,597	1,048,561,480
Total Benefits (discounted)	9,978,154	15,711,541	37,483,739	46,829,985	43,090,830	61,188,765	64,268,181	65,976,124	61,305,337	65,131,037	64,995,542	64,098,612	62,853,636	58,386,028	57,553,844	778,851,354
Cumulative Benefits (discounted)	9,978,154	25,689,694	63,173,434	110,003,419	153,094,249	214,283,013	278,551,195	344,527,318	405,832,655	470,963,692	535,959,234	600,057,846	662,911,482	721,297,510	778,851,354	778,851,354
NPV	24,493,514	58,517,498	104,294,657	124,902,593	94,885,614	33,696,850	30,571,331	96,547,455	157,852,792	222,983,828	287,979,371	352,077,982	414,931,619	473,317,647	530,871,490	530,871,490

10Yr 2026
241,402,284
247,979,863
#####
22,402,236
-
-
#####
-
-
1,665
#####
-
#####
#####
#####
#####

Base Analysis

Scenario Summary
10Yr NPV #####
15Yr NPV #####

Sensitivity Analysis

20% reduction in Wider Benefit	
10Yr NPV	222,983,828
15Yr NPV	530,871,490

40% reduction in Benefits	
10Yr NPV	34,598,352
15Yr NPV	219,330,949

1Yr Delay in Benefits	
10Yr NPV	157,852,792
15Yr NPV	473,317,647

Slow Mobilisation (6month delay)	
10Yr NPV	190,418,310
15Yr NPV	502,094,569

20% increase in costs	
10Yr NPV	173,387,856
15Yr NPV	481,275,518

1Yr Delay and -20% Wider Benefit	
10Yr NPV	157,852,792
15Yr NPV	473,317,647

Optimism Bias

0.10

CBA (Simplified) Option 4 - Less Ambitious

	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	15 Yr Total
	Project Period				Post-Project											15 Yr Total
	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	
Costs																
Public Sector Capital Investment	14,065,253	12,796,691	15,600,441	16,304,650	7,647,777	0	0	0	0	0	0	0	0	0	0	66,414,812
Investment (discounted/bias factored)	15,471,779	13,583,687	15,980,273	16,117,070	7,295,199	-	-	-	-	-	-	-	-	-	-	68,448,008
Cumulative Costs (discounted/bias)	15,471,779	29,055,466	45,035,739	61,152,809	68,448,008	68,448,008	68,448,008	68,448,008	68,448,008	68,448,008	68,448,008	68,448,008	68,448,008	68,448,008	68,448,008	68,448,008
Benefits																
Cash-releasing benefits	-	-	49,000	49,000	490,716	1,043,932	1,155,432	1,155,432	1,155,432	1,155,432	1,155,432	1,155,432	1,155,432	1,155,432	1,155,432	12,031,536
Non-Cash-releasing benefits	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Construction Jobs Created	41	88	166	178	88	-	-	-	-	-	-	-	-	-	-	178
Construction Benefit	1,801,800	3,883,822	7,319,690	7,883,208	3,883,880	-	-	-	-	-	-	-	-	-	-	24,772,401
Technology Jobs Created	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Theme Sector Benefit	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Jobs Created	-	-	66	124	322	599	700	781	782	884	903	935	959	959	959	959
Other Jobs Benefit	-	-	4,023,614	7,625,455	20,165,654	37,273,899	43,625,711	48,701,453	48,775,099	55,192,133	56,442,285	58,477,636	60,005,626	60,002,536	60,002,536	560,313,638
Induced Wage Benefit (Multiplier)*	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Benefits	1,801,800	3,883,822	11,392,304	15,557,663	24,540,250	38,317,831	44,781,143	49,856,885	49,930,531	56,347,565	57,597,717	59,633,068	61,161,058	61,157,968	61,157,968	597,117,574
Total Benefits (discounted)	1,801,800	3,747,888	10,608,798	13,980,616	21,280,814	32,065,461	36,162,550	38,852,264	37,547,817	40,890,364	40,334,661	40,298,381	39,884,371	38,486,474	37,139,447	433,081,707
Cumulative Benefits (discounted)	1,801,800	5,549,688	16,158,486	30,139,102	51,419,916	83,485,377	119,647,928	158,500,192	196,048,009	236,938,373	277,273,033	317,571,415	357,455,786	395,942,260	433,081,707	433,081,707
NPV	- 13,669,979	- 23,505,778	- 28,877,252	- 31,013,707	17,028,092	15,037,369	51,199,920	90,052,184	127,600,001	168,490,365	208,825,025	249,123,407	289,007,778	327,494,252	364,633,699	364,633,699

10Yr 2026
66,414,812
68,448,008
68,448,008
-
-
24,772,401
-
-
884
#####
-
#####
#####
#####
#####

Base Analysis

Scenario Summary
10Yr NPV #####
15Yr NPV #####

Sensitivity Analysis

20% reduction in Wider Benefit
10Yr NPV 168,490,365
15Yr NPV 364,633,699

40% reduction in Benefits
10Yr NPV 73,715,016
15Yr NPV 191,401,016

1Yr Delay in Benefits
10Yr NPV 127,600,001
15Yr NPV 327,494,252

Slow Mobilisation (6month delay)
10Yr NPV 148,045,183
15Yr NPV 346,063,975

20% increase in costs
10Yr NPV 154,800,763
15Yr NPV 350,944,097

1Yr Delay and -20% Wider Benefit
10Yr NPV 127,600,001
15Yr NPV 327,494,252

Optimism Bias

0.10

STPR Factors

Year	1	2	3	4	5	6	7	8	9	10							STPR (%)	Factor	
	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032			
Factor	1	0.965	0.931225	0.898632	0.86718	0.836829	0.80754	0.779276	0.752001	0.725681	0.700282	0.675772	0.65212	0.629296	0.607271	0.586016		3.5	97%

Depreciation (Not Impact)

Year	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15					
	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032				
Factor	1	0.966667	0.933333	0.9	0.866667	0.833333	0.8	0.766667	0.733333	0.7	0.666667	0.633333	0.6	0.566667	0.533333					
1yr later		1	0.966667	0.933333	0.9	0.866667	0.833333	0.8	0.766667	0.733333	0.7	0.666667	0.633333	0.6	0.566667	0.533333				
2yr later			1	0.966667	0.933333	0.9	0.866667	0.833333	0.8	0.766667	0.733333	0.7	0.666667	0.633333	0.6	0.566667	0.533333			
3yr later				1	0.966667	0.933333	0.9	0.866667	0.833333	0.8	0.766667	0.733333	0.7	0.666667	0.633333	0.6	0.566667	0.533333333		
																			0.033333	
																			0.966667	
																			0.533333333	

Impact on the organisation's income and expenditure account

The capital cost for the scheme over the intended lifespan of the project is as follows:

Table 15: summary of financial appraisals

The revised financial appraisal of the Digital Square proposal is set out below followed by the original estimates.

1. Actual Digital Square & Arena position as at June 2020:

Digital Square & Arena:	Updated figures based on final Digital Square scheme							Total
	Year 0 2017/ 18 £m	Year 1 2018/ 19 £m	Year 2 2019/ 20 £m	Year 3 2020/ 21 £m	Year 4 2021/ 22 £m	Year 5 2022/ 23 £m	Year 6 2023/ 24 £m	
Preferred choice:								
Capital	2.55	2.90	12.94	34.39	16.92	13.54	11.80	95.05
Revenue	-	-	-	-	-	-	-	-
Total	2.55	2.90	12.94	34.39	16.92	13.54	11.80	95.05
Capital Funded by:								
Public - Swansea Council (committed)	2.55	- 0.91	9.14	30.56	10.86	- 2.26	- 3.81	46.13
Private Sector				0.02	2.25	12.00	11.80	26.07
City deal (Proposed)	-	3.81	3.81	3.81	3.81	3.81	3.81	22.85
Total	2.55	2.90	12.94	34.39	16.92	13.54	11.80	95.05
Digital Square & Arena:	Previously reported 2017							Total
	Year 0 2017/ 18 £m	Year 1 2018/ 19 £m	Year 2 2019/ 20 £m	Year 3 2020/ 21 £m	Year 4 2021/ 22 £m	Year 5 2022/ 23 £m	Year 6 2023/ 24 £m	
Preferred choice:								
Capital	3.44	15.60	41.76	33.57	-	-	-	94.36
Revenue	-	-	-	-	-	-	-	-
Total	3.44	15.60	41.76	33.57	-	-	-	94.36
Capital Funded by:								
Public - Swansea Council (committed)	2.28	8.89	19.79	14.48	-	-	-	45.44
Private Sector	0.02	2.25	12.00	11.80	-	-	-	26.07
City deal (Proposed)	1.14	4.46	9.96	7.29	-	-	-	22.85
Total	3.44	15.60	41.76	33.57	-	-	-	94.36

The costs include:

- Proportional amount (c 80%) of the PCSA and enabling works costs ie revetment wall)
- Arena
- 'Public Realm' – 35% of the total figure (
- Proportionally c 81% of all fees or full fees where applicable eg, arena legals and IPW.

The costs exclude:

- North Block (MSCP, Resi, A3)
- South Car Park

- Coastal Park
- Balance of Public Realm
- Bridge
- Balance of fees
- Balance of unrelated fees.
- Historic fees relating to Central / North Areas Outline planning permission.
- Contingency

The Swansea Council match funding contribution has been approved by Cabinet in October 2019 and now is formally included in the Council's capital programme and the councils contribution to the project will be met through borrowing.

Private sector investment is comprised of:

- £1m investment in fit out of Digital Arena by ATG, the arena operator. This is legally committed through the ATG legal agreement.
- £25,071,000 for development of hotel adjacent to Digital Arena: to be provided by private sector developer the Cairns Group.

Appendix 4 - SBCR Cost-Benefit Analysis: July 2018

Project Name Yr Egin

Version 1.6

Date 06/07/2018

Scenario (Base)	10Yr NPV	15Yr NPV
4 - Phase 1 and 2	101,447,474	166,576,711
3 - Phase 1 Only	61,878,291	89,652,996
2 - S4C Requirement Only	19,671,467	26,734,791
1 - Do Minimum	16,852,627	23,915,951

Sensitivity Analysis

10Yr NPV	15Yr NPV
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10Yr NPV	15Yr NPV
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20% reduction in Wider Benefit

4 - Phase 1 and 2	101,447,474	166,576,711
3 - Phase 1 Only	61,878,291	89,652,996
2 - S4C Requirement Only	19,671,467	26,734,791
1 - Do Minimum	16,852,627	23,915,951

40% reduction in Benefits

4 - Phase 1 and 2	58,771,633	97,849,175
3 - Phase 1 Only	35,851,612	52,516,435
2 - S4C Requirement Only	11,802,880	16,040,875
1 - Do Minimum	10,111,576	14,349,570

1Yr Delay in Benefits

4 - Phase 1 and 2	88,194,629	153,667,311
3 - Phase 1 Only	55,678,958	84,434,257
2 - S4C Requirement Only	18,107,073	25,417,613
1 - Do Minimum	15,288,232	22,598,772

Slow Mobilisation (6month delay)

4 - Phase 1 and 2	94,821,052	160,122,011
3 - Phase 1 Only	58,778,625	87,043,626
2 - S4C Requirement Only	18,889,270	26,076,202
1 - Do Minimum	16,070,429	23,257,362

20% increase in costs

4 - Phase 1 and 2	100,399,049	165,528,285
3 - Phase 1 Only	61,240,610	89,015,315
2 - S4C Requirement Only	19,671,467	26,734,791
1 - Do Minimum	16,852,627	23,915,951

1Yr Delay and -20% Wider Benefit

4 - Phase 1 and 2	88,194,629	153,667,311
3 - Phase 1 Only	55,678,958	84,434,257
2 - S4C Requirement Only	18,107,073	25,417,613
1 - Do Minimum	15,288,232	22,598,772

CBA (Simplified) Option 3 - Phase 1 Only

	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15			
	Project Period				Post-Project											15 Yr	10Yr	
	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	Total	2026	
Costs																		
City Deal Capital Investment		3,000,000	-	-	-	-	-	-	-	-	-	-	-	-	-	3,000,000	3,000,000	
Investment (discounted/bias factored)	-	3,188,406	-	-	-	-	-	-	-	-	-	-	-	-	-	3,188,406	3,188,406	
Cumulative Costs (discounted/bias)	-	3,188,406	3,188,406	3,188,406	3,188,406	3,188,406	3,188,406	3,188,406	3,188,406	3,188,406	3,188,406	3,188,406	3,188,406	3,188,406	3,188,406	3,188,406	3,188,406	
Benefits																		
Cash-releasing benefits	-	138,371	2,835,875	40,662	12,889	32,991	51,095	79,669	94,939	94,637	94,335	205,966	93,732	93,430	93,128	92,826	3,284,547	3,117,398
Non-Cash-releasing benefits																	-	-
Construction Jobs Created		65															65	-
Construction Benefit		2,615,152															2,615,152	2,615,152
Technology Jobs Created																	-	-
Theme Sector Benefit																	-	-
Other Jobs Created		95	190	190	190	190	190	190	190	190	190	190	190	190	190	190	190	190
Other Jobs Benefit		4,177,359	8,354,719	8,354,719	8,354,719	8,354,719	8,354,719	8,354,719	8,354,719	8,354,719	8,354,719	8,354,719	8,354,719	8,354,719	8,354,719	8,354,719	112,788,703	71,015,109
Induced Wage Benefit (Multiplier)*																	-	-
Total Benefits	2,476,781	7,013,234	8,314,057	8,367,608	8,387,710	8,405,814	8,434,387	8,449,658	8,449,356	8,449,054	8,148,752	8,448,450	8,448,148	8,447,847	8,447,545	118,688,402	76,747,660	
Total Benefits (discounted)	2,476,781	6,776,071	7,761,261	7,547,103	7,309,405	7,077,470	6,861,380	6,641,355	6,416,539	6,199,333	5,776,804	5,786,730	5,590,844	5,401,588	5,218,739	92,841,402	65,066,697	
Cumulative Benefits (discounted)	2,476,781	9,252,852	17,014,114	24,561,217	31,870,621	38,948,091	45,809,471	52,450,825	58,867,364	65,066,697	70,843,501	76,630,231	82,221,074	87,622,662	92,841,402	92,841,402	65,066,697	65,066,697
NPV	2,476,781	6,064,446	13,825,708	21,372,811	28,682,215	35,759,685	42,621,065	49,262,420	55,678,958	61,878,291	67,655,095	73,441,825	79,032,668	84,434,257	89,652,996	89,652,996	61,878,291	61,878,291

Base Analysis

Scenario Summary	
10Yr NPV	61,878,291
15Yr NPV	89,652,996

Sensitivity Analysis

20% reduction in Wider Benefit	
10Yr NPV	61,878,291
15Yr NPV	89,652,996

40% reduction in Benefits	
10Yr NPV	35,851,612
15Yr NPV	52,516,435

1Yr Delay in Benefits	
10Yr NPV	55,678,958
15Yr NPV	84,434,257

Slow Mobilisation (6month delay)	
10Yr NPV	58,778,625
15Yr NPV	87,043,626

20% increase in costs	
10Yr NPV	61,240,610
15Yr NPV	89,015,315

1Yr Delay and -20% Wider Benefit	
10Yr NPV	55,678,958
15Yr NPV	84,434,257

Optimism Bias

0.10

*The job estimates identified above are based on an assessment of the net additional impact at the City Region level. Therefore, they include allowance for displacement and multiplier effects

CBA (Simplified) Option 2 - S4C Requirement Only

	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	15 Yr Total	10Yr 2026
	Project Period 2017	2018	2019	2020	Post-Project 2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031		
Costs																	
City Deal Capital Investment					-	-	-	-	-	-	-	-	-	-	-	-	-
Investment (discounted/bias factored)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Cumulative Costs (discounted/bias)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Benefits																	
Cash-releasing benefits		3,000,000	-	-	-	-	-	-	-	-	-	-	-	-	-	3,000,000	3,000,000
Non-Cash-releasing benefits																	
Construction Jobs Created	14															14	
Construction Benefit	552,497															552,497	552,497
Technology Jobs Created																	
Theme Sector Benefit																	
Other Jobs Created		52	52	52	52	52	52	52	52	52	52	52	52	52	52	52	52
Other Jobs Benefit		2,132,109	2,132,109	2,132,109	2,132,109	2,132,109	2,132,109	2,132,109	2,132,109	2,132,109	2,132,109	2,132,109	2,132,109	2,132,109	2,132,109	29,849,531	19,188,984
Induced Wage Benefit (Multiplier)*																	
Total Benefits	552,497	5,132,109	2,132,109	2,132,109	2,132,109	2,132,109	2,132,109	2,132,109	2,132,109	2,132,109	2,132,109	2,132,109	2,132,109	2,132,109	2,132,109	33,402,028	22,741,481
Total Benefits (discounted)	552,497	4,958,560	1,990,347	1,923,040	1,858,010	1,795,179	1,734,472	1,675,819	1,619,148	1,564,395	1,511,492	1,460,379	1,410,994	1,363,280	1,317,178	26,734,791	19,671,467
Cumulative Benefits (discounted)	552,497	5,511,057	7,501,404	9,424,444	11,282,454	13,077,633	14,812,105	16,487,924	18,107,073	19,671,467	21,182,960	22,643,339	24,054,333	25,417,613	26,734,791	26,734,791	19,671,467
NPV	552,497	5,511,057	7,501,404	9,424,444	11,282,454	13,077,633	14,812,105	16,487,924	18,107,073	19,671,467	21,182,960	22,643,339	24,054,333	25,417,613	26,734,791	26,734,791	19,671,467

Base Analysis

Scenario Summary
10Yr NPV 19,671,467
15Yr NPV 26,734,791

Sensitivity Analysis

20% reduction in Wider Benefit
10Yr NPV 19,671,467
15Yr NPV 26,734,791

40% reduction in Benefits
10Yr NPV 11,802,880
15Yr NPV 16,040,875

1Yr Delay in Benefits
10Yr NPV 18,107,073
15Yr NPV 25,417,613

Slow Mobilisation (6month delay)
10Yr NPV 18,889,270
15Yr NPV 26,076,202

20% increase in costs
10Yr NPV 19,671,467
15Yr NPV 26,734,791

1Yr Delay and -20% Wider Benefit
10Yr NPV 18,107,073
15Yr NPV 25,417,613

Optimism Bias

0.10

*The job estimates identified above are based on an assessment of the net additional impact at the City Region level. Therefore, they include allowance for displacement and multiplier effects

CBA (Simplified) Option 1 - Do Minimum

	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	15 Yr Total	10Yr 2026
	Project Period 2017	2018	2019	2020	Post-Project 2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031		
Costs																	
City Deal Capital Investment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Investment (discounted/bias factored)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Cumulative Costs (discounted/bias)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Benefits																	
Cash-releasing benefits	-	82,500	-	-	-	-	-	-	-	-	-	-	-	-	-	-	82,500
Non-Cash-releasing benefits	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Construction Jobs Created	14	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	14
Construction Benefit	552,497	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	552,497
Technology Jobs Created	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Theme Sector Benefit	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Jobs Created	-	52	52	52	52	52	52	52	52	52	52	52	52	52	52	52	52
Other Jobs Benefit	-	2,132,109	2,132,109	2,132,109	2,132,109	2,132,109	2,132,109	2,132,109	2,132,109	2,132,109	2,132,109	2,132,109	2,132,109	2,132,109	2,132,109	2,132,109	29,849,531
Induced Wage Benefit (Multiplier)*	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Benefits	552,497	2,214,609	2,132,109	2,132,109	2,132,109	2,132,109	2,132,109	2,132,109	2,132,109	2,132,109	2,132,109	2,132,109	2,132,109	2,132,109	2,132,109	30,484,528	19,823,981
Total Benefits (discounted)	552,497	2,139,719	1,990,347	1,923,040	1,858,010	1,795,179	1,734,472	1,675,819	1,619,148	1,564,395	1,511,492	1,460,379	1,410,994	1,363,280	1,317,178	23,915,951	16,852,627
Cumulative Benefits (discounted)	552,497	2,692,216	4,682,563	6,605,604	8,463,614	10,258,793	11,993,265	13,669,084	15,288,232	16,852,627	18,364,119	19,824,498	21,235,493	22,598,772	23,915,951	23,915,951	16,852,627
NPV	552,497	2,692,216	4,682,563	6,605,604	8,463,614	10,258,793	11,993,265	13,669,084	15,288,232	16,852,627	18,364,119	19,824,498	21,235,493	22,598,772	23,915,951	23,915,951	16,852,627

Base Analysis

Scenario Summary
10Yr NPV 16,852,627
15Yr NPV 23,915,951

Sensitivity Analysis

20% reduction in Wider Benefit
10Yr NPV 16,852,627
15Yr NPV 23,915,951

40% reduction in Benefits
10Yr NPV 10,111,576
15Yr NPV 14,349,570

1Yr Delay in Benefits
10Yr NPV 15,288,232
15Yr NPV 22,598,772

Slow Mobilisation (6month delay)
10Yr NPV 16,070,429
15Yr NPV 23,257,362

20% increase in costs
10Yr NPV 16,852,627
15Yr NPV 23,915,951

1Yr Delay and -20% Wider Benefit
10Yr NPV 15,288,232
15Yr NPV 22,598,772

Optimism Bias

0.10

*The job estimates identified above are based on an assessment of the net additional impact at the City Region level. Therefore, they include allowance for displacement and multiplier effects

STPR Factors

Year	0	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	STPR (%)	Factor	
	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032		3.5	96.5%
Factor	1	0.9662	0.9335	0.9019	0.8714	0.8420	0.8135	0.7860	0.7594	0.7337	0.7089	0.6849	0.6618	0.6394	0.6178	0.5969			

Depreciation (Not Impact)

Year	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	30 Year Lifetime - linear		
	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	Annualise	0.033333
Factor	1	0.966667	0.933333	0.9	0.866667	0.833333	0.8	0.766667	0.733333	0.7	0.666667	0.633333	0.6	0.566667	0.533333		(1-)	0.966667
1yr later		1	0.966667	0.933333	0.9	0.866667	0.833333	0.8	0.766667	0.733333	0.7	0.666667	0.633333	0.6	0.566667	0.533333		
2yr later			1	0.966667	0.933333	0.9	0.866667	0.833333	0.8	0.766667	0.733333	0.7	0.666667	0.633333	0.6	0.566667	0.533333	
3yr later				1	0.966667	0.933333	0.9	0.866667	0.833333	0.8	0.766667	0.733333	0.7	0.666667	0.633333	0.6	0.566667	0.533333333

Appendix 3 - SBCR Cost-Benefit Analysis: July 2018

Project Name Yr Egin

Version 1.6

Date 06/07/2018

Option (Base)	10Yr NPV	15Yr NPV
4 - Phase 1 and 2	84,893,075	150,022,312
3 - Phase 1 Only	52,123,109	79,897,813
2 - S4C Requirement Only	16,371,467	23,434,791
1 - Do Minimum	16,852,627	23,915,951

Sensitivity Analysis

	10Yr NPV	15Yr NPV
20% reduction in Wider Benefit		
4 - Phase 1 and 2	84,893,075	150,022,312
3 - Phase 1 Only	52,123,109	79,897,813
2 - S4C Requirement Only	16,371,467	23,434,791
1 - Do Minimum	16,852,627	23,915,951

	10Yr NPV	15Yr NPV
1Yr Delay in Benefits		
4 - Phase 1 and 2	71,640,230	137,112,912
3 - Phase 1 Only	45,923,776	74,679,074
2 - S4C Requirement Only	14,807,073	22,117,613
1 - Do Minimum	15,288,232	22,598,772

	10Yr NPV	15Yr NPV
20% increase in costs		
4 - Phase 1 and 2	80,533,770	145,663,006
3 - Phase 1 Only	49,534,391	77,309,096
2 - S4C Requirement Only	15,711,467	22,774,791
1 - Do Minimum	16,852,627	23,915,951

	10Yr NPV	15Yr NPV
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	10Yr NPV	15Yr NPV
40% reduction in Benefits		
4 - Phase 1 and 2	42,217,234	81,294,776
3 - Phase 1 Only	26,096,430	42,761,253
2 - S4C Requirement Only	8,502,880	12,740,875
1 - Do Minimum	10,111,576	14,349,570

	10Yr NPV	15Yr NPV
Slow Mobilisation (6month delay)		
4 - Phase 1 and 2	78,266,653	143,567,612
3 - Phase 1 Only	49,023,442	77,288,444
2 - S4C Requirement Only	15,589,270	22,776,202
1 - Do Minimum	16,070,429	23,257,362

	10Yr NPV	15Yr NPV
1Yr Delay and -20% Wider Benefit		
4 - Phase 1 and 2	71,640,230	137,112,912
3 - Phase 1 Only	45,923,776	74,679,074
2 - S4C Requirement Only	14,807,073	22,117,613
1 - Do Minimum	15,288,232	22,598,772

CBA (Simplified) Option 4 - Phase 1 and 2

	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	15 Yr Total	10Yr 2026
	Project Period				Post-Project												
	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031		
Costs																	
Public Sector Investment	8,868,348	3,000,000	3,470,000	5,331,653	-	-	-	-	-	-	-	-	-	-	-	20,670,000	20,670,000
Investment (discounted/bias factored)	9,755,182	3,188,406	3,563,210	5,289,730	-	-	-	-	-	-	-	-	-	-	-	21,796,528	21,796,528
Cumulative Costs (discounted/bias)	9,755,182	12,943,588	16,506,798	21,796,528	21,796,528	21,796,528	21,796,528	21,796,528	21,796,528	21,796,528	21,796,528	21,796,528	21,796,528	21,796,528	21,796,528	21,796,528	21,796,528
Benefits																	
Cash-releasing benefits	138,371	2,835,875	40,662	12,889	1,666,623	183,127	210,069	223,675	221,675	219,533	82,535	215,361	213,221	211,044	208,717	6,160,240	5,394,432
Non-Cash-releasing Benefits																	
Construction Jobs Created	65	-	42	60	-	-	-	-	-	-	-	-	-	-	-	65	-
Construction Benefit	2,615,152		1,700,279	2,428,970												6,744,401	6,744,401
Technology Jobs Created																	
Theme Sector Benefit																	
Other Jobs Created	-	95	190	190	265	324	339	350	361	372	383	394	405	416	427	427	372
Other Jobs Benefit	-	4,177,359	8,354,719	8,354,719	12,245,250	15,357,675	16,135,781	16,704,766	17,273,751	17,842,735	18,411,720	18,980,704	19,549,689	20,118,674	20,687,658	214,195,200	116,446,755
Induced Wage Benefit (Multiplier)*																	
Total Benefits	2,476,781	7,013,234	10,014,336	10,796,578	13,911,873	15,540,802	16,345,850	16,928,441	17,495,425	18,062,268	18,329,184	19,196,065	19,762,910	20,329,718	20,896,375	227,099,841	128,585,588
Total Benefits (discounted)	2,476,781	6,776,071	9,348,490	9,737,895	12,123,394	13,084,938	13,297,359	13,305,601	13,286,228	13,252,846	12,993,904	13,148,263	13,078,764	12,998,906	12,909,400	171,818,840	106,689,604
Cumulative Benefits (discounted)	2,476,781	9,252,852	18,601,342	28,339,237	40,462,631	53,547,569	66,844,929	80,150,530	93,436,758	106,689,604	119,683,507	132,831,770	145,910,534	158,909,440	171,818,840	171,818,840	106,689,604
NPV	- 7,278,402	- 3,690,736	2,094,544	6,542,709	18,666,103	31,751,041	45,048,400	58,354,002	71,640,230	84,893,075	97,886,979	111,035,242	124,114,005	137,112,912	150,022,312	150,022,312	84,893,075

Base Analysis

Scenario Summary	
10Yr NPV	84,893,075
15Yr NPV	150,022,312

Sensitivity Analysis

20% reduction in Wider Benefit	
10Yr NPV	84,893,075
15Yr NPV	150,022,312

40% reduction in Benefits	
10Yr NPV	42,217,234
15Yr NPV	81,294,776

1Yr Delay in Benefits	
10Yr NPV	71,640,230
15Yr NPV	137,112,912

Slow Mobilisation (6month delay)	
10Yr NPV	78,266,653
15Yr NPV	143,567,612

20% increase in costs	
10Yr NPV	80,533,770
15Yr NPV	145,663,006

1Yr Delay and -20% Wider Benefit	
10Yr NPV	71,640,230
15Yr NPV	137,112,912

Optimism Bias

0.10

*The job estimates identified above are based on an assessment of the net additional impact at the City Region level. Therefore, they include allowance for displacement and multiplier effects

NB: Although S4C is a public sector organisation its advance rental payment of £3M in 2017 has not been included in Public Sector Investment above as it is a commercial occupancy arrangement and not an investment in the project per se. The grant of £348,000 received in 2017 from the Garfield Weston Foundation has been included within Public Sector Investment

CBA (Simplified) Option 3 - Phase 1 Only

	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15			
	Project Period				Post-Project											15 Yr		
	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	Total	10Yr 2026	
Costs																		
Public Sector Investment	8,868,348	3,000,000	-	-	-	-	-	-	-	-	-	-	-	-	-	11,868,348	11,868,348	
Investment (discounted/bias factored)	9,755,182	3,188,406	-	-	-	-	-	-	-	-	-	-	-	-	-	12,943,588	12,943,588	
Cumulative Costs (discounted/bias)	9,755,182	12,943,588	12,943,588	12,943,588	12,943,588	12,943,588	12,943,588	12,943,588	12,943,588	12,943,588	12,943,588	12,943,588	12,943,588	12,943,588	12,943,588	12,943,588	12,943,588	
Benefits																		
Cash-releasing benefits	-	138,371	2,835,875	40,662	12,889	32,991	51,095	79,669	94,939	94,637	94,335	205,966	93,732	93,430	93,128	92,826	3,284,547	3,117,398
Non-Cash-releasing benefits																		
Construction Jobs Created	65																65	-
Construction Benefit	2,615,152																2,615,152	2,615,152
Technology Jobs Created																		
Theme Sector Benefit																		
Other Jobs Created		95	190	190	190	190	190	190	190	190	190	190	190	190	190	190	190	190
Other Jobs Benefit		4,177,359	8,354,719	8,354,719	8,354,719	8,354,719	8,354,719	8,354,719	8,354,719	8,354,719	8,354,719	8,354,719	8,354,719	8,354,719	8,354,719	8,354,719	112,788,703	71,015,109
Induced Wage Benefit (Multiplier)*																		
Total Benefits	2,476,781	7,013,234	8,314,057	8,367,608	8,387,710	8,405,814	8,434,387	8,449,658	8,449,356	8,449,054	8,148,752	8,448,450	8,448,148	8,447,847	8,447,545	118,688,402	76,747,660	
Total Benefits (discounted)	2,476,781	6,776,071	7,761,261	7,547,103	7,309,405	7,077,470	6,861,380	6,641,355	6,416,539	6,199,333	5,776,804	5,786,730	5,590,844	5,401,588	5,218,739	92,841,402	65,066,697	
Cumulative Benefits (discounted)	2,476,781	9,252,852	17,014,114	24,561,217	31,870,621	38,948,091	45,809,471	52,450,825	58,867,364	65,066,697	70,843,501	76,630,231	82,221,074	87,622,662	92,841,402	92,841,402	65,066,697	65,066,697
NPV	7,278,402	3,690,736	4,070,525	11,617,629	18,927,033	26,004,503	32,865,882	39,507,237	45,923,776	52,123,109	57,899,913	63,686,642	69,277,486	74,679,074	79,897,813	79,897,813	52,123,109	52,123,109

Base Analysis

Scenario Summary	
10Yr NPV	52,123,109
15Yr NPV	79,897,813

Sensitivity Analysis

20% reduction in Wider Benefit	
10Yr NPV	52,123,109
15Yr NPV	79,897,813

40% reduction in Benefits	
10Yr NPV	26,096,430
15Yr NPV	42,761,253

1Yr Delay in Benefits	
10Yr NPV	45,923,776
15Yr NPV	74,679,074

Slow Mobilisation (6month delay)	
10Yr NPV	49,023,442
15Yr NPV	77,288,444

20% increase in costs	
10Yr NPV	49,534,391
15Yr NPV	77,309,096

1Yr Delay and -20% Wider Benefit	
10Yr NPV	45,923,776
15Yr NPV	74,679,074

Optimism Bias

0.10

*The job estimates identified above are based on an assessment of the net additional impact at the City Region level. Therefore, they include allowance for displacement and multiplier effects

NB: Although S4C is a public sector organisation its advance rental payment of £3M in 2017 has not been included in Public Sector Investment above as it is a commercial occupancy arrangement and not an investment in the project per se. The grant of £348,000 received in 2017 from the Garfield Weston Foundation has been included within Public Sector Investment

CBA (Simplified) Option 2 - S4C Requirement Only

	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15		
	Project Period				Post-Project											15 Yr	10Yr
	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	Total	2026
Costs																	
Public Sector Investment	3,000,000				-	-	-	-	-	-	-	-	-	-	-	3,000,000	3,000,000
Investment (discounted/bias factored)	3,300,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	3,300,000	3,300,000
Cumulative Costs (discounted/bias)	3,300,000	3,300,000	3,300,000	3,300,000	3,300,000	3,300,000	3,300,000	3,300,000	3,300,000	3,300,000	3,300,000	3,300,000	3,300,000	3,300,000	3,300,000	3,300,000	3,300,000
Benefits																	
Cash-releasing benefits		3,000,000	-	-	-	-	-	-	-	-	-	-	-	-	-	3,000,000	3,000,000
Non-Cash-releasing benefits																-	-
Construction Jobs Created	14															14	14
Construction Benefit	552,497															552,497	552,497
Technology Jobs Created																-	-
Theme Sector Benefit																-	-
Other Jobs Created		52	52	52	52	52	52	52	52	52	52	52	52	52	52	52	52
Other Jobs Benefit		2,132,109	2,132,109	2,132,109	2,132,109	2,132,109	2,132,109	2,132,109	2,132,109	2,132,109	2,132,109	2,132,109	2,132,109	2,132,109	2,132,109	21,889,531	19,188,984
Induced Wage Benefit (Multiplier)*																-	-
Total Benefits	552,497	5,132,109	2,132,109	2,132,109	2,132,109	2,132,109	2,132,109	2,132,109	2,132,109	2,132,109	2,132,109	2,132,109	2,132,109	2,132,109	2,132,109	33,402,028	22,741,481
Total Benefits (discounted)	552,497	4,958,560	1,990,347	1,923,040	1,858,010	1,795,179	1,734,472	1,675,819	1,619,148	1,564,395	1,511,492	1,460,379	1,410,994	1,363,280	1,317,178	26,734,791	19,671,467
Cumulative Benefits (discounted)	552,497	5,511,057	7,501,404	9,424,444	11,282,454	13,077,633	14,812,105	16,487,924	18,107,073	19,671,467	21,182,960	22,643,339	24,054,333	25,417,613	26,734,791	26,734,791	19,671,467
NPV	- 2,747,503	2,211,057	4,201,404	6,124,444	7,982,454	9,777,633	11,512,105	13,187,924	14,807,073	16,371,467	17,882,960	19,343,339	20,754,333	22,117,613	23,434,791	23,434,791	16,371,467

Base Analysis

Scenario Summary
10Yr NPV 16,371,467
15Yr NPV 23,434,791

Sensitivity Analysis

20% reduction in Wider Benefit
10Yr NPV 16,371,467
15Yr NPV 23,434,791

40% reduction in Benefits
10Yr NPV 8,502,880
15Yr NPV 12,740,875

1Yr Delay in Benefits
10Yr NPV 14,807,073
15Yr NPV 22,117,613

Slow Mobilisation (6month delay)
10Yr NPV 15,589,270
15Yr NPV 22,776,202

20% increase in costs
10Yr NPV 15,711,467
15Yr NPV 22,774,791

1Yr Delay and -20% Wider Benefit
10Yr NPV 14,807,073
15Yr NPV 22,117,613

Optimism Bias

0.10

*The job estimates identified above are based on an assessment of the net additional impact at the City Region level. Therefore, they include allowance for displacement and multiplier effects

NB: Although S4C is a public sector organisation its advance rental payment of £3M in 2017 has not been included in Public Sector Investment above as it is a commercial occupancy arrangement and not an investment in the project per se.

CBA (Simplified) Option 1 - Do Minimum

	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	15 Yr Total	10Yr 2026
	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031		
Costs																	
Public Sector Investment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Investment (discounted/bias factored)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Cumulative Costs (discounted/bias)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Benefits																	
Cash-releasing benefits	-	82,500	-	-	-	-	-	-	-	-	-	-	-	-	-	-	82,500
Non-Cash-releasing benefits	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Construction Jobs Created	14	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	14
Construction Benefit	552,497	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	552,497
Technology Jobs Created	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Theme Sector Benefit	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Jobs Created	-	52	52	52	52	52	52	52	52	52	52	52	52	52	52	52	52
Other Jobs Benefit	-	2,132,109	2,132,109	2,132,109	2,132,109	2,132,109	2,132,109	2,132,109	2,132,109	2,132,109	2,132,109	2,132,109	2,132,109	2,132,109	2,132,109	2,132,109	19,188,984
Induced Wage Benefit (Multiplier)*	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Benefits	552,497	2,214,609	2,132,109	2,132,109	2,132,109	2,132,109	2,132,109	2,132,109	2,132,109	2,132,109	2,132,109	2,132,109	2,132,109	2,132,109	2,132,109	30,484,528	19,823,981
Total Benefits (discounted)	552,497	2,139,719	1,990,347	1,923,040	1,858,010	1,795,179	1,734,472	1,675,819	1,619,148	1,564,395	1,511,492	1,460,379	1,410,994	1,363,280	1,317,178	23,915,951	16,852,627
Cumulative Benefits (discounted)	552,497	2,692,216	4,682,563	6,605,604	8,463,614	10,258,793	11,993,265	13,669,084	15,288,232	16,852,627	18,364,119	19,824,498	21,235,493	22,598,772	23,915,951	23,915,951	16,852,627
NPV	552,497	2,692,216	4,682,563	6,605,604	8,463,614	10,258,793	11,993,265	13,669,084	15,288,232	16,852,627	18,364,119	19,824,498	21,235,493	22,598,772	23,915,951	23,915,951	16,852,627

Base Analysis

Scenario Summary
10Yr NPV 16,852,627
15Yr NPV 23,915,951

Sensitivity Analysis

20% reduction in Wider Benefit
10Yr NPV 16,852,627
15Yr NPV 23,915,951

40% reduction in Benefits
10Yr NPV 10,111,576
15Yr NPV 14,349,570

1Yr Delay in Benefits
10Yr NPV 15,288,232
15Yr NPV 22,598,772

Slow Mobilisation (6month delay)
10Yr NPV 16,070,429
15Yr NPV 23,257,362

20% increase in costs
10Yr NPV 16,852,627
15Yr NPV 23,915,951

1Yr Delay and -20% Wider Benefit
10Yr NPV 15,288,232
15Yr NPV 22,598,772

Optimism Bias

0.10

*The job estimates identified above are based on an assessment of the net additional impact at the City Region level. Therefore, they include allowance for displacement and multiplier effects

STPR Factors

Year	0	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	STPR (%)	Factor	
	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032		3.5	97%
Factor	1	0.9662	0.9335	0.9019	0.8714	0.8420	0.8135	0.7860	0.7594	0.7337	0.7089	0.6849	0.6618	0.6394	0.6178	0.5969			

Depreciation (Not Impact)

Year	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	30 Year Lifetime - linear		
	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	Annualise	0.033333
Factor	1	0.966667	0.933333	0.9	0.866667	0.833333	0.8	0.766667	0.733333	0.7	0.666667	0.633333	0.6	0.566667	0.533333		(1-)	0.966667
1yr later		1	0.966667	0.933333	0.9	0.866667	0.833333	0.8	0.766667	0.733333	0.7	0.666667	0.633333	0.6	0.566667	0.533333		
2yr later			1	0.966667	0.933333	0.9	0.866667	0.833333	0.8	0.766667	0.733333	0.7	0.666667	0.633333	0.6	0.566667	0.533333	
3yr later				1	0.966667	0.933333	0.9	0.866667	0.833333	0.8	0.766667	0.733333	0.7	0.666667	0.633333	0.6	0.566667	0.533333333

GVA by Year Wales

		2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	Inflation	
Construction	Weekly	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1
Research	Weekly	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
All Sectors	Weekly	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Construction	Annual	40,560	40,560	40,560	40,560	40,560	40,560	40,560	40,560	40,560	40,560	40,560	40,560	40,560	40,560	40,560	40,560	40,560	40,560	40,560	40,560	40,560	40,560	40,560	40,560	40,560	40,560	40,560	40,560	40,560	
Research	Annual	45,240	45,240	45,240	45,240	45,240	45,240	45,240	45,240	45,240	45,240	45,240	45,240	45,240	45,240	45,240	45,240	45,240	45,240	45,240	45,240	45,240	45,240	45,240	45,240	45,240	45,240	45,240	45,240	45,240	
All Sectors	Annual	39,154	39,154	39,154	39,154	39,154	39,154	39,154	39,154	39,154	39,154	39,154	39,154	39,154	39,154	39,154	39,154	39,154	39,154	39,154	39,154	39,154	39,154	39,154	39,154	39,154	39,154	39,154	39,154	39,154	

Notes:
 Excluded for Economic Appraisal
 Skilled Trades
 Professional Occ. Wales
 Average All Sectors - SW Wales
<https://statwales.wales.gov.uk/Catalogue/Business-Economy-and-Labour-Market/People-and-Work/Earnings/averageweeklyearnings-by-occupation-ukcountry>
<https://statwales.wales.gov.uk/Catalogue/Business-Economy-and-Labour-Market/People-and-Work/Earnings/averageweeklyearnings-by-welshlocalarea-year>

Multiplier
 Base 0 This uses the Base multiplier from the SBCR Internet Coast Economic Impact Assessment
 For sensitivity to this parameter please refer to this document

<http://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/labourproductivity/datasets/subregionalproductivityhourandproductivitybyjobbyunit2andn13subregionsoftheunitedkingdom>
 Average Swansea & NPT
 Priority Sector Statistics, 2016
 Welsh Government
 Average LS/CT

SUMMARY OF FINANCIAL APPRAISAL

£	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7
	£	£	£	£	£	£	£	£
Preferred choice:								
Capital	14,868,348		4,220,000	6,081,653				
Revenue	138,371	164,125	40,662	-12,889	-166,623	-183,127	-210,069	-223,675
Total	15,006,719	164,125	4,260,662	6,068,763	-166,623	-183,127	-210,069	-223,675
Funded by:								
Existing								
Additional	15,006,719	164,125	4,260,662	6,068,763	-166,623	-183,127	-210,069	-223,675
Total	15,006,719	164,125	4,260,662	6,068,763	-166,623	-183,127	-210,069	-223,675

£	Year 8	Year 9	Year 10	Year 11	Year 12	Year 13	Year 14	Year 15	Total
	£	£	£	£	£	£	£	£	£
Preferred choice:									
Capital									25,170,000
Revenue	-221,675	-219,533	82,535	-215,361	-213,221	-211,044	-208,717	-206,465	-1,866,704
Total	-221,675	-219,533	82,535	-215,361	-213,221	-211,044	-208,717	-206,465	23,303,296
Funded by:									
Existing									
Additional	-221,675	-219,533	82,535	-215,361	-213,221	-211,044	-208,717	-206,465	23,303,296
Total	-221,675	-219,533	82,535	-215,361	-213,221	-211,044	-208,717	-206,465	23,303,296

Detailed Financial Projections	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11	Year 12	Year 13	Year 14	Year 15	Totals
	2017/18	2018/19	2019/2020	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	
	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£
Capital expenditure	Phase 1		Phase 2		Phase 2												
Land purchase	(330,000)		(300,000)														(630,000)
Design & development management (external costs)	(1,070,520)		(420,000)	(527,775)													(2,018,295)
Non design fees	(87,000)																(87,000)
Construction & fit out	(9,230,398)		(3,500,000)	(4,398,128)													(17,128,526)
Specialist fit out	(910,000)			(150,000)													(1,060,000)
Contingency / risk	(406,497)			(737,417)													(1,143,914)
VAT incurred	(2,372,584)		(784,000)	(1,162,664)													(4,319,248)
less VAT recovered	355,888		784,000	1,162,664													2,302,552
Development management (UWTSD staff costs)	(462,237)																(462,237)
Pre-opening & finance costs (UWTSD costs)	(355,000)			(268,333)													(623,333)
Total	(14,868,348)		(4,220,000)	(6,081,653)													(25,170,000)
Funded by																	
University of Wales Trinity Saint Davids																	
committed (confirmed)	5,520,348		2,220,000	4,581,653													12,322,000
shortfall funding, pending other (confirmed)	3,000,000	-3,000,000															
Grants or sponsorship re auditorium (confirmed)	348,000																348,000
Advance rentals from tenants - S4C (confirmed)	3,000,000																3,000,000
Advance rentals from tenants (proposed)				1,500,000													1,500,000
Welsh Government grant (confirmed)	3,000,000																3,000,000
City Deal grant (proposed)		3,000,000	2,000,000														5,000,000
Total	14,868,348		4,220,000	6,081,653													25,170,000
Revenue income & expenditure																	
Rents and service charges	18,063	125,036	208,470	252,746	677,542	696,070	712,370	719,725	727,161	734,571	742,174	749,862	757,638	765,504	773,347	781,397	9,441,676
Other income		73,860	112,720	159,584	200,842	233,043	258,605	279,888	285,598	291,308	297,018	302,729	308,439	314,149	319,859	325,570	3,763,211
Catering	20,350	112,273	139,032	164,255	190,033	204,266	208,351	212,436	216,521	220,607	224,692	228,777	232,863	236,948	241,033	245,119	3,097,555
less staff costs	(100,355)	(249,384)	(254,372)	(259,459)	(337,317)	(344,064)	(350,945)	(357,851)	(364,782)	(371,738)	(378,720)	(385,729)	(392,764)	(399,828)	(406,919)	(414,039)	(5,368,265)
less other costs	(76,429)	(225,911)	(246,511)	(304,236)	(564,476)	(606,188)	(618,312)	(630,523)	(642,824)	(655,215)	(667,700)	(680,279)	(692,955)	(705,729)	(718,604)	(731,581)	(9,067,474)
Net	(138,371)	(164,125)	(40,662)	12,889	166,623	183,127	210,069	223,675	221,675	219,533	(82,535)	215,361	213,221	211,044	208,717	206,465	1,866,704
Funded by																	
University of Wales Trinity Saint Davids (confirmed)	138,371	164,125	40,662	(12,889)	(166,623)	(183,127)	(210,069)	(223,675)	(221,675)	(219,533)	82,535	(215,361)	(213,221)	(211,044)	(208,717)	(206,465)	(1,866,704)
Combined funding	15,006,719	164,125	4,260,662	6,068,763	(166,623)	(183,127)	(210,069)	(223,675)	(221,675)	(219,533)	82,535	(215,361)	(213,221)	(211,044)	(208,717)	(206,465)	23,303,296

IMPACT ON UNIVERSITY BALANCE SHEET

University of Wales Trinity Saint David Group	Without project £m	With project £m
Non current assets	180	186
Current assets	44	44
Creditors due within one year	(15)	(15)
Total assets less current liabilities	209	215
Creditors due more than one year	(26)	(26)
Provisions	(54)	(54)
Net assets	129	135
Reserves	129	135

YR EGIN
FULL BUSINESS CASE FOR CITY DEAL FUNDING
FINANCIAL PROJECTIONS

PROJECTED EXPENDITURE & FUNDING	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11	Year 12	Year 13	Year 14	Year 15	Totals	Notes
	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	£	
	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£
Capital Expenditure	Phase 1		Phase 2	Phase 2														
Land purchase	330,000		300,000														630,000	Including legal costs
Design & development management (external costs)	1,070,520		420,000	527,775													2,018,295	
Non design fees	87,000																87,000	
Construction & fit out	9,230,398		3,500,000	4,398,128													17,128,526	
Specialist fit out	910,000			150,000													1,060,000	
Contingency	406,497			737,417													1,143,914	Including inflation allowance on phase 2
VAT incurred	2,372,584		784,000	1,162,664													4,319,248	
less VAT recovered	(355,888)		(784,000)	(1,162,664)													(2,302,552)	
Total	14,051,111		4,220,000	5,813,320													24,084,431	
Revenue Expenditure																		
Development management (UWTSO staff costs)	462,237																462,237	University project management staff
Pre-opening & finance costs (UWTSO costs)	355,000			268,333													623,333	Legal fees, marketing, promotion, staff training, finance etc
Total	817,237			268,333													1,085,570	
Total Expenditure	14,868,348		4,220,000	6,081,653													25,170,000	
Funded By:																		
University of Wales Trinity Saint Davids committed (confirmed)	5,520,348		2,220,000	4,581,653													12,322,000	
shortfall funding, pending other (confirmed)	3,000,000	-3,000,000																
Grants or sponsorship re auditorium (confirmed)	348,000																348,000	Garfield Weston Foundation (Confirmed)
Advance rentals from tenants - S4C (confirmed)	3,000,000																3,000,000	
Advance rentals from tenants (proposed)				1,500,000														
Welsh Government grant (confirmed)	3,000,000																3,000,000	
City Deal grant (proposed)		3,000,000	2,000,000														5,000,000	
Total Funding	14,868,348		4,220,000	6,081,653													23,670,000	
Income																		
Net Revenue from operations																		
Phase 1																		
Rents and service charges	34,146	230,307	278,161	328,050	346,407	365,121	379,168	386,248	393,499	400,931	408,550	416,366	424,387	432,623	441,084	449,779		
Other income		73,860	112,720	159,584	200,842	233,043	258,605	279,888	285,598	291,308	297,018	302,729	308,439	314,149	319,859	325,570		
Catering	20,350	112,273	139,032	164,255	190,033	204,266	208,351	212,436	216,521	220,607	224,692	228,777	232,863	236,948	241,033	245,119		
less staff costs	-100,355	-249,384	-254,372	-259,459	-277,317	-282,864	-288,521	-294,178	-299,836	-305,493	-311,150	-316,808	-322,465	-328,122	-333,779	-339,437		
less other costs	-76,429	-225,911	-246,511	-304,236	-349,991	-387,413	-395,161	-402,909	-410,658	-418,406	-426,154	-433,902	-441,651	-449,399	-457,147	-464,895		
	-122,289	-58,855	29,029	88,193	109,974	132,153	162,441	181,484	185,125	188,947	-107,044	197,162	201,573	206,199	211,050	216,135		
less advance rent received from S4C	-16,560	-66,240	-69,259	-72,415	-75,715	-79,165	-82,773	-86,544	-90,488	-94,611	-98,923	-103,430	-108,144	-113,072	-118,224	-123,611		
working capital movements	73,478	239,970	432	-2,889	-1,268	-1,893												
less vat on construction costs included therein	-73,000	-279,000																
Phase 2																		
Rents and service charges					408,118	412,007	415,975	420,022	424,149	428,252	432,546	436,927	441,395	445,952	450,487	455,229		
Other income																		
Catering																		
less staff costs					-60,000	-61,200	-62,424	-63,672	-64,946	-66,245	-67,570	-68,921	-70,300	-71,706	-73,140	-74,602		
less other costs					-214,486	-218,775	-223,151	-227,614	-232,166	-236,809	-241,546	-246,377	-251,304	-256,330	-261,457	-266,686		
	-138,371	-164,125	-40,662	12,889	166,623	183,127	210,069	223,675	221,675	219,533	-82,535	215,361	213,221	211,044	208,717	206,465		
Balance sheet treatment																		
Fixed asset additions:																		
Phase 1	14,868,348																	
Phase 2			4,220,000	6,081,653														
Cumulative	14,868,348	14,868,348	19,088,348	25,170,000	25,170,000	25,170,000	25,170,000	25,170,000	25,170,000	25,170,000	25,170,000	25,170,000	25,170,000	25,170,000	25,170,000	25,170,000		
Less impairment to fair value - phase 1	-11,868,348	-11,868,348	-11,868,348	-11,868,348	#####	-11,868,348	-11,868,348	-11,868,348	-11,868,348	#####	-11,868,348	-11,868,348	-11,868,348	-11,868,348	#####	-11,868,348	-11,868,348	
Less impairment to fair value - phase 2				-7,301,653	-7,301,653	-7,301,653	-7,301,653	-7,301,653	-7,301,653	-7,301,653	-7,301,653	-7,301,653	-7,301,653	-7,301,653	-7,301,653	-7,301,653	-7,301,653	
Capitalised fair value	3,000,000	3,000,000	7,220,000	6,000,000	6,000,000	6,000,000	6,000,000	6,000,000	6,000,000	6,000,000	6,000,000	6,000,000	6,000,000	6,000,000	6,000,000	6,000,000		

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Report/Item	Comments / Clarifications / Assumptions	Consultant/Company/Organisation	Status of Services	Prior budget	Capital and Development Budget December 2016	Spend to Date (28 December 2016)	Notes
1.0 Land Value							
1.1 Land value		N/A	Complete	£ 300,000	£ 300,000	£ -	
1.2 Stamp duty	Assumption @ 4%	N/A	Ongoing	£ -	£ 5,000	£ -	Assumed that transfer of land will not result in any stamp duty fee
1.3 Legal fees associated with land acquisition		Eversheds/JCP	Ongoing	£ 20,000	£ 20,000	£ -	Assumed £20k to remain for transfer of land between UWTSDC/Charity and Yr Egin company
1.4 Legal fees with regards to charity status and company formation		Eversheds/JCP	Ongoing	£ 5,000	£ 5,000	£ -	
1. Total Land Value				£ 325,000	£ 330,000	£ -	
2.0 Design and Development fees							
2.1 Strategic project management and cost management services	Appointment for RIBA Stage 1 - 7	Mott MacDonald	Ongoing	£ 144,959	£ 144,959	£ 93,179	NEC supervisor role removed from Mott MacDonald commission. See item 2.3.1 for removed allowance
2.2 Multi-disciplinary team	Appointment for RIBA Stage 1 - 3. Novated to the appointed contractor at the end of Stage 3.	BDP Multi-disciplinary team	Ongoing	£ 278,374	£ 278,374	£ 278,374	RIBA Stage 1, 2, additional stage 2 and stage 3
2.2.1 Multi-disciplinary team	Appointment for RIBA Stage 4 - 7. Novated to the appointed contractor at the end of Stage 3.	BDP Multi-disciplinary team	Ongoing	£ 320,869	£ 345,625	£ -	Additional commission relating to entrance/S278 detailed design
2.2.2 Multi-disciplinary team	Interior design services for S4C offices	BDP Multi-disciplinary team	Ongoing	£ 5,430	£ 5,430	£ 5,430	
2.3 Client design development	Client design development and brand manual to ensure the overall vision is met	Rural Office For Architecture	Ongoing	£ 26,445	£ 26,445	£ 13,500	
2.3.1 Design Manager	Removed from MOTT commission and supplied directly from ROA	Rural Office For Architecture	Ongoing	£ 40,810	£ 10,810	£ -	
2.3.2 NEC Supervisor Role	NEC Supervisor Role	To be appointed	To be appointed	£ -	£ 30,000	£ -	Removed from Mott Commission and NEC supervisor role will be supplied directly once appointed.
2.3.3 Business Strategy Advisor	To inform the financial modeling and space planning of the building	Rural Office For Architecture	Ongoing	£ 12,500	£ 12,500	£ 23,500	Additional spend occurred to produce the Parsons Brinckerhoff Report
2.4 Lighting specialist	Architectural lighting advice for external appearance	To be appointed	To be appointed	£ 15,000	£ 15,000	£ -	
2.5 Survey costs to date (UWTSDC)	As per Mott Mac Cost plan revision H - Rev.1 (30/09/16) Ecology, Arbocultural, Archaeology, Utility and Services and Acoustic Surveys	Various	Ongoing	£ 43,275	£ 43,275	£ 43,275	Includes Travel plan and ground investigation surveys
2.6 Planning application fee	As per Mott Mac Cost plan revision H - Rev.1 (30/09/16)	Cardiffshire County Council	Ongoing	£ 21,000	£ 21,000	£ 19,760	Amount paid for building planning fee with additional allowance for signage planning fee
2.7 Building control fee	As per Mott Mac Cost plan revision H - Rev.1 (30/09/16)	Cardiffshire County Council	Ongoing	£ 12,480	£ 12,480	£ 3,120	Quotation received from CCC building control
2.8 Public foot path diversion consultant		To be appointed	To be appointed	£ -	£ 15,000	£ -	Informal advice received that footpath is not a public footpath. Fee remains until formal confirmation received from CCC.
2.9 On-going project development allowances		To be appointed	To be appointed	£ -	£ -	£ -	Allowance for possible LA Contributions
2.9.1 Further required surveys (via Main Contractor)		Main Contractor		£ -	£ 35,368	£ 14,095	A number of final surveys are expected. Discussion ongoing to establish what and final value
2.9.2 Further required surveys (UWTSDC)		To be appointed	To be appointed	£ -	£ 9,632	£ -	
2.9.3 Additional design fees (Stage 4 development/Value Engineering)		via Main Contractor		£ -	£ 40,000	£ -	
2. Total Design and Development Fees				£ 921,141	£ 1,045,898	£ 494,233	
3.0 Non-Design Fees							
3.1 Legal fees other than those for land acquisition	Contract management, procurement advice, management of agreement with the S4C Authority	Eversheds	Ongoing	£ -	£ 155,000	£ 4,630	
3.2 Legal fees in association with CCC Section 278		Eversheds/JCP	Ongoing	£ -	£ 10,000	£ -	
3.3 Legal fees with regards to set up of landlord and tenant leases (S4C and any other tenants)		Eversheds/JCP	Ongoing	£ 12,000	£ 12,000	£ -	
3.4 Strategic development adviser	Stade Aid and funding advice	Swallow Consulting	Ongoing	£ 5,000	£ 5,000	£ 12,062	Estimate on previous advice received
3.5 Preparation of financial modelling	Development and on-going review of the business case	Marloes Consulting	Ongoing	£ 10,000	£ 10,000	£ 12,842	Estimate on previous advice received
3.6 Promotional video		To be appointed	To be appointed	£ 10,000	£ 10,000	£ 2,362	Allowance for upgrade to existing promo video
3.7 VAT advice	VAT advice during construction	To be appointed	To be appointed	£ 5,000	£ 5,000	£ 750	Following initial advice from Centurium
3. Total Non-Design Fees				£ 42,000	£ 207,000	£ 32,646	
4.0 Additional Fit Out							
4.1 Signage	External building feature signage, road signage (White and Brown), internal wayfinding signage	To be appointed	Ongoing	£ 60,000	£ 60,000	£ 3,300	Not included in Design and Construction 4.0
4.2 Fittings, Furnishings and Equipment							
4.2.1 Radio studio fit out	Extra Over Fit Out - End tenant radio studio fit out	To be appointed	In negotiation	£ 80,000	£ 80,000	£ -	Anticipated expenditure beyond Cost Plan allowances (Design and Construction 5.0)
4.2.2 Production and post production - fit out	Extra Over Fit Out - Production and post production fit out of space to meet acoustic requirements etc...	To be appointed	In negotiation	£ -	£ 100,000	£ -	Anticipated expenditure beyond Cost Plan allowances (Design and Construction 5.0) - Item split - see item below
4.2.3 Production and post production -equipment	Extra Over Fit Out - Production and post production supply and install of specialist equipment	To be appointed	In negotiation	£ 150,000	£ 200,000	£ -	Anticipated expenditure beyond Cost Plan allowances (Design and Construction 5.0) - Related to item above
4.2.4 IT equipment (Landlord)	Extra Over Fit Out - IT provision for reception desk and landlord server room	To be appointed	In negotiation	£ 45,000	£ 45,000	£ -	Not included in Design and Construction 5.0
4.2.5 Feature lighting	Extra Over Fit Out - Feature lighting advised by lighting specialist	To be appointed	In negotiation	£ 25,000	£ 25,000	£ -	Not included in Design and Construction 5.0
4.3 Environmental mitigation	Mitigation following ecology survey recommendations and planning conditions	To be appointed	In negotiation	£ 10,000	£ 10,000	£ -	Not included in Design and Construction 5.0
4.4 Other project development costs		Kier	Ongoing	£ 140,484	£ -	£ -	Now included in 5.2 client provisional sums
4.5 Yr Egin Café	Extra Over Fit Out - Catering facility and café furniture	Kier	Ongoing	£ 200,000	£ 200,000	£ -	Anticipated expenditure beyond Cost Plan allowances (Design and Construction 5.0)- Advice from developing business strategy
4.6 Yr Egin Auditorium	Extra Over Fit Out - Auditorium fit out	Kier	Ongoing	£ 140,000	£ 140,000	£ -	Anticipated expenditure beyond Cost Plan allowances (Design and Construction 5.0)- Advice from developing business strategy and supporting quotation from Vaughan Sounds
4.7 Yr Egin Auditorium back of house	Extra Over Fit Out - Back of house fit out	Kier	Ongoing	£ 25,000	£ 25,000	£ -	Anticipated expenditure beyond Cost Plan allowances (Design and Construction 5.0)- Advice from developing business strategy
4.8 Yr Egin Staff welfare	Extra Over Fit Out - Staff welfare	Kier	Ongoing	£ 25,000	£ 25,000	£ -	Anticipated expenditure beyond Cost Plan allowances (Design and Construction 5.0)- Advice from developing business strategy
4. Total Annual Operational Budget				£ 900,484	£ 910,000	£ 3,300	
5.0 Construction							
5.1 Works Packages - Total		Kier	Ongoing	£ -	£ 8,551,735	£ 38,358	
5.2 Client Provisional sums		Kier	Ongoing	£ -	£ 183,000	£ -	
5.3 Package Adjustments (during Stage 2)		Kier	Ongoing	£ -	£ 100,385	£ -	
5.4 Opportunity Tracker - options taken into contract		Kier	Ongoing	£ -	£ 616,000	£ -	
Sub-Total: Building Works				£ 7,527,671	£ 8,018,350	£ 38,358	
5.10 Main contractor's preliminaries		Kier	Ongoing	£ -	£ 1,042,102	£ -	
5.11 Pre-Construction Fee				£ -	£ 44,317	£ -	
Sub-Total: Building Works (Incl.prelims)				£ 8,739,050	£ 9,104,769	£ 38,358	
5.12 Main contractor's overheads and profit		Kier	Ongoing	£ -	£ 169,946	£ -	
5. Works cost estimate				£ 8,892,067	£ 9,230,398	£ 38,358	
Sub-total (Items 1.0, 2.0, 3.0, 4.0, 5.0)				£ 11,080,692	£ 11,723,296	£ 568,537	
6.0 Project Risk Contingency							
6.1 Contractors Risk Allowance - post contract		Design/Employer/Construction	Ongoing	£ 485,029	£ 193,114	£ -	Employer Construction risk allowance
6.2 Clients Risk Allowance - post contract / contract risk				£ -	£ 95,000	£ -	
6.3 UWTSDC Risk Contingency	1% of sub-total (Items 1.0, 2.0, 3.0, 4.0, 5.0, 8.1)		Ongoing	£ 223,914	£ 118,382.96	£ -	Employer risk allowance not included in MM Cost Plan (See 'risk tab' for current known risks below the line)
6. Project Risk Contingency				£ 708,943	£ 406,497	£ -	
7.0 Inflation		UWTSDC	Ongoing	£ 101,856	£ -	£ -	Kier are offering a lump sum and within some of the packages there are inflation allowances, but these are spread across the package costs detailed in 5.1
7. Inflation				£ 101,856	£ -	£ -	
8.0 Marketing, Promotion and Project Staff Costs							
8.1 Project Operational Budget - During Development Period		UWTSDC	Ongoing - During Development	£ 235,000	£ 235,000	£ 26,287	See 'Operational' tab for breakdown. Savings noted in 'red' under 'Operational' tab for breakdown
8.2 Project Staff		UWTSDC	Ongoing - During Development	£ 462,237	£ 462,237	£ -	
8.0 Marketing, Promotion and Project Staff Costs				£ 697,237	£ 697,237	£ 26,287	
9.0 Procurement/Framework Costs							
9.1 SEWSCAP Levy	As per Mott Mac Cost plan revision H - Rev.1 (30/09/16)	SEWSCAP/Main Contractor	0.25% of Final Contract Sum (Construction Contract)	£ 24,255	£ 24,622	£ -	Item added by DB (Mott MacDonald) to track Levy cost
9.0 Procurement/Framework Costs				£ 24,255	£ 24,622	£ -	
TOTALS (Excl. VAT)				£ 12,612,983	£ 12,851,652	£ 594,824	
10.0 VAT							
10.1 Value Added Tax	VAT rate @ 20%	N/A		£ 2,263,138	£ 2,391,659	£ 118,965	Not including VAT on staff costs, risk and inflation calculation to be verified
10.2 VAT Recovery	Assumption @ 20% reclaim	N/A		£ 339,471	£ 2,391,659	£ -	
10.0 VAT				£ 1,923,668	£ -	£ 118,965	
OVERALL TOTAL (incl. VAT)				£ 14,536,650	£ 12,851,652	£ 713,788	

Yr Egin Phase 2, Property Appraisal
Appraisal Date October 2016

VALUES

		Sq M	Sq Ft	ERV psf	ERV	Yield	Capital Value(£) (less 6.8% Purchasers' Costs)
GIA	New Space	2,970	31,970				
	Refurbished Space	1,280	13,778				
Total		4,250	45,748				
NIA	New Space	2,228	23,977				
	less area subject to rent premium -say	-929	-10,000				
		1,298	13,977	£9.00	£125,795	9%	£1,302,680
(75% of GIA)	Refurbished Space	960	10,334	£8.50	£87,836	9%	£909,589
Total		2,258	24,311		£ 213,631		£2,212,269
Add	Rent premium	929	10,000				£1,500,000
Total value							£3,712,269

COSTS

	Quantity	Unit	Rate (£)	Cost (£)
New Build extension to Yr Egin Phase 1 (3 storey extension)	1,320	m2	£1,700	£2,244,000
Alterations to existing building where new extension links, incl façade removal	1	item	£80,000	£80,000
New Build extension to Y Llwyfan (3 storey extension)	1,650	m2	£1,700	£2,805,000
New Build additional to Y Llwyfan (1 level)	315	m2	£1,400	
Alterations to existing building where new extension links, incl façade removal	1	item	£30,000	£30,000
Refurbishment of existing Y Llwyfan office space	1,280	m2	£750	£960,000
Refurbishment of existing Y Llwyfan performance space	340	m2	£750	

External works

Yr Egin building

Drainage to new building	1,320	m2	£20	£26,400
Raise existing service yard (re-use where possible)	500	m2	£50	£25,000
New hard landscaping, including new service yard	1,000	m2	£80	£80,000
48nr new parking spaces	48	nr	£1,600	£76,800
New/alterations to incoming services	1	item	£50,000	£50,000
Amendments to existing drainage systems	1	item	£50,000	£50,000
Diversion of existing water main	1	item	£50,000	£50,000
Soft landscaping	1	item	£20,000	£20,000

Y Llwyfan building

Drainage to new build extensions	1,965	m2	£20	£39,300
Alterations to existing car park	1	item	£30,000	£30,000
New hard landscaping	500	m2	£80	£40,000
New/alterations to incoming services	1	item	£25,000	£25,000
Amendments to existing drainage systems	1	item	£25,000	£25,000
Soft landscaping	1	item	£20,000	£20,000

Generally (Site wide)

Amendments to road connections/junctions	1	item	£30,000	£30,000
Site wide connectivity improvements	1	item	£20,000	£20,000
External signage, lighting and security improvements	1	item	£20,000	£20,000

Sub total £6,746,500

Main Contractor Costs

Preliminaries	£6,746,500	15%		£1,011,975
OH&P	£7,758,475	1.8%		£139,653

Sub total £7,898,128

Other project costs

FFE and ICT	1	item	£150,000	£150,000
Professional Fees and Surveys	£8,048,128	12%		£947,775
Risk Allowance (contingency)	£8,995,903	10%		£674,650
Inflation adjustment (2Q 2020 as construction mid-point)	£9,670,553	0.75%		£62,767

Sub total £9,733,320

Total Works Cost Estimate £9,733,320

Other client costs

Land Costs				£300,000
Marketing and Promotion				£25,000
Finance Charges on Construction Costs @ 5% pa x 0.5				£243,333

Note: Assumes full VAT recovery

Sub total £10,301,653

Developer's Profit	20.0%			2,060,331
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Total Development Cost Estimate £12,361,983

PROJECT DEFICIT -£8,649,714

CANOFLAN S4C YR EGIN
 FINANCIAL MODEL
 REVISED July 2017
 VERSION: V12 REDUCED GRANT CASE
 FORECASTS (SUMMARY) - ALTERNATIVE LEASE STRUCTURE BASED ON KPMG, CENTURION, COOKE & ARKWRIGHT ADVICE

FORECASTS SUMMARY	FY17	FY18	FY19	FY20	FY21	FY22	FY23	FY24	FY25	FY26	FY27	FY28	FY29	FY30	FY31	FY32	FY33	Notes
Years ended 31 July	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'001	£'002	£'003	
Phase																		
Construction																		
Initial tenant operations																		
+ public events programme																		
YR EGIN CO																		
Income & Expenditure (FRS102 basis)																		
<u>Income</u>																		
Rents & service charges	0	18	164	209	256	271	286	296	300	303	306	310	313	316	320	323	326	Including S4C service charge paid via UWTSO
Other income	0	0	74	113	160	201	233	259	280	286	291	297	303	308	314	320	326	
Catering	0	20	112	139	164	190	204	208	212	217	221	225	229	233	237	241	245	
Recharges to UWTSO		33	33	34	35	35	36	37	38	39	40	42	43	44	45	47	48	50% of Centre Director
Total income	0	70	383	494	614	697	759	800	830	844	859	873	887	902	916	931	945	
<u>Expenditure</u>																		
Rent payable		0	95	95	95	95	95	95	95	95	95	95	95	95	95	95	95	Rent payable to UWTSO on non S4C area @£7.40 psf 15 months RF
Staff costs	0	100	249	254	259	277	283	289	294	300	305	311	317	322	328	334	339	All staff
Other costs	0	76	226	247	304	350	387	395	403	411	418	426	434	442	449	457	465	
Finance costs	0	9	9	9	9	9	9	9	8	7	6	5	5	4	3	2	1	Interest @ 3% on UWTSO loan
Total expenditure	0	186	579	605	668	731	774	788	800	813	825	838	850	863	875	888	900	
Net profit / (loss) before tax	0	(115)	(196)	(110)	(54)	(35)	(15)	13	30	32	33	35	37	39	41	43	45	
Corporation tax	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Net profit / (loss) after tax	0	(115)	(196)	(110)	(54)	(35)	(15)	13	30	32	33	35	37	39	41	43	45	
Cashflow																		
<u>Cashflow from operations</u>																		
Net profit / (loss) before tax	0	(115)	(196)	(110)	(54)	(35)	(15)	13	30	32	33	35	37	39	41	43	45	
Adjustments																		
finance costs	0	9	9	9	9	9	9	9	8	7	6	5	5	4	3	2	1	Add back
Working capital movements	0	(3)	(24)	(0)	(3)	(1)	(2)	0	0	0	0	0	0	0	0	0	0	Vat & other
Net cashflow from operations	0	(109)	(211)	(102)	(48)	(27)	(8)	22	38	39	40	41	42	43	44	45	46	
<u>Capital expenditure & financing</u>																		
Capital expenditure	0																	Land purchase & sale to UWTSO
Share capital investment received (UWTSO)		300																Equity investment
Loans received (UWTSO)		300																Working capital loan
Loans repaid (UWTSO)									(30)	(30)	(30)	(30)	(30)	(30)	(30)	(30)	(30)	Repayment of loan over 10 years
Interest paid (UWTSO)	0	(9)	(9)	(9)	(9)	(9)	(9)	(9)	(8)	(7)	(6)	(5)	(5)	(4)	(3)	(2)	(1)	Interest @ 3% on UWTSO loan
Net capital expenditure & financing	0	591	(9)	(9)	(9)	(9)	(9)	(9)	(38)	(37)	(36)	(35)	(35)	(34)	(33)	(32)	(31)	
Net cashflow	0	482	(220)	(111)	(57)	(36)	(17)	13	(0)	2	3	5	7	9	11	13	15	
Bank b/fwd	0	0	482	262	151	95	59	42	55	54	56	60	65	72	81	92	105	
Bank c/fwd	0	482	262	151	95	59	42	55	54	56	60	65	72	81	92	105	119	
Balance sheet (FRS 102 basis)																		
Fixed assets (net of depreciation)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
<u>Current assets</u>																		
Bank	0	482	262	151	95	59	42	55	54	56	60	65	72	81	92	105	119	
Other (debtors)	0	0	31	36	39	42	45	45	45	45	45	45	45	45	45	45	45	
Net current assets	0	482	293	187	134	101	87	100	100	101	105	110	117	126	137	150	165	
<u>Creditors < 1 year</u>																		
UWTSO loan	0	300	300	300	300	300	300	300	270	240	210	180	150	120	90	60	30	
Other	0	(3)	4	9	9	11	12	12	12	12	12	12	12	12	12	12	12	Vat payable
Net current assets	0	185	(11)	(122)	(175)	(210)	(225)	(212)	(182)	(151)	(117)	(82)	(45)	(6)	35	78	123	
<u>Creditors > 1 year</u>																		
Net assets	0	185	(11)	(122)	(175)	(210)	(225)	(212)	(182)	(151)	(117)	(82)	(45)	(6)	35	78	123	

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FORECASTS SUMMARY	FY17	FY18	FY19	FY20	FY21	FY22	FY23	FY24	FY25	FY26	FY27	FY28	FY29	FY30	FY31	FY32	FY33	Notes
Years ended 31 July	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'001	£'002	£'003	
Share capital & reserves																		
Share capital	0	300	300	300	300	300	300	300	300	300	300	300	300	300	300	300	300	
Profit & loss account	0	(115)	(311)	(422)	(475)	(510)	(525)	(512)	(482)	(451)	(417)	(382)	(345)	(306)	(265)	(222)	(177)	
Total share capital & reserves	0	185	(11)	(122)	(175)	(210)	(225)	(212)	(182)	(151)	(117)	(82)	(45)	(6)	35	78	123	
Corporation Tax Computation																		
Profit before tax per accounts (FRS102)	0	(115)	(196)	(110)	(54)	(35)	(15)	13	30	32	33	35	37	39	41	43	45	
Adjustments	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1	2	3	
Adjusted profit	0	(115)	(196)	(110)	(54)	(35)	(15)	13	30	32	33	35	37	39	42	45	48	
Less capital allowances:																		
none	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1	2	3	
Profits chargeable to corporation tax	0	(115)	(196)	(110)	(54)	(35)	(15)	13	30	32	33	35	37	39	43	47	51	
losses carried forward	0	115	196	110	54	35	15											
less losses brought forward								(13)	(30)	(32)	(33)	(35)	(37)	(39)	(43)	(47)	(51)	Net losses of £165k c/fwd
Profits chargeable to corporation tax	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
UWTSD																		
Income & Expenditure (FRS102 basis)																		
Income																		
Rents - S4C	0	17	66	69	72	76	79	83	87	90	95	99	103	108	113	118	124	S4C advance rent received amortised over lease term
Rents - Yr Egin Co.	0	0	95	95	95	95	95	95	95	95	95	95	95	95	95	95	95	Rents receivable on Yr Egin lease
Interest received	0	9	9	9	9	9	9	9	8	7	6	5	5	4	3	2	1	On Yr Egin Co loan
Grants	0	3,000																WG & other grants recognised over 5 years as performance criteria met
Total income	0	3,026	170	173	176	180	183	187	190	193	196	199	203	207	211	215	220	
Expenditure																		
Staff costs	0	33	33	34	35	35	36	37	38	39	40	42	43	44	45	47	48	Recharge 50% Centre Director cost from Yr Egin
Other costs	0	0	0	0	0	0	0	0	0	0	0	300	0	0	0	0	0	Long term building maintenance provision
Depreciation	0	0	91	91	91	91	91	91	91	91	91	91	91	91	91	91	91	Depreciation on equipment only. Property treated as an investment at n
Impairment charge			9,436															To reduce carrying value of property development to £3m
Finance costs																		
Total expenditure	0	33	9,561	125	126	126	127	128	129	130	131	433	134	135	136	138	139	
Net profit / (loss) before tax	0	2,993	(9,390)	48	51	54	56	59	61	62	65	(233)	69	72	74	77	80	
Corporation tax	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1	2	3	
Net profit / (loss) after tax	0	2,993	(9,390)	48	51	54	56	59	61	62	65	(233)	69	72	75	79	83	
Cashflow																		
Cashflow from operations																		
Net profit / (loss) before tax	0	2,993	(9,390)	48	51	54	56	59	61	62	65	(233)	69	72	74	77	80	
Adjustments																		
depreciation	0	0	91	91	91	91	91	91	91	91	91	91	91	91	91	91	91	Add back
impairment			9,436															Add back
grants released	0	(3,000)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	Deduct
advance rent received (S4C)	0	2,983	(66)	(69)	(72)	(76)	(79)	(83)	(87)	(90)	(95)	(99)	(103)	(108)	(113)	(118)	(124)	Adjust S4C rent amortisation to actual cashflow
Working capital movements	(344)	76	264	0	0	0	0	0	0	0	0	0	0	0	1	2	3	Vat & other
Net cashflow from operations	(344)	3,053	335	70	69	69	68	67	65	63	61	(241)	57	54	53	52	51	
Capital expenditure & financing																		
Capital expenditure	(3,129)	(9,164)	(144)															Cash cost excluding non cash costs
Share capital investment in Yr Egin Co	0	(300)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	Investment in cash
Grants received (WG)	0	3,000	0															Assumed non-repayable grant (may be subject to performance)
Grants received (other)	0	0	0															Grants and possible sponsorship re equipment fit out
Loans made (Yr Egin)	0	(300)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	Working capital loan
Loans repaid (Yr Egin)	0	0	0	0	0	0	0	0	30	30	30	30	30	30	30	30	30	
Net capital expenditure & financing	(3,129)	(6,764)	(144)	0	0	0	0	0	30	30	30	30	30	30	30	30	30	

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FORECASTS SUMMARY	FY17	FY18	FY19	FY20	FY21	FY22	FY23	FY24	FY25	FY26	FY27	FY28	FY29	FY30	FY31	FY32	FY33	Notes
Years ended 31 July	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'001	£'002	£'003	
Net cashflow	(3,473)	(3,711)	191	70	69	69	68	67	95	93	91	(211)	87	84	83	82	81	
Bank b/fwd	0	(3,473)	(7,184)	(6,993)	(6,923)	(6,853)	(6,784)	(6,716)	(6,649)	(6,554)	(6,461)	(6,370)	(6,582)	(6,495)	(6,411)	(6,327)	(6,245)	
Bank c/fwd	(3,473)	(7,184)	(6,993)	(6,923)	(6,853)	(6,784)	(6,716)	(6,649)	(6,554)	(6,461)	(6,370)	(6,582)	(6,495)	(6,411)	(6,327)	(6,245)	(6,165)	
Balance sheet (FRS 102 basis)																		
<u>Fixed assets</u>																		
PP&E (net of depreciation)	3,060	12,293	2,909	2,818	2,727	2,636	2,545	2,454	2,363	2,272	2,181	2,090	1,999	1,908	1,817	1,726	1,635	
Investments	0	300	300	300	300	300	300	300	300	300	300	300	300	300	300	300	300	
<u>Current assets</u>																		
Bank	(3,473)	(7,184)	(6,993)	(6,923)	(6,853)	(6,784)	(6,716)	(6,649)	(6,554)	(6,461)	(6,370)	(6,582)	(6,495)	(6,411)	(6,327)	(6,245)	(6,165)	
UWTSD loan	0	300	300	300	300	300	300	300	270	240	210	180	150	120	90	60	30	
Other (debtors)	344	268	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	Vat repayment receivable
	(3,129)	(6,616)	(6,689)	(6,619)	(6,549)	(6,480)	(6,412)	(6,345)	(6,280)	(6,217)	(6,156)	(6,398)	(6,341)	(6,286)	(6,233)	(6,181)	(6,131)	
<u>Creditors < 1 year</u>																		
Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Net current assets	(3,129)	(6,616)	(6,689)	(6,619)	(6,549)	(6,480)	(6,412)	(6,345)	(6,280)	(6,217)	(6,156)	(6,398)	(6,341)	(6,286)	(6,233)	(6,181)	(6,131)	
<u>Creditors > 1 year</u>																		
Deferred income	0	(2,983)	(2,917)	(2,848)	(2,776)	(2,700)	(2,621)	(2,538)	(2,451)	(2,361)	(2,266)	(2,167)	(2,064)	(1,956)	(1,843)	(1,724)	(1,601)	Advance rent paid by S4C, amortised over 25 years
Deferred capital grants	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	Capital grants released as performance criteria met
	0	(2,983)	(2,917)	(2,848)	(2,776)	(2,700)	(2,621)	(2,538)	(2,451)	(2,361)	(2,266)	(2,167)	(2,064)	(1,956)	(1,843)	(1,724)	(1,601)	
Net assets	(69)	2,993	(6,397)	(6,349)	(6,298)	(6,244)	(6,188)	(6,129)	(6,069)	(6,006)	(5,942)	(6,175)	(6,106)	(6,034)	(5,959)	(5,880)	(5,796)	
<u>Reserves</u>																		
Reserves	0	2,993	(6,397)	(6,349)	(6,298)	(6,244)	(6,188)	(6,129)	(6,069)	(6,006)	(5,942)	(6,175)	(6,106)	(6,034)	(5,959)	(5,880)	(5,797)	
Total reserves	0	2,993	(6,397)	(6,349)	(6,298)	(6,244)	(6,188)	(6,129)	(6,069)	(6,006)	(5,942)	(6,175)	(6,106)	(6,034)	(5,959)	(5,880)	(5,797)	
UWTSD CONSOLIDATED																		
Income & Expenditure (FRS102 basis)																		
<u>Income</u>																		
Rents & service charges	0	34	230	278	328	346	365	379	386	393	401	409	416	424	433	441	450	
Other income	0	0	74	113	160	201	233	259	280	286	291	297	303	308	314	320	326	
Catering	0	20	112	139	164	190	204	208	212	217	221	225	229	233	237	241	245	
Grants	0	3,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Total income	0	3,054	416	530	652	737	802	846	879	896	913	930	948	966	984	1,002	1,020	
<u>Expenditure</u>																		
Staff costs	0	100	249	254	259	277	283	289	294	300	305	311	317	322	328	334	339	
Other costs	0	76	226	247	304	350	387	395	403	411	418	426	434	442	449	457	465	
Depreciation	0	0	91	91	91	91	91	91	91	91	91	91	91	91	91	91	91	
Impairment charge			9,436															
Total expenditure	0	177	10,003	592	655	718	761	775	788	801	815	1,128	842	855	869	882	895	
Net profit / (loss) before tax	0	2,878	(9,586)	(62)	(3)	19	41	71	90	94	98	(198)	106	111	115	120	125	
Corporation tax	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Net profit / (loss) after tax	0	2,878	(9,586)	(62)	(3)	19	41	71	90	94	98	(198)	106	111	115	120	125	
Cashflow																		
<u>Cashflow from operations</u>																		
Net profit / (loss) before tax	0	2,878	(9,586)	(62)	(3)	19	41	71	90	94	98	(198)	106	111	115	120	125	
Adjustments																		
depreciation	0	0	91	91	91	91	91	91	91	91	91	91	91	91	91	91	91	Add back
impairment			9,436															Add back

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FORECASTS SUMMARY	FY17	FY18	FY19	FY20	FY21	FY22	FY23	FY24	FY25	FY26	FY27	FY28	FY29	FY30	FY31	FY32	FY33	Notes
Years ended 31 July	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'001	£'002	£'003	
grants released	0	(3,000)	0	0	0													Deduct
advance rent received (S4C)	0	2,983	(66)	(69)	(72)	(76)	(79)	(83)	(87)	(90)	(95)	(99)	(103)	(108)	(113)	(118)	(124)	Adjust S4C rent amortisation to actual cashflow
Working capital movements	(344)	73	240	(0)	(3)	(1)	(2)	0	0	0	0	0	0	0	0	0	0	Vat & other
Net cashflow from operations	(344)	2,935	115	(41)	13	33	51	80	95	95	94	(206)	94	93	93	93	93	
Capital expenditure & financing																		
Capital expenditure	(3,129)	(9,164)	(144)															Cash cost excluding non cash costs
Grants received (WG)	0	3,000	0															Assumed non-repayable grant (may be subject to performance)
Grants received (other)	0	0	0															Grants and possible sponsorship re equipment fit out
Net capital expenditure & financing	(3,129)	(6,164)	(144)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Net cashflow	(3,473)	(3,229)	(29)	(41)	13	33	51	80	95	95	94	(206)	94	93	93	93	93	
Bank b/fwd	0	(3,473)	(6,702)	(6,731)	(6,772)	(6,759)	(6,726)	(6,675)	(6,595)	(6,500)	(6,406)	(6,311)	(6,517)	(6,423)	(6,330)	(6,237)	(6,144)	
Bank c/fwd	(3,473)	(6,702)	(6,731)	(6,772)	(6,759)	(6,726)	(6,675)	(6,595)	(6,500)	(6,406)	(6,311)	(6,517)	(6,423)	(6,330)	(6,237)	(6,144)	(6,052)	
Balance sheet (FRS 102 basis)																		
Fixed assets																		
PP&E (net of depreciation)	3,060	12,293	2,909	2,818	2,727	2,636	2,545	2,454	2,363	2,272	2,181	2,090	1,999	1,908	1,817	1,726	1,635	
Current assets																		
Bank	(3,473)	(6,702)	(6,731)	(6,772)	(6,759)	(6,726)	(6,675)	(6,595)	(6,500)	(6,406)	(6,311)	(6,517)	(6,423)	(6,330)	(6,237)	(6,144)	(6,052)	
Other (debtors)	344	268	35	40	43	46	49	49	49	49	49	49	49	49	49	49	49	Vat repayment receivable
	(3,129)	(6,434)	(6,696)	(6,732)	(6,715)	(6,680)	(6,625)	(6,546)	(6,451)	(6,356)	(6,262)	(6,468)	(6,374)	(6,281)	(6,187)	(6,095)	(6,002)	
Creditors < 1 year																		
Other	0	(3)	4	9	9	11	12	12	12	12	12	12	12	12	12	12	12	
	0	(3)	4	9	9	11	12	12	12	12	12	12	12	12	12	12	12	
Net current assets	(3,129)	(6,432)	(6,700)	(6,741)	(6,725)	(6,691)	(6,638)	(6,558)	(6,463)	(6,368)	(6,274)	(6,480)	(6,386)	(6,293)	(6,200)	(6,107)	(6,014)	
Creditors > 1 year																		
Deferred income	0	(2,983)	(2,917)	(2,848)	(2,776)	(2,700)	(2,621)	(2,538)	(2,451)	(2,361)	(2,266)	(2,167)	(2,064)	(1,956)	(1,843)	(1,724)	(1,601)	Advance rent paid by S4C, amortised over 25 years
Deferred capital grants	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	Capital grants released as performance criteria met
	0	(2,983)	(2,917)	(2,848)	(2,776)	(2,700)	(2,621)	(2,538)	(2,451)	(2,361)	(2,266)	(2,167)	(2,064)	(1,956)	(1,843)	(1,724)	(1,601)	
Net assets	(69)	2,878	(6,709)	(6,771)	(6,773)	(6,754)	(6,713)	(6,642)	(6,551)	(6,457)	(6,359)	(6,557)	(6,451)	(6,341)	(6,225)	(6,105)	(5,980)	
Reserves																		
Reserves	0	2,878	(6,709)	(6,771)	(6,773)	(6,754)	(6,713)	(6,642)	(6,551)	(6,457)	(6,359)	(6,557)	(6,451)	(6,341)	(6,225)	(6,105)	(5,980)	
Total reserves	0	2,878	(6,709)	(6,771)	(6,773)	(6,754)	(6,713)	(6,642)	(6,551)	(6,457)	(6,359)	(6,557)	(6,451)	(6,341)	(6,225)	(6,105)	(5,980)	

Workings

Rents - S4C

Prior year								79	83	87	90	95	99	103	108	113	118
Increase in S4C amortisation								4	4	4	4	4	5	5	5	5	5
Total for year								83	87	90	95	99	103	108	113	118	124

Rents & service charges - other

Prior year								286	296	300	303	306	310	313	316	320	323
Impact of 5 year rent review (7.5% increase)								7									
Service charge increases @ 2% pa								3	3	3	3	3	3	3	3	3	3
Total for year								296	300	303	306	310	313	316	320	323	326

Other income

Prior year								233	259	280	286	291	297	303	308	314	320
Increase in production & editing suites								11	17	1	1	1	1	1	1	1	1
Increase in Auditorium & heart space								13	3	3	3	3	3	3	3	3	3
Increase in other @ 2% pa								1	1	1	1	1	1	1	1	1	1
Total for year								259	280	286	291	297	303	308	314	320	326

Catering income

Prior year								204	208	212	217	221	225	229	233	237	241
Increase @ 2% pa								4	4	4	4	4	4	4	4	4	4
Total for year								208	212	217	221	225	229	233	237	241	245

No increase in overall occupancy at 90% +

Increase usage by 25 days plus 2% pa
 Additional grant pa plus 2% pa

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FORECASTS SUMMARY	FY17	FY18	FY19	FY20	FY21	FY22	FY23	FY24	FY25	FY26	FY27	FY28	FY29	FY30	FY31	FY32	FY33	Notes
Years ended 31 July	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'001	£'002	£'003	
Staff costs																		
Prior year								283	289	294	300	305	311	317	322	328	334	
Increase @ 2% pa								6	6	6	6	6	6	6	6	6	6	
								289	294	300	305	311	317	322	328	334	339	
Other costs																		
Prior year								387	395	403	411	418	426	434	442	449	457	
LTM																		
Increase @ 2% pa								8	8	8	8	8	8	8	8	8	8	
								395	403	411	418	426	434	442	449	457	465	
Other costs - UWTSO																		
Prior year								0	0	0	0	0	300	0	0	0	0	
LTM												300	(300)					
								0	0	0	0	300	0	0	0	0	0	
Finance costs																		
Prior year								0	0	0	0	0	0	0	0	0	0	
less impact of loan repayments @ 3% pa																		
								0	0	0	0	0	0	0	0	0	0	

Property revaluation to MV

Basis 1	
Net lettable area on completion ft2	26,942
Rental value @ £9 psf £'000	242
Net of void allowance @ 10%	218
Yield	8%
Capitalised rental value	2,728

Basis 2	
Office lease area on completion	17,954
Rental value @ £9 psf £'000	162
Net of void allowance @ 10%	145
Yield	8%
Capitalised rental value	1,818
Incubator & hot desk facility area	1,938
Rental value @ £9 psf £'000	17
Net of void allowance @ 10%	16
Yield	9%
Capitalised rental value	174
Production suite area	1,270
Rental value @ £9 psf £'000	11
Net of void allowance @ 0%	11
Yield	8%
Capitalised rental value	143
Cafe area	1,475
Rental value @ £10 psf £'000	15
Net of void allowance @ 0%	15
Yield	8%
Capitalised rental value	184
Auditorium & Heart Space area	3,627
Rental value @ £10 psf £'000	36
Net of void allowance @ 0%	36
Yield	9%
Capitalised rental value	403
Combined capitalised rental value	2,722

Basis 3	
GIA on completion ft2	36,479

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FORECASTS SUMMARY	FY17	FY18	FY19	FY20	FY21	FY22	FY23	FY24	FY25	FY26	FY27	FY28	FY29	FY30	FY31	FY32	FY33	Notes
Years ended 31 July	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'001	£'002	£'003	
Rental value @ £9 psf £'000			328															
Net of void allowance @ 15%			279															
Yield			9%															
Capitalised rental value			<u>3,101</u>															
Basis 4																		
Rents receivable by UWTSD on completion																		
S4C - straight line apportionment			119															
Yr Egin Co.			<u>95</u>															
			214															
Yield			8%															
Capitalised rental value			<u>2,675</u>															
Assumed overall market value on completion			<u>3,000</u>															
Restated property value & depreciation																		
Accumulated cost per model	3,476	12,708	12,852	12,852	12,852	12,852	12,852	12,852	12,852	12,852	12,852	12,852	12,852	12,852	12,852	12,852	12,852	
Adjusted cost excluding non cash element	3,060	12,293	12,436	12,436	12,436	12,436	12,436	12,436	12,436	12,436	12,436	12,436	12,436	12,436	12,436	12,436	12,436	
Accumulated depreciation per model	0	-81	-404	-727	-1,051	-1,374	-1,697	-2,020	-2,343	-2,666	-2,989	-3,312	-3,635	-3,958	-4,281	-4,604	-4,927	
Assumed market value			3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	
Impairment charge			-9,436	-9,436	-9,436	-9,436	-9,436	-9,436	-9,436	-9,436	-9,436	-9,436	-9,436	-9,436	-9,436	-9,436	-9,436	
Revised depreciation charge	0	0	-91	-91	-91	-91	-91	-91	-91	-91	-91	-91	-91	-91	-91	-91	-91	
Revised accumulated depreciation	0	0	-91	-182	-273	-364	-455	-546	-637	-728	-819	-910	-1,001	-1,092	-1,183	-1,274	-1,365	
UWTSD - Yr Egin Co. Rent justification																		
Yr Egin net income by location																		
<u>Non S4C & Ground Floor office leases</u>																		
Rents	29,905	48,902	65,918	65,918	65,918	70,862	70,862	70,862	70,862	70,862	70,862	70,862	70,862	70,862	70,862	70,862	70,862	
Ft ²	8,138	8,138	8,138	8,138	8,138	8,138	8,138	8,138	8,138	8,138	8,138	8,138	8,138	8,138	8,138	8,138	8,138	
Equivalent rent psf	£3.67	£6.01	£8.10	£8.10	£8.10	£8.71	£8.71	£8.71	£8.71	£8.71	£8.71	£8.71	£8.71	£8.71	£8.71	£8.71	£8.71	
<u>Production/editing suites</u>																		
Usage charges	7,680	9,600	14,688	19,976	25,469	36,370	52,992	54,041	55,091	56,140	57,189	58,239						
less staff costs (0.5 fte AV technician)	-19,898	-20,296	-20,702	-21,116	-21,538	-21,969	-22,408	-22,856	-23,313	-23,780	-24,255	-24,740						
less other costs	0	0	0	0	0	0	0	0	0	0	0	0						
less utility & service costs	-11,165	-11,389	-12,388	-13,423	-14,487	-14,776	-15,072	-15,373	-15,681	-15,994	-16,314	-16,640						
Net income	-23,383	-22,084	-18,402	-14,563	-10,555	-375	15,512	15,812	16,097	16,366	16,620	16,858						
Ft ²	1,270	1,270	1,270	1,270	1,270	1,270	1,270	1,270	1,270	1,270	1,270	1,270						
Equivalent rent psf	-£18.41	-£17.39	-£14.49	-£11.47	-£8.31	-£0.30	£12.21	£12.45	£12.67	£12.89	£13.09	£13.27						
<u>Incubator & hot desk facilities</u>																		
Usage charges	26,000	36,400	39,780	43,264	44,096	44,978	45,878	46,795	47,731	48,686	49,659	50,652						
less staff costs (0.5 fte administrator)	-14,592	-14,883	-15,181	-15,485	-15,794	-16,110	-16,433	-16,761	-17,096	-17,438	-17,787	-18,143						
less other costs	0	0	0	0	0	0	0	0	0	0	0	0						
less utility & service costs	-17,032	-17,373	-18,897	-20,476	-22,098	-22,540	-22,991	-23,451	-23,920	-24,398	-24,886	-25,384						
Net income	-5,624	4,144	5,702	7,303	6,204	6,328	6,454	6,583	6,715	6,849	6,986	7,126						
Ft ²	1,938	1,938	1,938	1,938	1,938	1,938	1,938	1,938	1,938	1,938	1,938	1,938						
Equivalent rent psf	-£2.90	£2.14	£2.94	£3.77	£3.20	£3.27	£3.33	£3.40	£3.47	£3.54	£3.61	£3.68						
<u>Meeting room hire</u>																		
Usage charges	5,760	11,520	20,563	20,974	21,394	21,822	22,258	22,703	23,158	23,621	24,093	24,575						
less staff costs	0	0	0	0	0	0	0	0	0	0	0	0						
less other costs	0	0	0	0	0	0	0	0	0	0	0	0						
less utility & service costs	-5,961	-6,080	-6,614	-7,167	-7,734	-7,889	-8,047	-8,208	-8,372	-8,539	-8,710	-8,884						
Net income	-201	5,440	13,949	13,808	13,660	13,933	14,211	14,496	14,786	15,081	15,383	15,691						

CANOFLAN S4C YR EGIN
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FORECASTS SUMMARY	FY17	FY18	FY19	FY20	FY21	FY22	FY23	FY24	FY25	FY26	FY27	FY28	FY29	FY30	FY31	FY32	FY33	Notes
Years ended 31 July	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'001	£'002	£'003	
Ft ²			678	678	678	678	678	678	678	678	678	678	678	678				
Equivalent rent psf			-£0.30	£8.02	£20.57	£20.36	£20.14	£20.55	£20.96	£21.38	£21.80	£22.24	£22.68	£23.14				
<u>Auditorium & Heart Space</u>																		
Income			42,100	64,800	99,241	136,604	167,553	180,904	184,255	187,606	190,957	194,308	197,659	201,011				
less staff costs (0.5 fte administrator, 0.5 fte technician)			-34,489	-35,179	-35,883	-36,600	-37,332	-38,079	-38,841	-39,617	-40,410	-41,218	-42,042	-42,883				
less other costs (event running costs, inc marketing)			-17,351	-25,200	-54,274	-70,459	-81,778	-83,414	-85,082	-86,784	-88,519	-90,290	-92,096	-93,937				
less utility & service costs			-31,888	-32,525	-35,380	-38,336	-41,372	-42,200	-43,044	-43,905	-44,783	-45,679	-46,592	-47,524				
Net income			-41,628	-28,104	-26,296	-8,791	7,070	17,212	17,289	17,301	17,245	17,122	16,930	16,666				
Ft ²			3,627	3,627	3,627	3,627	3,627	3,627	3,627	3,627	3,627	3,627	3,627	3,627				
Equivalent rent psf			-£11.48	-£7.75	-£7.25	-£2.42	£1.95	£4.74	£4.77	£4.77	£4.75	£4.72	£4.67	£4.59				
<u>Café/restaurant</u>																		
Income			112,273	139,032	164,255	190,033	204,266	208,351	212,518	216,768	221,104	225,526	230,036	234,637				
less staff costs (manager, chef, 1.5 fte waitering staff)			-87,550	-89,301	-91,087	-105,578	-107,689	-109,843	-112,040	-114,281	-116,566	-118,898	-121,276	-123,701				
less other costs			-39,296	-48,661	-57,489	-66,511	-71,493	-72,923	-74,381	-75,869	-77,386	-78,934	-80,513	-82,123				
less utility & service costs			-12,963	-13,222	-14,383	-15,585	-16,819	-17,155	-17,499	-17,849	-18,206	-18,570	-18,941	-19,320				
Net income			-27,535	-12,153	1,296	2,359	8,264	8,430	8,598	8,770	8,946	9,124	9,307	9,493				
Ft ²			1,475	1,475	1,475	1,475	1,475	1,475	1,475	1,475	1,475	1,475	1,475	1,475				
Equivalent rent psf			-£18.67	-£8.24	£0.88	£1.60	£5.60	£5.72	£5.83	£5.95	£6.07	£6.19	£6.31	£6.44				
Total net income			-68,465	-3,856	42,167	66,034	90,560	116,388	132,926	133,823	134,650	135,405	136,087	136,695				
Total Ft ²			17,126	17,126	17,126	17,126	17,126	17,126	17,126	17,126	17,126	17,126	17,126	17,126				
Equivalent rent psf			-£4.00	-£0.23	£2.46	£3.86	£5.29	£6.80	£7.76	£7.81	£7.86	£7.91	£7.95	£7.98				
Indicative blended rent for whole psf				£6.50	£6.50	£6.50	£6.50	£7.00	£7.00	£7.00	£7.00	£7.00	£7.00	£7.00				
Indicative total annual rent			0	111,316	111,316	111,316	111,316	119,879	119,879	119,879	119,879	119,879	119,879	119,879				
<u>Common areas</u>																		
Service charge income			14,846	98,832	121,234	145,863	155,633	165,403	168,711	172,085	175,527	179,037	182,618	186,271	189,996			
less staff costs			-8,670	-26,530	-27,061	-27,602	-28,154	-28,717	-29,291	-29,877	-30,475	-31,084	-31,706	-32,340	-32,987			
less other costs, inc utility & service costs			-76,429	-90,256	-92,061	-104,811	-118,034	-131,631	-134,264	-136,794	-139,220	-141,540	-143,751	-145,851	-147,838			
Net income			-70,254	-17,953	2,112	13,450	9,445	5,055	5,156	5,414	5,832	6,413	7,162	8,080	9,171			
Ft ²			9,537	9,537	9,537	9,537	9,537	9,537	9,537	9,537	9,537	9,537	9,537	9,537				
Equivalent rent psf			-£7.37	-£1.88	£0.22	£1.41	£0.99	£0.53	£0.54	£0.57	£0.61	£0.67	£0.75	£0.85	£0.96			
Rent level per Cooke & Arkwright advice			95,000	95,000	95,000	95,000	95,000	95,000	95,000	95,000	95,000	95,000	95,000	95,000	95,000	95,000	95,000	

**YR EGIN PHASE 2
OPERATIONS FORECAST**

ASSUMPTIONS

Start year	2021/22
NIA ft2	24,311
Rent psf (23,977 ft2)	£9.00
Rent psf (10,334 ft2)	£8.50
Deduction pa re £1.5m capitalised rent	-£90,000
Service charges less common area costs pa	£0
Additional staff costs pa	£60,000
Additional other costs pa	£20,000

PROJECTED INCOME & EXPENDITURE	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11	Year 12	Year 13	Year 14	Year 15	Totals
	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	
	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£
Income																	
Rents (with 5 yearly rent reviews)					303,632	303,632	303,632	303,632	303,632	308,024	308,024	308,024	308,024	308,024	312,635	312,635	
Service charges @ £8 psf increasing @2% pa					194,486	198,375	202,343	206,390	210,517	214,728	219,022	223,403	227,871	232,428	237,077	241,818	
deduction re capitalised rent					(90,000)	(90,000)	(90,000)	(90,000)	(90,000)	(94,500)	(94,500)	(94,500)	(94,500)	(94,500)	(99,225)	(99,225)	
Total income					408,118	412,007	415,975	420,022	424,149	428,252	432,546	436,927	441,395	445,952	450,487	455,229	
Expenditure																	
Utility & service costs					(194,486)	(198,375)	(202,343)	(206,390)	(210,517)	(214,728)	(219,022)	(223,403)	(227,871)	(232,428)	(237,077)	(241,818)	
Staff costs					(60,000)	(61,200)	(62,424)	(63,672)	(64,946)	(66,245)	(67,570)	(68,921)	(70,300)	(71,706)	(73,140)	(74,602)	
Other costs					(20,000)	(20,400)	(20,808)	(21,224)	(21,649)	(22,082)	(22,523)	(22,974)	(23,433)	(23,902)	(24,380)	(24,867)	
					(274,486)	(279,975)	(285,575)	(291,286)	(297,112)	(303,054)	(309,115)	(315,298)	(321,604)	(328,036)	(334,596)	(341,288)	
Net income					133,632	132,032	130,400	128,735	127,037	125,197	123,431	121,629	119,791	117,917	115,891	113,941	

Version	FINAL V2
Date	Updated 16/02/2021
Owner	Jonathan Burnes

The Community Benefits register is owned and maintained by the SBCD Portfolio Management Office. It is a working

Requirement	Example Actions
1. Recruiting and training of economically inactive people –Targeted Recruitment and Training (TR&T)	Apprenticeships & Pathways to Apprenticeships traineeships. work experience / internships. graduate placements. work trials. voluntary work opportunities. National Vocational Qualifications. training of retained staff.
2. Supply chain initiatives, covering:	maximising the opportunities for smaller and more local suppliers sub-contract or supply chain opportunities. measures to ensure prompt and fair payment terms.
2a. the following should be considered where these can add value:	retention of existing workforce. training for the existing workforce. the promotion of the Third Sector including Supported Businesses.
3. Community initiatives	donations of equipment; donation of in-kind labour; landscaping, building services support to regenerate communal areas community consultation; sponsorships and cash donations to organisations/charities based in
4. Contributions to education	work placements – secondary school and college students; visits to primary schools to engage younger children, H&S, the ‘world landscaping & building services in school grounds – playgrounds, wild links to the Welsh Government’s Numeracy Employer Engagement curriculum support – donations of equipment, classroom development of bespoke qualifications with colleges.
5. Environmental initiatives	micro-energy generation; reduced waste to landfill; recycling of eligible materials; reduced water consumption; managing business mileage
6. Equality and Diversity objectives*	Supports and encourages social cohesion Supports minority groups in achieving potential activities encouraging women into STEM subjects / Engineering

Benefits Summary	Economic Acceleration				Life Sciences and Wellbeing		Energy and Smart Manufacturing		
	Swansea City and Waterfront	Yr Egin	Digital Infrastructure	Skills and Talent	Life Science and Wellbeing Campuses	Pentre Awel	Homes as Power Stations	Pembroke Dock Marine	Supporting Innovation and Low Carbon Growth
3. Community initiatives									
4. Contributions to education									
5. Environmental initiatives									
6. Equality and Diversity objectives									

Swansea City and Waterfront Digital District

Project	Digital Arena		71 - 72 Kingsway		Innovation Matrix	
Project Duration						
Category	Contracted / Agreed Activity Target	Activity Delivered	Contracted / Agreed Activity Target	Activity Delivered	Contracted / Agreed Activity	Activity Delivered
other:	Completion of the Welsh Government's Community Benefits Tool					
1. Recruiting and training of economically inactive people –Targeted Recruitment and Training (TR&T)	4325 person weeks	2539 person weeks	52 weeks Targeted Recruitment and Training per			
	3028 (70%) New Trainees, Apprentices and other trainees	2079 New Trainees, Apprentices and other trainees				
	1297 (30%) Existing Apprentices	460 Existing Apprentices				
2. Supply chain initiatives	17% - Local (SA Postcode)	33% - Local (SA Postcode)	tenders are asked how they will create opportunities and provide support for SME's to bid for work through your supply chain for this project.			
	38% - Wales	30% - Wales	Also there is a reference to PBA and fair payments.			
	45% - UK & EU	36% - UK & EU				
	MTB events 3	3				
2a. considered where adding						

Project	Digital Arena		71 - 72 Kingsway		Innovation Matrix	
Project Duration						
Category	Contracted / Agreed Activity Target	Activity Delivered	Contracted / Agreed Activity Target	Activity Delivered	Contracted / Agreed Activity	Activity Delivered
retention of existing workforce, training for the existing the promotion of the Third Sector including Supported Businesses.						
3. Community initiatives Page 442	social benefits can be delivered directly to the community in which the successful contractor will operate		The successful Contractor will also be encouraged to secure other value-added, positive outcomes that would benefit the community they operate within. (including school engagement activities)			
4. Contributions to education	engage positively with school age children					
5. Environmental initiatives						
6. Equality and Diversity						

Yr Egin Phases 1 & 2

Project	Phase 1		Phase 2	
Project Duration				
Category	Contracted / Agreed Activity Target	Activity Delivered	Contracted / Agreed Activity Target	Activity Delivered
1. Recruiting and training of economically inactive				
2. Supply chain initiatives				
2a. considered where adding value:				
retention of existing workforce,				
training for the existing workforce,				
the promotion of the Third Sector including Supported Businesses.				
3. Community initiatives				
4. Contributions to education				
5. Environmental initiatives				
6. Equality and Diversity objectives				

Digital Infrastructure

Project	Connected Places		Rural connectivity		Next generation wireless	
Project Duration						
Category	Contracted / Agreed	Activity	Contracted / Agreed	Activity	Contracted / Agreed	Activity
1. Recruiting and training of economically inactive people –Targeted Recruitment and Training (TR&T)						
2. Supply chain initiatives						
2a. Considered where adding value: retention of existing workforce, training for the existing workforce, the promotion of the Third Sector including Supported Businesses.						
3. Community initiatives						
4. Contributions to education						
5. Environmental initiatives						
6. Equality and Diversity objectives						

Project	Skills & Talent	
Project Duration		
Category	Contracted / Agreed Activity Target	Activity Delivered
1. Recruiting and training of economically inactive people –Targeted Recruitment and Training (TR&T)		
2. Supply chain initiatives		
2a. considered where adding value:		
retention of existing workforce,		
training for the existing workforce,		
the promotion of the Third Sector including Supported Businesses.		
3. Community initiatives		
4. Contributions to education		
5. Environmental initiatives		
6. Equality and Diversity objectives		

Life Science and Wellbeing Campuses

Project	Phase 1 - Singleton		Phase 2 - Morriston	
Project Duration				
Category	Contracted / Agreed Activity Target	Activity Delivered	Contracted / Agreed Activity Target	Activity Delivered
1. Recruiting and training of economically inactive people –Targeted Recruitment and Training (TR&T)				
2. Supply chain initiatives				
2a. considered where adding value:				
retention of existing workforce,				
training for the existing workforce,				
the promotion of the Third Sector including Supported Businesses.				
3. Community initiatives				
4. Contributions to education				
5. Environmental initiatives				
6. Equality and Diversity objectives				

Project	Community Health Hub	
Project Duration		
Category	Contracted / Agreed Activity Target	Activity Delivered
1. Recruiting and training of economically inactive people –Targeted Recruitment and Training (TR&T)		
2. Supply chain initiatives		
2a. considered where adding value: retention of existing workforce, training for the existing workforce, the promotion of the Third Sector including Supported Businesses.		
3. Community initiatives		
4. Contributions to education		
5. Environmental initiatives		
6. Equality and Diversity objectives		

Homes as Power Stations

Project						
Project Duration						
Category	Contracted / Agreed Activity Target	Activity Delivered	Contracted / Agreed Activity Target	Activity Delivered	Contracted / Agreed Activity Target	Activity Delivered
1. Recruiting and training of economically inactive people –Targeted Recruitment and Training (TR&T)						
2. Supply chain initiatives						
2a. considered where adding value: retention of existing workforce, training for the existing workforce, the promotion of the Third Sector including Supported Businesses.						
3. Community initiatives						
4. Contributions to education						
5. Environmental initiatives						
6. Equality and Diversity objectives						

Supporting Innovation and Low Carbon Growth

Project	Technology Centre		National Steel Innovation		Decarbonisation		Industrial Futures	
Project Duration								
Category	Contracted / Agreed Activity Target	Activity Delivered	Contracted / Agreed Activity Target	Activity Delivered	Contracted / Agreed Activity Target	Activity Delivered	Contracted / Agreed Activity Target	Activity Delivered
1. Recruiting and training of economically inactive people –Targeted Recruitment and Training (TR&T)	KPI 1 - Work Experience Placements (In Education)	13 students						
	KPI 2 - Work Experience Placements (Not in education)	7 Students						
	KPI 3 - Jobs Created (New Entrants)	11 employees						
	KPI 4 - Construction Careers Information, Advice and Guidance Events	6 events						
	KPI 5 - Waged Training Weeks On Site	300 weeks						
	KPI 6 - Qualifying the Workforce	17 certs						
	KPI 7 - Training Plans	5 plans						
	KPI 8 - Case Studies Approved	3 case studies						
2. Supply chain initiatives								

2a. considered where adding value: retention of existing workforce, training for the existing workforce, Sector including Supported Businesses.								
3. Community initiatives								
4. Contributions to education								
5. Environmental initiatives								
6. Equality and Diversity objectives								



Swansea Bay City Deal Procurement Principles

FINAL VERSION approved 12/11/20

Amended 02-03-21

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Swansea Bay City Deal – Procurement Principles Project Guidance

Foreword

The 15-year Swansea Bay City Region City Deal is a once in a lifetime portfolio of projects and programmes which collectively will achieve:

- Investment of nearly £1.3 billion to support economic growth
- Over £600 million of direct private sector investment attracted
- An overall increase of more than 9,000 gross direct jobs
- A contribution to regional GVA of £1.8 billion

We are in changing times, with UK and Welsh Governments declaring a climate emergency, the uncertainty resulting from Brexit and the unknown long-lasting effects of the COVID-19 pandemic.

Our approach to procurement must be sustainable to build a better future for our future generations.

The Wales Procurement Policy Statement (2015) adopts the Sustainable Procurement Task Force definition of procurement as:

“..the process whereby organisations meet their needs for goods, services, works and utilities in a way that achieves value for money on a whole life basis in terms of generating benefits not only to the organisation, but also to society and the economy, whilst minimising damage to the environment”.

We want to ensure that our citizens and the regional supply chain can benefit from the portfolio, thus improving the overall economy across the Swansea Bay City Region for future generations.

Our portfolio stakeholders recognise that the adoption of City Deal procurement principles by all project stakeholders, lead officers and suppliers is key to achieving this.

Procurement of suppliers for the construction stage is only the first part of the process, the Principles look beyond the initial construction phase and where appropriate also apply to the operational service of the assets when built.



Cllr Rob Stewart
Chair,
Joint Committee



Ed Tomp
Chair,
Economic
Strategy
Board

Swansea Bay City Deal – Procurement Principles Project Guidance

Introduction

These Principles have been developed for project teams that are developing and delivering projects as part of the Swansea Bay City Deal. The Principles encourage project teams to take a fresh look at the way works, goods and services are specified and procured, so that the maximum economic, social, and environmental benefit to the region can be achieved from the process.

These Principles should be considered when planning procurement for any City Deal funded project and be incorporated, as far as is appropriate, to the specification, design and tender. The Principles look beyond the initial construction phase and apply to the operational service of the assets when built.

We acknowledge that some projects will be at a more advanced stage than others and that the principles cannot be retrospectively applied to previous procurements.

In general, the procurement process for Swansea Bay City Deal projects will be led by one of the Local Authorities, however, in some circumstances, procurement may be undertaken by one of the project sponsors. In this case those organisations should consider and apply these principles, where appropriate, within their own procurement policies and requirements.

In 2012, the Welsh Government issued the Wales Procurement Policy Statement which was subsequently reviewed and updated in 2015. The statement sets out the principles by which it expects public sector procurement to be delivered in Wales.

Projects will be expected to meet the requirements of this policy statement which seeks to open procurement contracts up to more innovative solutions to ensure that the money that goes into procurement is spent in a way that stimulates development.

The local authorities are responsible for conducting their own procurement exercises in line with their own organisational policies and procedures. Public sector led procurement requires the procuring bodies to comply with, for example:

- The UK Public Contracts Regulations 2015
- Wales Procurement Policy Statement 2015
- European Public Contracts Directive 2014/24/EU and the requirements placed on the Welsh public sector for all contracts over certain thresholds to be advertised in the Official Journal of the European Union (OJEU),
- Post Brexit, WPPN 03/20 Post EU Transition Public Procurement including Find a Tender Service (FTS).

These principles have been developed in line with the above and also with the five ways of working of the Wellbeing of Future Generations (Wales) Act 2015. The process has involved consultation with the Swansea Bay City Deal Economic Strategy Board, industry representatives, local authority officers, legal and procurement specialists, third sector representatives and Welsh Government officials.

The 5 Procurement Principles:

- 1. Be Innovative**
- 2. Have an open, fair and legally compliant procurement process**
- 3. Maximise Community Benefits from each contract**
- 4. Use Ethical Employment Practices**
- 5. Promote the City Deal**

The Well-being of Future Generations (Wales) Act 2015

The Well-being of Future Generations (Wales) Act 2015 (“the Act”) places a requirement on Public bodies to carry out sustainable development - the process of improving the economic, social environmental and cultural well-being of Wales. The Act promotes 5 ways of working:

Long Term, Prevention, Integration, Collaboration, Involvement

Towards seven well-being goals

A prosperous Wales

A resilient Wales

A healthier Wales

A more equal Wales

A Wales of cohesive communities

A Wales of vibrant culture and thriving Welsh language

A globally responsible Wales

“Public bodies spend £6 billion per year delivering services and this is an area where changes can be made that contribute to generating apprenticeships, lower carbon emissions, buying from local business and building in health considerations. We must procure goods and services that contribute to global well-being, reduces carbon emissions and supports a circular economy.”

*Sophie Howe, Future Generations Commissioner for Wales
Bolder steps towards A Prosperous Wales*

Compliance with the Act will be embedded in all SBCD projects. This will extend to procurement activities and the Act encourages us to explore innovative approaches to achieving procurement outcomes.

Climate Change

UK and Welsh Governments have declared a state of Climate Emergency and have set ambitious Net Zero Carbon targets.

In Wales, The Environment (Wales) Act 2016 requires Welsh Government to reduce emissions of greenhouse gases (GHGs) in Wales by at least 80% for the year 2050.

In recognition of this, projects that are financially supported by the UK and Welsh Governments will be expected to address their carbon footprint by:

- applying sustainable procurement practices,
- sourcing materials sustainably
- by minimising emissions and other environmental impacts.
- encouraging suppliers to adopt a sustainable approach to site management.
- considering how to maximise the use of recycled or leased products through procurement – buying new is not always the most sustainable avenue.
- adopting and applying the concepts of a circular economy should be a primary consideration where appropriate.

Swansea Bay City Deal – Procurement Principles

Project Guidance

The Principles

Principle 1 – To Be innovative

Addressing the social and economic needs of the Swansea Bay City Region, including declarations of climate emergency, will require new ways of working and this includes procurement.

Adopting an innovative approach to how things are specified and procured, will maximise the long-term benefits that can be achieved through the procurement process.

a) Procurement approach

Project teams will be expected to:

- explore how specifications and procurement approaches can help to achieve the long-term benefits of the WCFG Act and meet the requirements of Net Zero Carbon balance.
- consider the benefits of making the reduction of carbon footprint a high priority when specifying goods and services and when appointing suppliers.
- share examples of good practice and alternative ways of collaborative working with others.

More sustainable solutions in line with the Future Generations and Net Zero carbon agendas will be reached if this is done consistently across the portfolio.

b) Procured goods and services

Project teams should have a good knowledge of the regional supply chain to assist Tier 1 suppliers.

For sustainable local delivery, teams should:

- consider if there are alternatives to buying new that could offer improved outcomes.
- consider how to achieve the maximum of community benefits via procurement.
- seek Carbon Offset solutions from Tier 1 suppliers.

c) Collaborative purchasing

Project teams are encouraged to consider if the objectives of these principles can be achieved by collaborative purchasing with other projects across the portfolio.

This may also allow the regional supply chain to upscale manufacture of certain items if warned early enough of demand. This could apply to any goods ranging from office furniture to steel or construction materials for example.

Principle 2 – To have an open, fair and legally compliant procurement process

a) Advance contract notification

Industry has told us that effective communication and early market engagement is imperative so that suppliers and the wider supply chain have advanced notification of future tender opportunities. Early notification and supply chain engagement is a key part of this.

City Deal funded Projects are required to use the City Deal project page on Sell2Wales to promote all City Deal procurement opportunities and events.

A Prior Information Notice (PIN) can be used to notify suppliers of the intention to utilise existing Frameworks; providing this information will help clear communication of forthcoming opportunities to the wider supply chain.

Project teams are required to inform the Portfolio Management Office of their procurement timetable and, at the earliest opportunity, when contracts are due to be released.

Swansea Bay City Deal – Procurement Principles **Project Guidance**

See also Principle 5

b) Wherever possible and appropriate, high-value contracts should be broken down into smaller deliverable components.

To provide regional suppliers the opportunity to tender, project teams should consider breaking down large, high value contracts into smaller deliverable components and to use lotting strategies where existing frameworks (if being used) allow.

Advance consideration must be given to how the main contractor will be required to work with the local supply chain to deliver smaller lots/packages within the larger contract.

See Principle 3.

Principle 3 – To Maximise Community Benefits from each contract

Where appropriate, pursuing Community Benefits as **Core** requirements in major procurement exercises, will contribute to the social, economic, and environmental well-being of the wider communities in the region.

Allowing that criteria must be relevant and proportionate to the contract being let, project teams should work with their own County Councils' community benefits, procurement, or economic development teams to develop an appropriate community benefits package.

Project teams should consider how they intend to engage with a main suppliers' Corporate Social Responsibility staff to achieve these benefits as part of the procurement planning exercise.

Community Benefits typically incorporate the following initiatives:

a) Targeted Recruitment and Training

Targeted recruitment and training (TR&T) puts focus on the employment of new entrants, new entrant trainees, apprentices or other trainees recruited from employability and work programmes, training organisations, colleges and shared apprentice schemes across the region.

Tender documents should include a target for construction projects – typically 52 person weeks per £1m, which is the standard norm.

Project teams are required to actively engage with the Skills and Training Initiative, led by the Regional Learning and Skills Partnership. The Skills and Talent Initiative is an overarching City Deal funded project that aims to deliver a regional solution for the identification and delivery of the skills and training requirements for all City Deal projects.

Project teams shall collaborate with shared apprentice schemes such as Cyfle, regional colleges and regionally based training organisations to ensure that the skills are developed and retained locally.

Project teams should consider working with initiatives such as Workways + and Communities for Work.

For major non-construction-based procurement, alternative social benefit approaches should be used, where appropriate for the procurement being undertaken.

b) Commit to supporting the wider regional supply chain

The Portfolio is keen to maximise (so far as consistent with procurement and competition rules) the use of local materials (in particular, steel). See "Procurement Advice Note, use of steel in contracts" link in resources.

Swansea Bay City Deal – Procurement Principles

Project Guidance

Project teams need to ensure (within procurement and competition rules) that first tier suppliers make a contractual commitment to involving the regional supply chain where possible.

Projects should consider the conditions for sub-contracting in a way that supports regionally based suppliers, consortia tendering, the local supply chain and how these procurement principles will be delivered. This may be by holding effective regional meet the buyer awareness events and training in relevant procurement processes.

c) Education, Community and Environmental Initiatives

Procurements should achieve increased educational contributions, environmental benefits and/or community initiatives. This is usually delivered under Corporate Social Responsibility

Suppliers should be required to work closely with local education establishments to provide added value benefits, especially in curriculum and STEM initiatives.

Project teams are encouraged to assess local needs and, where practical, use procurement to support initiatives that address those issues.

Suppliers should be encouraged to work with groups or organisations that are supported by the local authorities e.g. armed forces charter, over 50's forum, equalities groups etc.

As per Principle 1, additional benefits that address the Climate Emergency and that work toward Net Carbon Zero targets are to be encouraged.

d) Reporting

Project teams will be required to provide annual reports to the Portfolio office using the WG Community Benefits Measurement tool – see resources

Principle 4 – To Use Ethical Employment practices

The Welsh Government 'Ethical Employment in Supply Chains' Code of Practice was published in 2017. The Government expects all public sector bodies to sign up to the code and the wider public sector supply chain to adopt it.

a) All projects to adopt the code

The Welsh Government expects all public sector organisations, businesses and third sector organisations in receipt of public sector funding to sign up to the Code of Practice.

Project teams should encourage all Tier 1 suppliers to sign up to the code if they have not already done so.

b) Fair and prompt payment through the supply chain

It is important to ensure a reliable cash flow through supply chains to reduce the risk of supply chain failure. This will enable more rapid circulation of money through the economy and the local community.

Suppliers have the right to expect fair payment terms. Project procurement should recommend the use of Project Bank Accounts (PBA's) on high value contracts where possible. PBAs represent best practice in ensuring fair and prompt payment in the supply-chain.

All project procurements with a value of £2m or more and lasting longer than 6 months must consider putting in place a Project Bank Account*.

Swansea Bay City Deal – Procurement Principles

Project Guidance

This must be stated as a requirement in procurement briefs, ITT documentation etc. and be a condition of contract award.

Project Procurements under £2m should be assessed for suitability of PBA and a PBA set up if appropriate.

*Other criteria also apply, see guidance section.

Principle 5 – To Promote the Swansea Bay City Deal

As the City Deal Portfolio gains momentum, the need to generate interest and positive awareness of the City Deal projects increases.

It is important that the Portfolio is promoted at every opportunity. This begins with procurement notices which should explicitly refer to the City Deal at the earliest opportunity.

The Swansea Bay City Deal logos (as supplied by the Portfolio Office) must be included on all promotional material and site hoardings

Reference to the City Deal funding must be included in any press releases or publicity issued by the project team or suppliers working on the project giving equal status to both the Welsh and English languages.

Suppliers must be informed that the work they are undertaking is being funded via the City Deal Portfolio and the need for them to create awareness of it.

Following the approval of project business cases, project teams will be required by contract to promote the City Deal bi-lingually in English and Welsh on any signs, hoardings or literature and publicity produced in relation to the project.

Press releases, interviews or other promotional activity must reference the City Deal and should be drafted bilingually in collaboration with the City Deal Communication and Marketing Officer.

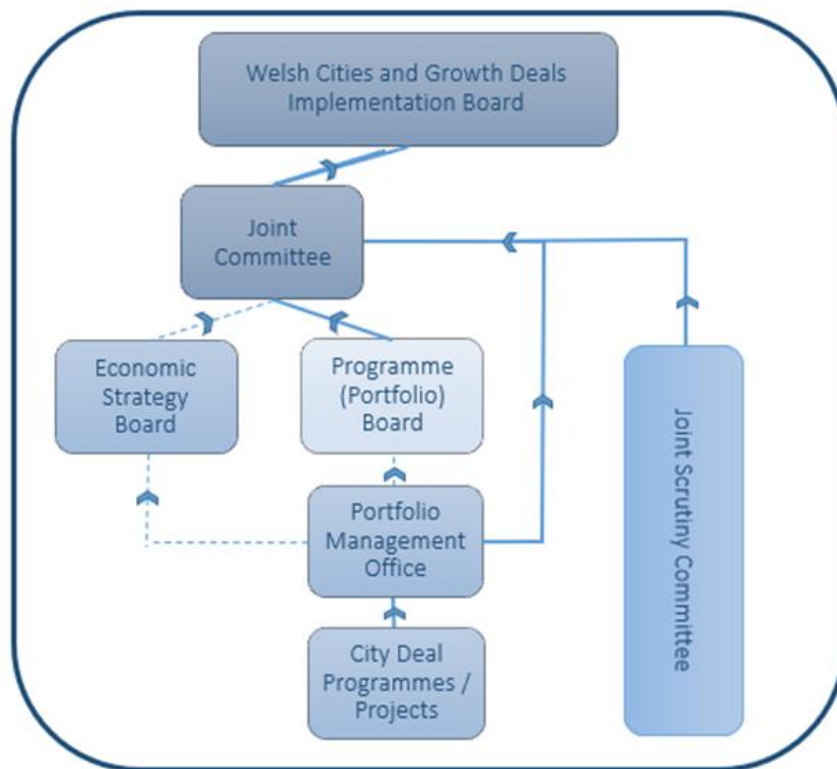
Swansea Bay City Deal – Procurement Principles Project Guidance

Monitoring and Evaluation

The initial procurement process for City Deal projects will make an early pathway for achieving the City Deal Portfolio outcomes and contributions towards the aspirations of the Well-being of Future Generations Act.

As such it is important that procurement is continuously monitored, and its outputs regularly reported and evaluated. Project teams are required to provide the Joint Committee with regular progress reports. These reports should include procurement activities and outputs.

The operational and reporting structure of the City Deal Portfolio is as follows:



As part of its monitoring role, the Economic Strategy Board will review and make recommendations on individual project business cases including procurement exercises. City Deal Portfolio Office will monitor procurement activities and where appropriate, will use Sell2Wales as a recording medium for contract and sub-contractor notices and subsequent awards.

The Community Benefits Measurement Tool will be monitored for achievement of community benefits.

The Joint Scrutiny Committee will review the procurement activities of individual projects as part of its ongoing scrutiny role.

Swansea Bay City Deal – Procurement Principles Project Guidance

Resources

The Welsh Government Public Sector Procurement resource <http://prp.gov.wales/?lang=en>:

Public Sector Procurement after Brexit information can be found here: <http://bit.ly/2SSUjpc>

WPPN 03/20 Post EU Transition Public Procurement including Find a Tender Service (FTS):

<https://gov.wales/wppn-0320-post-eu-transition-public-procurement-including-find-tender-service-fts-html>

Project Bank Accounts: <http://bit.ly/38E7C3h>

Community benefits: A useful e-learning module can be found here: <http://bit.ly/2SDCRpR>

The Community Benefits Measurement tool along with other useful information can be found here: <http://prp.gov.wales/toolkit/?lang=en>

Information about Cyfle Building Skills programme: <http://bit.ly/2P25kTK>

Procurement advice note, use of steel in contracts: <http://bit.ly/2SYa91C>

Cutting embodied carbon in Construction Projects: <http://bit.ly/2HyskWn>



APPENDIX 3.3 Application of the SBCD Procurement Principles

Programme/Project name	
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The Programme / Project has considered and applied the SBCD Procurement Principles as follows:

Principle 1 – To Be innovative

Addressing the social and economic needs of the Swansea Bay City Region, including declarations of Climate Emergency, will require new ways of working and this includes procurement. Adopting an innovative approach to how things are specified and procured, will maximise the long-term benefits that can be achieved through the procurement process.

a - Procurement approach

Explain how the project has:

Explored how specifications and procurement approaches can help to achieve the long-term benefits of the WCFG Act and meet the requirements of Net Zero Carbon balance.
Considered the benefits of making the reduction of carbon footprint a high priority when specifying goods and services and when appointing suppliers.
Shared examples of good practice and alternative ways of collaborative working with others.

b - Procured goods and services

Explain how the project:

Has considered if there are alternatives to buying new that could offer improved outcomes.
Will seek Carbon Offset solutions from Tier 1 suppliers.

c – Collaborative purchasing

Explain how the project has:

Considered collaborative purchasing with other projects across the portfolio.

APPENDIX 3.3 Application of the SBCD Procurement Principles

Principle 2 – To have an open, fair and legally compliant procurement process

a) Advance contract notification

Industry has told us that effective communication and early market engagement is imperative so that suppliers and the wider supply chain have advanced notification of future tender opportunities. Early notification and supply chain engagement is a key part of this.

Explain how the project will:

Publicise procurements and use the City Deal project page on Sell 2 Wales to promote City Deal procurement opportunities and events.

Please give details of your procurement timetable, anticipated dates, value of lots, approach taken and framework (if to be used).
Submitted as part of the Quarterly reporting update of the SBCD Procurement Pipeline

b) Wherever possible and appropriate, high-value contracts should be broken down into smaller deliverable components.

Explain how the project has:

Considered breaking down large, high value contracts into smaller deliverable components and will use lotting strategies where existing frameworks allow (if being used).

Principle 3 – To Maximise Community Benefits from each contract

Where appropriate, pursuing Community Benefits as **Core** requirements in major procurement exercises, will contribute to the social, economic and environmental well-being of the wider communities in the region.

Explain how the project:

Has assessed local needs and how it will use procurement to support initiatives that address those issues.
Has developed and will deliver an appropriate community benefits package.

a) Targeted Recruitment and Training

Explain how the project:

APPENDIX 3.3 Application of the SBCD Procurement Principles

Has set targeted recruitment and training (TR&T) objectives
Will actively engage with the Skills and Training Initiative
Will collaborate with shared apprentice schemes such as Cyfle, regional colleges and regionally based training organisations to ensure that the skills are developed and retained locally.
Will work with initiatives such as Workways + and Communities for Work.

b) Commit to supporting the wider regional supply chain

Explain how the project:

Will ensure that first tier suppliers make a contractual commitment to involving the regional supply chain where possible.
Has considered the conditions for sub-contracting in a way that supports regionally based suppliers, consortia tendering, the local supply chain
Has considered how to maximise the use of local materials (in particular, steel).

c) Education, Community and Environmental Initiatives

Procurements should achieve increased educational contributions, environmental benefits and/or community initiatives. This is usually delivered under Corporate Social Responsibility

Explain how the project:

Will encourage suppliers to work closely with local education establishments to provide added value benefits, especially in curriculum and STEM initiatives.
Will encourage suppliers to work with groups or organisations that are supported by the local authorities e.g. armed forces charter, over 50's forum, equalities groups etc..
Will achieve additional benefits that address the Climate Emergency and that work toward Net Carbon Zero targets.

APPENDIX 3.3 Application of the SBCD Procurement Principles

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Principle 4 – To Use Ethical Employment practices

The Welsh Government 'Ethical Employment in Supply Chains' Code of Practice was published in 2017. The Government expects all public sector bodies to sign up to the code and the wider public sector supply chain to adopt it.

a) All projects to adopt the code

Explain how

Tier 1 suppliers will be encouraged to sign up to the Ethical Employment in Supply Chains code of conduct if they have not already done so.

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b) Fair and prompt payment through the supply chain

It is important to ensure a reliable cash flow through supply chains to reduce the risk of supply chain failure. This will enable more rapid circulation of money through the economy and the local community.

Explain how

The project will ensure a reliable cash flow through the supply chain and apply the use of Project Bank Accounts (PBA's).

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Principle 5 – To Promote the Swansea Bay City Deal

As the City Deal Portfolio gains momentum, the need to generate interest and positive awareness of the City Deal projects increases. It is important that the SBCD is promoted at every opportunity.

Explain how

The project will promote the City Deal through its procurement activities

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Swansea Bay City Deal Programme and Project Procurement Pipeline Design and Construction phase

Updated 06/12/21

Programme	Lead body	Project(s)	Procuring body	Contract Value	Procurement route	Design date (Cal Yr)	Procurement date (Cal Yr)	on site date (Cal Yr)	Completion date (Cal Yr)
Swansea City & Waterfront Digital District Page 467	Swansea Council	Indoor arena and digital square	Swansea Council	£105m	Buckingham Group Contracting Ltd appointed	2018	Q3 2018	Q4 2019	Q4 2021
		Arena (ATG) Food and Drink Building services	ATG / Swansea Council	various	Sell2Wales, tbc		Q2 2021 Q1 2021		Q4 2021
		71-72 Kingsway office accommodation	Swansea Council	Circa £49.6m	Bouygues UK appointed via SWWRC Framework	2020	Q1 2021	Q3 2021	Q1/2 2023
		Innovation Matrix	UWTSD	Circa £7.1m	SWWRC Framework	2018	Q4 2021	Q4 2021	Q1 2023
		Innovation Precinct	UWTSD	Circa £17.42m	SWWRC Framework (TBC)	Q3 2022	Q2 2023 (Predicted)	Q1 2024 (Predicted)	Q1 2025 (Predicted)

Programme	Lead body	Project	Procuring body	Contract Value	Procurement route	Design date (Cal Yr)	Procurement date (Cal Yr)	on site date (Cal Yr)	Completion date (Cal Yr)
Yr Egin	UWTSD	Creative Business Hub Phase 1	UWTSD	Circa £10.48m	KIER – via SEWSCAP2 Completed	Dec 2015	March 2016	March 2017	Completed July 2018
		Creative Business Hub Phase 2	UWTSD	tbc	tbc	Q2-Q4 2021	Q1 2022	Q2 2022	Q4 2023

Swansea Bay City Deal Programme and Project Procurement Pipeline Design and Construction phase

Updated 06/12/21

Programme	Lead body	Project	Procuring body	Contract Value	Procurement route	Design date (Cal Yr)	Procurement date (Cal Yr)	on site date (Cal Yr)	Completion date (Cal Yr)
Digital infrastructure	Carmarthenshire CC	Connected places	TBC	£20m	tbc	Q2-Q4 2021	Q4 2021 Q1 2022	tbc	tbc
		Rural connectivity	TBC	£25.5m	tbc	Q2-Q4 2021	Q1 2022	tbc	tbc
		Next generation wireless (5G and IOT networks)	TBC	£9.5m	tbc	Q2-Q4 2021	Q1 2022	tbc	tbc

Programme	Lead body	Project	Procuring body	Contract Value	Procurement route	Design date (Cal Yr)	Procurement date (Cal Yr)	on site date (Cal Yr)	Completion date (Cal Yr)
Skills and Talent Initiative	Carmarthenshire CC	Courses, training and apprenticeship opportunities	TBC		tbc	Q1-Q3 2021	Q3 2021	Q4 2021	Q1 2026

Programme	Lead body	Project	Procuring body	Contract Value	Procurement route	Design date (Cal Yr)	Procurement date (Cal Yr)	on site date (Cal Yr)	Completion date (Cal Yr)
Life Science, Sports & Well-being Campuses	Swansea University	Phase 1a Morryston refurbishment	SU/SBUHB	Circa £1.25m	SWWRFC/Sell to Wales	Q1 2022	Q1 2022	Q2 2022	Q2 2023
		Phase 1b Campuses Building	Swansea University	Circa £12.75m	Design and Build SWWRFC/SEWSCAP	Stage 2 Q3 2022	Stage 3 Q1 2023	Stage 4 Q2 2023	Q1 2026

Swansea Bay City Deal Programme and Project Procurement Pipeline Design and Construction phase

Updated 06/12/21

Programme	Lead body	Project	Procuring body	Contract Value	Procurement route	Design date (Cal Yr)	Procurement date (Cal Yr)	on site date (Cal Yr)	Completion date (Cal Yr)
Pentre Awel Page 469	Carmarthenshire CC	City Deal funded: Facilities for education, skills and training, business development, clinical delivery and research	Carmarthenshire CC	Circa £70m	Bouygues UK appointed via SWWRC Framework on a two-stage tender process. Pre - Construction Agreement in place.	2021-22	Q2/3 2021	Subject to contractual agreement on conclusion of pre-construction stage - Q3 2022	Subject to agreed construction programme on conclusion of pre-construction stage - Q1 2024
		Carmarthenshire County Council funded: Leisure and aquatics centre and communal infrastructure							

Programme	Lead body	Project	Procuring body	Contract Value	Procurement route	Design date (Cal Yr)	Procurement date (Cal Yr)	on site date (Cal Yr)	Completion date (Cal Yr)
Homes as Power Stations	Neath Port Talbot CBC	Monitoring and evaluation services	NPTCBC	£1m	tbc	2021 Q4	2022 Q1		
		HAPS financial incentives fund	NPTCBC	£5.75m	Fund – to be advertised to all	2021 Q4	2022 Q2 – fund launch		
		HAPS regional supply chain fund	NPTCBC	£7m	Fund – to be advertised to all	2021 Q4	2022 Q2 – fund launch		

Swansea Bay City Deal Programme and Project Procurement Pipeline Design and Construction phase

Updated 06/12/21

Programme	Lead body	Project	Procuring body	Contract Value	Procurement route	Design date (Cal Yr)	Procurement date (Cal Yr)	on site date (Cal Yr)	Completion date (Cal Yr)
Page 470 Supporting Innovation and Low Carbon Growth	Neath Port Talbot CBC	Bay Technology Centre	NPTCBC	Circa £7.9m	SWWRC Framework Morgan Sindall (main contractor)	Q3 2019	Q2 2020	Q3 2020	Q4 2022
		SWITCH Specialist facility (construction)	NPTCBC	Circa £15m	SWWRC Framework	Q2 2021	Q1 2022	Q1 2023	Q1 2024
		SWITCH Specialist equipment	NPTCBC	Circa £5m	tbc	Q2 2021	Q1 2022	Q1 2023	Q1 2024
		Low emission vehicle charging infrastructure	NPTCBC	Circa £0.5m	tbc	Q2 2021	Q4 2021		
		Air quality monitoring sensors	NPTCBC	Circa £0.5m	Procured	Q4 2019	-	-	-
		Hydrogen stimulus project	NPTCBC	Circa £1m	tbc	Q3 2021	Q4 2021		
		Advanced manufacturing Production facility (construction)	NPTCBC	Circa £12m	SWWRC Framework	Q3 2021	Q2 2022	Q3 2023	Q1 2024
		Advanced manufacturing Production facility Specialist equipment	NPTCBC	Circa £5m	Tbc	Q3 2021	Q2 2022	Q3 2023	Q1 2024

Swansea Bay City Deal Programme and Project Procurement Pipeline
Design and Construction phase

Updated 06/12/21

		Advanced manufacturing Production Facility End operator	NPTCBC	Tbc	Sell2wales	Q4 2021	Q2 2022		
		Property Development Fund	NPTCBC	Circa £10m	Fund – to be advertised to all Third parties to procure construction				

Swansea Bay City Deal Programme and Project Procurement Pipeline Design and Construction phase

Updated 06/12/21

Programme	Lead body	Project	Procuring body	Contract Value	Procurement route	Design date (Cal Yr)	Procurement date (Cal Yr)	on site date (Cal Yr)	Completion date (Cal Yr)
Pembroke Dock Marine	Milford Haven Port Authority	Pembroke Dock Infrastructure							
		a) Hanger Annex Renovations	MHPA	£5.2m	MHPA Procedures (Design) only Sell2 Wales - Construction	Q2 2019/20	Q1 2021	Q3 2021	Q1 2023
		b) Amenity and pocket park	MHPA	£300k	Sell2Wales	Q2 2023	Q4 2023	Q2 2024	Q4 2024
		c) Slipway, berthing & Infilling the Pickling Pond	MHPA	£14m	Sell2Wales	Q4 2019 to Q2 2020	Q4 2020 to Q1 2021	Q3 2021	Q2 2023
		d) Land Remediation and laydown at south of site	MHPA	£6m	Sell2Wales	Q3 2020	Q2 2021	Q3 2021	Q2 2022
		e) Infilling of the Graving dock	MHPA	£3m	Sell2Wales	Q1 2021	Q2 2021	Q4 2021	Q4 2023
		f) Terrestrial development, demolitions, levelling, transportation corridor and Utility provisions.	MHPA	£6.4m	Sell2Wales	Q3 2021	Q1 2022	Q3 2022	Q1 2024
		Marine Energy Engineering Centre of Excellence							
		Bi axial test rig	ORE	£200k	Sell to Wales / Find a Contract (value dependant)		Q3 2021		
		Materials for prototypes	Catapult	£900k	Sell to Wales / Find a Contract (value dependant)		Q3&4 2021 Q1-4 2022 Q1-4 2023		

Swansea Bay City Deal Programme and Project Procurement Pipeline Design and Construction phase

Updated 06/12/21

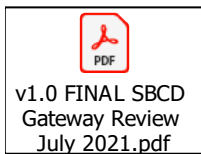
Page 473		Buoys including wave rider buoy		£235K	Sell to Wales / Find a Contract (value dependant)		Q4 2021 – Q3 2023			
		Workshop equipment inc 3d printers		£600k	Sell to Wales / Find a Contract (value dependant)		Q3 2021 – Q4 2023			
		Floating platform		£120k	Sell to Wales / Find a Contract (value dependant)		Q4 2021			
		Marine Energy Test Area Developments								
		Demarcation Bouys	Marine Energy Wales		£90k	Sell to Wales / Find a Contract (value dependant)		Q2 2021		
		Geophysical surveys			£70k	Sell to Wales / Find a Contract (value dependant)		Q2 2021		
		Environmental Support			£30k	Sell to Wales / Find a Contract (value dependant)		Q4 2022		
		Legal support			£30k	Sell to Wales / Find a Contract (value dependant)		Q4 2022		
		The Pembrokeshire Demonstration Zone								
			Wavehub Ltd	tbc	tbc		Q1 2020	Q4 2020	Q1 2021	Q3 2023

Swansea Bay City Deal - Gateway 0 Action Plan

As part of the assurance arrangements for the SBCD Portfolio, a Gateway 0 Review was undertaken 19th-21st July 2021. The Review Team report gave a Delivery Confidence Assessment Rating of Amber/Green with 4 Recommendations and a number of advisory comments.

The following Action Plan has been developed in response to these recommendations and provides detail on the PoMO actions to fulfill the recommendations.

The full Gateway 0 Report can be found below:



Portfolio Gateway Review 2021-22 Recommendation Action Plan

ID	Recommendation	Priority	Report Section	Actions	Target Date	Lead	Sign Off	Status	Dependencies	Update
Gate001a	Update the stakeholder map, engagement strategy and communications plan	Recommended	8.2 Stakeholders and Communications	Review and update stakeholder map, engagement strategy and communication plan	Nov-21	HH	PB/JC	In Progress	Commencement of Comms and Marketing Officer	Comms and Marketing Officer is in post and action in progress. Draft Communications and Marketing Plan to be presented to Programme Board on 25/01/22
Gate001b	Establish the potential to make greater use of dashboard information to convey updates to different stakeholder groups	Recommended	8.2 Stakeholders and Communications	Development of P3M tooling and a dashboard of key information for stakeholders	Nov-21	PR	PB/JC	In Progress	Establishment of P3M tooling	Trialing of P3M tooling was completed during September. A preferred solution has been identified and a final demo of the software has taken place. A final report is being prepared recommending the software to be adopted, which will be followed by procurement. PoMO presented in October 2021, Quarterly Monitoring report, which includes Portfolio level benefits dashboard. This has been created and demonstrates annualised forecasts and completion to date information for the Portfolio level benefits namely Jobs, anticipated GVA contribution, Investment.
				Consultation with stakeholders re: scope and presentation of information to be presented in the dashboard						
Gate002	Confirm that the intended Outcomes and Benefits remain realistic given the impact of Covid and Brexit and the shortening of the UKG funding timeframe.	Essential	8.3 Outcomes and Benefits	Clarify UKG funding timeframe and any implications for benefit realisation	Nov-21	PR	PB/JC	Completed	Dashboard information linked to completion of Gate001b	UKG confirmed on 5/8/21 that benefits realisation timeline remains 2017-33 even though funding profile from UKG ends 2028 due to accelerated drawdown. Portfolio level spending objective benefits have been confirmed and will be updated and reported on a quarterly basis. The wider programme and project benefits will be templated and prepared for report in the next quarter. Work is ongoing to profile the anticipated realisation on an annual basis and reported accordingly. Throughout 2021 the PoMO and project leads completed Covid Impact Assessments on a quarterly basis in order to monitor any potential impact of the pandemic on the Portfolio. From January 2022 the PoMO has implemented a similar Construction Impact Assessment in order to specifically monitor the impact of these and other factors on the infrastructure delivery elements of the Portfolio. As per the Quarterly Monitoring report October 2021 it was confirmed that Portfolio level benefits realisation is still realistic by completion 2033.
				Review and agree benefits at a Po/Pg/Pj level and establish a framework for the management and realisation of benefits across the Portfolio						
				Incorporate reporting of benefits in dashboard information developed in action Gate001b above						
Gate003	Update the Terms of Reference for, and membership of, the Portfolio Board and ensure that all Members and Attendees understand their respective roles	Essential	8.3 Governance	Review and update ToR for PoB	Feb-22	PR	PB	In Progress		The Terms of Reference for SBCD Governance Boards will co-incide with the development of Corporate Joint Committees. Direction will be provided by local authority Chief Execs. PoMO are working with members of SBCD governance groups and SROs to ensure complete understanding of their respective roles.
				Engagement with PoB members to clarify purpose and roles						
Gate004	Identify opportunities for the PoMO to extend its targeted support to constituent Programmes/Projects to reduce the PMO burden on those Programmes/Projects	Recommended	8.5 Portfolio Management and Resources	Completion of Skills Audit with all Pr/Pj	Oct-21	PR	PB/JC	Completed		A skills audit was completed in early 2021 and required results have now been submitted and further review will be undertaken early in 2022 to ensure that any skills requirements or training opportunities are actioned accordingly. A survey has been completed by SROs and Programme/Project leads for feedback on areas of support to be considered by the PoMO. The results of this survey no significant concerns or failures of the support offered by the PoMO and ongoing review and support will be offered for the duration of the Portfolio.
				Review and record the extent of PoMO targeted support to Pr/Pj.						
				Engagement with Pr/Pj Leads and SROs through a survey and direct engagement to identify areas where PoMO could offer support to facilitate development / delivery						
				Review reporting requirements for Pr/Pj and identify any duplication and potential areas for streamlining						

Lists

Portfolio	Critical	Not Actioned	JB
Strategic	Essential	In Progress	PD
Economic	Recommended	Completed	GJ
Commercial	Advisory		PA
Financial			IW
Management			AB
			HT
			RA
			PA/GJ
			PoMO
			PR
			HH

Appendix 5.2 – Appointment of SRO – Joint Committee Report



Swansea Bay City Region Joint Committee – 11 June, 2020

Appointment of Senior Responsible Owner (SRO)

Purpose:	To appoint a Senior Responsible Owner (SRO) who is accountable to the Swansea Bay City Region Joint Committee for ensuring the Swansea Bay City Deal (SBCD) programme has appropriate governance in place
Policy Framework:	Swansea Bay City Deal (SBCD) Joint Committee Agreement (JCA)
Consultation:	Programme Board
Recommendation(s):	It is recommended that Joint Committee: 1) Approves that the Chair of the SBCD Programme Board is appointed as the Senior Responsible Owner (SRO) for the SBCD Programme
Report Author:	Jonathan Burnes, SBCD Programme Director
Finance Officer:	Chris Moore, Section 151 Officer, SBCD
Legal Officer:	Tracey Meredith, Monitoring Officer, SBCD

1. Introduction

1.1 The Joint Committee is ultimately accountable for the delivery of the Swansea Bay City Deal objectives, delivering the projected outcomes and realising the required benefits. The Senior Responsible Owner (SRO) will work with the Joint Committee to ensure that the governance and assurance arrangements are in a place to meet these accountabilities.

1.2 Appointing a Swansea Bay City Deal SRO is a requirement of both the UK Government and Welsh Government. Although the City Deal's Programme Director is responsible for the day-to-day management of the City Deal's Programme Management Office, the SRO will provide the PMO with leadership and direction.

1.3 The SRO will ensure solutions are delivered to meet the needs of the City Deal programme, while engaging key stakeholders and assuring on-going viability and escalations to the Joint Committee. The SRO will also be the owner of the City Deal's Programme Business Case.

1.4 More detail on the need for, the role and the responsibilities of the SRO is included in appendix one of this report.

2. Financial Implications

2.1. There is no financial cost to the programme in respect of the appointment of the SRO.

3. Legal Implications

3.1. The SRO is accountable for ensuring that the programme has in place a governance and assurance regime that is effective, proportionate and appropriate. This will enable the programme to deliver successfully.

4. Alignment with the Well-being of Future Generations (Wales) Act 2015

As a programme which provides an opportunity to address persistent challenges such as climate change, poverty, inequality, jobs and skills in a transformational and preventative way, the City Deal is in keeping with the approach and ambitions of the Well-being of Future Generations (Wales) Act 2015. Given the breadth of the Swansea Bay City Deal programme, it also has a significant impact across the seven well-being goals for Wales.

Background Papers: None

Appendices: Appendix 1 - SRO Letter of appointment, roles and responsibilities

Appendix 1 - SRO Letter of appointment, roles and responsibilities

Swansea Bay City Deal Senior Responsible Owner (SRO) Letter of Appointment

The Swansea Bay City Deal is seeking to appoint a regional SRO to be directly accountable for the independent assurance and to mediate initial opportunities and challenges proposed by key stakeholders. This position will be in addition to the post holder's substantive role and responsibilities and therefore requires dedicated time to fulfil the responsibilities set out below.

The tenure of position is ongoing from appointment with a periodic review by Joint Committee taking place regarding the post holder and associated roles and responsibilities.

The SRO will have accountability for ensuring that the Swansea Bay City Deal programme is governed appropriately with transparent progress updates in an environment that enables stakeholders to constructively challenge and escalate issues to achieve regional ambitions and City Deal targets.

The Joint Committee is ultimately accountable for the delivery of the Swansea Bay City Deal objectives, delivering the projected outcomes and realising the required benefits. The Senior Responsible Owner (SRO) will work with the Joint Committee to ensure that arrangements, governance and assurances are in a place to meet these accountabilities. In doing so the SRO will ensure that key decisions and communications are appropriate and timely with all regional stakeholders and Welsh and UK government officials and Ministers.

The necessity to escalate risks and issues will be through the Joint Committee Chair.

There is a mandatory requirement for the post holder to attend an SRO training course irrespective of whether this is their first SRO role. Opportunities will be identified and supported by the Regional Programme Management Office (PMO).

The Swansea Bay City Deal and its associated projects are required to complete a Risk Potential Assessment (RPA) form and submit it to the WG Integrated Assurance Hub via the Regional PMO. The SRO is required to adhere to this requirement and provide the necessary information.

The SRO is also responsible for change control of the Swansea Bay City Deal. Proposed changes to the scope that could impact on the vision, objectives or benefits realisation of the programme must be authorised by the Swansea Bay City Deal Joint Committee and may be subject to further levels of approval at Welsh and UK Government. This responsibility would also include the potential for recommending, in a timely manner, to the Joint Committee, the need to either pause or terminate the Programme or specific projects where necessary.

SRO Role and Responsibilities

The Role of the Senior Responsible Owner (SRO)

The SRO is responsible for securing the resources necessary for the success of the Programme. In doing so, the SRO must ensure that individuals are appointed with both suitable skills and experience for undertaking the roles identified – particularly when recruiting the Programme Management Office (PMO) staff, as this office could become a single point of programme failure.

The SRO is responsible for ensuring that the related implementation and transition activities realise the agreed objectives and benefits.

The SRO will be expected to account for and explain the decisions and actions they have taken. This could include where a Minister has intervened to change the Programme during the implementation phase in a way which has implications for the cost or timescales – in which case disclosure of any advice regarding such changes may be required.

The SRO must ensure the effectiveness of the governance, assurance and programme management arrangements and maintain them throughout the life of the programme.

The SRO should adopt best practice approaches and be prepared to justify any deviation from the same.

An SRO will:

- Be a visible, engaged and active project leader, not a figurehead;
- Deliver the agreed outcomes and benefits;
- Create an open, honest and positive culture committed to delivering at pace;
- Challenge senior officials and Ministers when appropriate and escalate quickly;
- Provide appropriate support, steer and strategic focus to the Programme Director and ensure that they have a clear and current letter of appointment; and
- Have sufficient time, experience and the right skills to carry the full responsibilities of the role.

Specific SRO accountabilities

The SRO is accountable for setting the Programme up for success. In particular, the SRO is expected to:

- Ensure that the project is set-up to make an unambiguous and demonstrable link to strategic policy;
- Translate policy intent into clear deliverables which are established and agreed with senior stakeholders;
- Carry out a robust and commercially viable options appraisal, which balances risk with opportunity, as part of the Programme Business Case feasibility;
- Establish a firm Programme Business Case during the initiation phase and ensure that any planned change continues to be aligned with the Programme;
- Identify and secure the necessary investment for the Programme Business Case, including budget and operational resource;
- Design and implement robust, appropriate and transparent governance;
- Build strong and effective relationships with key stakeholders, justifying their trust and retaining their confidence, and obtain their commitment to benefits realisation.

The Joint Committee is ultimately accountable for the delivery of the Swansea Bay City Deal objectives, delivering the projected outcomes and realising the required benefits. The Senior Responsible Owner (SRO) will work with the Joint Committee to ensure that arrangements, governance and assurances are in a place to meet these accountabilities. In doing so, the SRO must:

- Gain agreement to the Programme objectives and benefits amongst stakeholders, including Ministers where appropriate;
- Understand the broader government perspective and its impact on the Programme;
- Ensure the strategic fit of the Programme objectives and benefits;
- Agree a clear and simple approach to performance management and monitor delivery of the objectives and benefits, taking appropriate action where necessary to ensure their successful delivery.

The SRO must oversee the development of the Programme Management Office and Implementation Plan with the Programme Director. As part of this activity, the SRO must:

- Ensure that there is a coherent organisation structure and appropriately detailed Programme Implementation Plan;
- Build the right team, securing necessary resources and skills and providing clear lines of accountability;
- Provide appropriate support, steer and strategic focus to the Programme Director;
- Provide appropriate authority to the Programme Director to allow them to undertake the duties of their role, including decision-making within defined tolerances.

In conjunction with the Programme Director, the SRO must monitor and take control of progress. In so doing, the SRO must:

- Monitor and control the progress of the Programme at a strategic level, being honest and frank about Programme progress, decisions, actions, risks and issues;
- Ensure that any changes to agreed Programme benefits are flagged appropriately within Programme governance and that the Programme Business Case is updated accordingly throughout project lifecycle;
- Ensure that the integrity of the Programme is maintained, especially when asked to account for decisions;
- Communicate effectively with senior stakeholders regarding Programme progress;
- Provide clear, appropriate and delivery-focused decisions and advice to the Programme Director.
- Ensure that the Programme Director has the appropriate authority to manage the Programme on a day-to-day basis;
- Monitor the progress of the business change at a strategic level. The Programme Director and the PMO is responsible for this at an operational level, who are responsible for providing regular reports to the SRO, Programme Board and Joint Committee on progress.

The SRO must ensure problem resolution and referral processes are appropriate and effective. In particular, the SRO must:

- Identify, understand and drive the successful mitigation of Programme risks;
- Escalate serious issues quickly and with confidence to Programme Board and Joint Committee and/or Welsh/UK Government officers and Ministers;
- Develop strong and effective engagement between the Programme team and its stakeholders and sponsors;
- Ensure that communication processes are effective;
- Ensure that the Programme objectives and deliverables continue to be consistent with the regional strategic direction.

The SRO must ensure that the Programme is subject to assurance at appropriate stages. In particular, the SRO must:

- Work with the PMO to complete the Risk Potential Assessment (RPA) form and return it to the Integrated Assurance Hub via the Regional PMO at the earliest opportunity (N.B. completion of this form is mandatory on all WG programmes and projects);
- Recognise the value of robust Programme assurance and ensure it occurs at key points in the Programme lifecycle, particularly at the start-up (feasibility) and initiation stages;
- Ensure that an Integrated Assurance and Approval Plan (IAAP) is produced as part of the overall planning for the Programme and Project level;
- Ensure that where assurance is identified in the Programme Implementation Plan, appropriate finance is available to pay for the same;
- Undertake assurance that is proportionate to the needs of the Programme;
- Ensure that administrative requirements for assurance reviews are properly resourced;
- Ensure their availability during assurance reviews;
- Make certain that any recommendations or concerns from reviews are met or addressed in a timely manner;
- In the event of a “red” or “amber-red” gateway review outcome, ensure that key stakeholders are made aware of the situation and briefed accordingly.

The SRO must manage formal Programme closure. In so doing, the SRO must:

- Ensure that the Programme Director oversees the day-to-day management of formal closure activities;
- Hold a ‘lessons learned’ workshop with key stakeholders;
- Formally close the Programme and ensure that the lessons learned are documented within the final evaluation report and disseminated to key stakeholders;
- Ensure that the post implementation review takes place and that the output is communicated to the appropriate stakeholders;
- Ensure a plan for both long-term benefits realisation and on-going sustainability is agreed, and properly handed over to the appropriate benefits owners within the business.

Appendix 5.3

Swansea Bay City Deal

Monitoring and Evaluation Plan



Swansea Bay City Deal Monitoring and Evaluation Plan

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Monitoring and Evaluation Plan

Key changes to this iteration of the Monitoring and Evaluation Plan are listed below:

- Amended milestone evaluation narrative to reflect more accurately what this is to entail.
- Additional information included in relation to Benefits Realisation, primarily section 3 and 4.
- Draft Benefits Profile Reporting Template added.
- Completed Portfolio Benefits Profiles included.
- Updated financial monitoring section.
- Portfolio Benefits Definitions Added.
- Example (blank) Monthly Monitoring Report Template included.
- Quarterly Monitoring report (blank) incorporated.
- Copy of Q3 FY 21-22 Portfolio Benefits Log Summary included.
- Copy of Q3 FY 21-22 Finance report summary added.

1. Introduction

- 1.1. The Swansea Bay City Deal (SBCD) portfolio comprises of nine headline projects and programmes estimated to contribute between £1.8-2.4bn to regional GVA and over 9,000 highly skilled jobs. It is therefore vital to monitor and evaluate the portfolio and associated projects so that they are delivered successfully in order to realise the intended benefits.
- 1.2. The importance of measuring performance, the expected benefits and the impact of the portfolio is reflected in the region's approach to learn from experience and make continuous improvements to the process over time.
- 1.3. A vital component of this is ensuring that projects and programmes are initiated in the right way. The establishment of projects through strategic, outline and full business case developments will heighten the chances of successful delivery. The most common causes of project failure include unclear objectives, insufficient resources, over ambitious timescales and scope, among others. All these factors can affect the deliverability and impact associated with a project and therefore must be considered from the outset of the project or programme.
- 1.4. Dedicated time allocated to determining the appropriate monitoring and evaluation of projects and programmes early on in their lifecycle helps to ensure that clear objectives are shaped and that there is an agreed understanding of needs and wants of all primary stakeholders. This will support issues that are critical to the portfolio success, such as accounting for optimum bias during the strategic and outline business case developments. These can then be amended to reflect more realistic objectives aligned to outcomes, focussing on rigorous benefits management from the start.
- 1.5. This Monitoring & Evaluation Plan has been written by the Regional Portfolio Office (PoMO) to communicate the intent and mechanisms of monitoring and evaluation for stakeholders and to support the Project Teams to develop their performance and benefits realisation plans through the programme and project lifecycles.
- 1.6. As a result, effective monitoring and evaluation will lead to:
 - Coordinated measurement of programme and project performance
 - Alignment to SBCD objectives
 - Determining if the programme or project worked
 - Quality information that leads to informed decision making
 - Visible and improved planning, risk and issue management
 - Collaborative and supportive mechanisms for project and programme success
 - Delivery of the widest possible benefits to the region
 - Demonstrable value for money to the public and key stakeholders
 - Creating a culture of learning and sharing across the region and beyond

2. Monitoring and Evaluation Plan Overview

- 2.1. The M&E Plan aims to provide structure and set expectations for the SBCD project and Programme teams when undertaking project monitoring and evaluation.
- 2.2. The M&E Plan will form part of the Regional PoMO Knowledge Hub that contains project related support, training, guidance and templates for the M&E Plan and other PoMO related assurance, governance and good practice.
- 2.3. This Plan is targeted at Senior Responsible Owners (SROs), the Regional PoMO and SBCD Project/Programme Managers and their teams, in conjunction with providing assurances to Welsh Government and UK Government that progress, performance and impact of the £1.3bn SBCD investment is considered and implemented in a robust manner.
- 2.4. The Portfolio Senior Responsible Owner will ensure that the SBCD PoMO have an appropriate Monitoring and Evaluation Plan in place. Led by the SBCD Director, the PoMO will establish and update the M&E Plan to ensure that it functions appropriately. The PoMO will provide support, training and regular updates to inform key stakeholders of progress, opportunities, issues and risks at a portfolio level.
- 2.5. The *Project/Programme* Senior Responsible Owner, the Project/Programme Manager and their teams are responsible for the implementation of the M&E Plan at a project/programme level. This includes the collation, monitoring and communication of milestones, deliverables and benefits realisation. Relevant and timely information will be presented in user-friendly templates and feed into the regional portfolio updates.
- 2.6. The M&E Plan forms part of the SBCD PoMO Knowledge Hub and covers:
 - The approach to monitoring and evaluation at portfolio, programme and project level
 - Principles and good practice to ensure the performance and impact is managed and maximised
 - How monitoring and evaluation fits within the SBCD assurance framework and the guidance set out in the HM Treasury's Green and Magenta Books
 - A suggested RACI (Responsible, Accountable, Consulted and Informed) matrix for the key roles involved in the monitoring and evaluation of the portfolio
- 2.7. The plan utilises key principles and approaches to promote a proactive monitoring and evaluation culture at key stages of the portfolio, programme and project lifecycles. Changes to existing approaches and processes can be amended accordingly under the leadership of the SBCD PoMO.
- 2.8. The M&E Plan aligns with the revised HM Treasury [Green](#) and [Magenta](#) books, UK Government's [Project Delivery guidance](#) and recognised Project Management bodies such

as the [Association of Project Managers](#). The Green Book sets out the economic principles that should be applied to both programme and project appraisal and evaluation.

- 2.9. The plan will also be shared with the WG’s Office for Project Delivery for awareness and input to evolve the guidance and practices. As such, the plan itself can be applied to any local or regional project, programme or portfolio, regardless of the project methodology, such as agile or waterfall.
- 2.10. The M&E Plan will be applied at portfolio, programme and project level, where a cascade of outputs and outcomes will be required to understand performance and impact of the SBCD programme. Figure 1 below visualises the alignment of the monitoring and evaluation processes at programme and project levels. This approach will support a cooperative approach to monitoring and evaluating the projects and programmes by building on the baselines collaboratively.

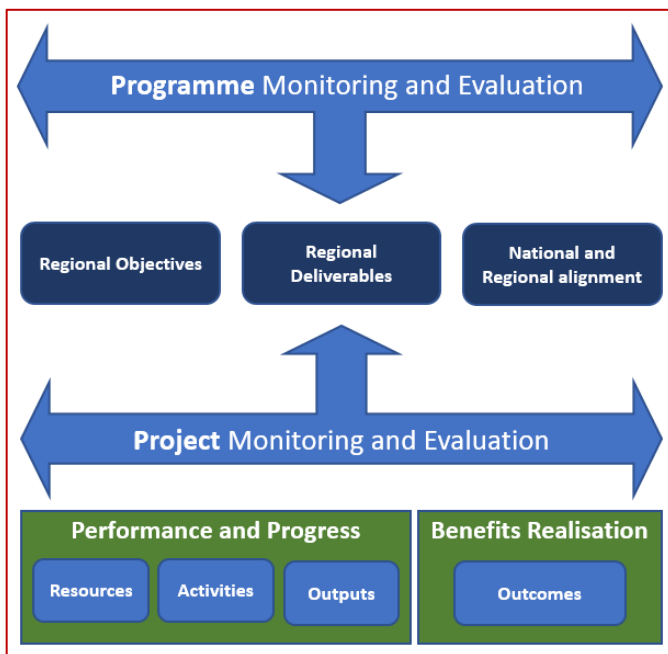


Fig 1. Logic model for Programme and Project M&E

- 2.11. Guidance and advice, as detailed in Fig 2 below will support the embedding of a M&E culture, principles and mechanisms. The recipients include Project and Programme SROs and Project teams. Progress updates will be shared with all SBCD governance groups, including Joint Committee, Programme (Portfolio) Board, Economic Strategy Board, Joint Scrutiny Committee and Welsh Cities and Growth Implementation Board.

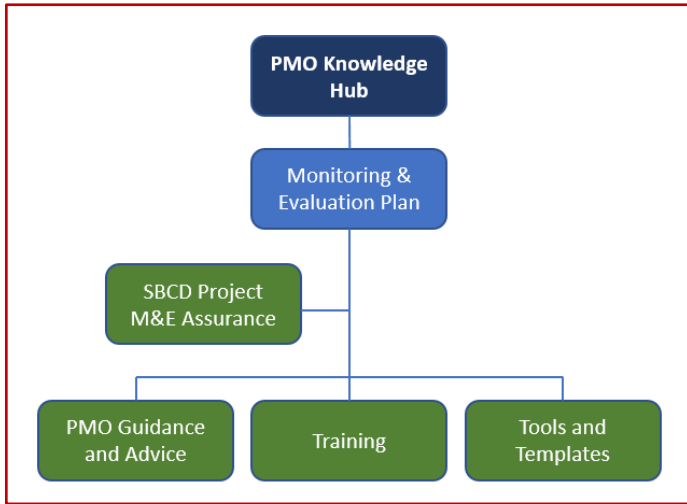


Figure 2. M&E support

2.12. The tools and templates will form part of the SBCD Portfolio Knowledge Hub and will produce the following monitoring and evaluation activity with the associated frequency below:

Document	Frequency
Highlight report	Monthly
Monitoring report	Quarterly
Performance report	Annually
Benefits realisation plan	Continually updated, presented to governance Quarterly and formally reported annually
Milestone evaluations (mid-term and final evaluations)	Milestone evaluations will be undertaken in two main categories. Projects, Programmes and Portfolio Gateway/assurance reviews will be undertaken at appropriate milestones identified in the IAAP. Local reviews will be completed at the end of each delivery phase and at the end of the portfolio. A further optional milestone evaluations can be commissioned by PoMO or other body if required.

3. Monitoring and Evaluating Portfolio Performance and Benefits

3.1. The Monitoring and Evaluation (M&E) Plan is made up of two components addressing the target indicators in the portfolio as depicted in Figure 3. Firstly, Portfolio progress and performance, which is the periodic assessment of project implementation and performance activities; and secondly, Portfolio Benefits Realisation, which is the evaluation of their results in terms of relevance, effectiveness, and impact. The M&E Plan will provide the SBCD governance structures, namely the Joint Committee, Programme (Portfolio) Board, Economic Strategy Board and Joint Scrutiny Committee information on the progress and impact made towards achieving the portfolio’s milestones, outputs and outcomes. This information will also be shared with the Welsh Government and UK Government through periodic updates and reviews and made available to the public on an annual basis.

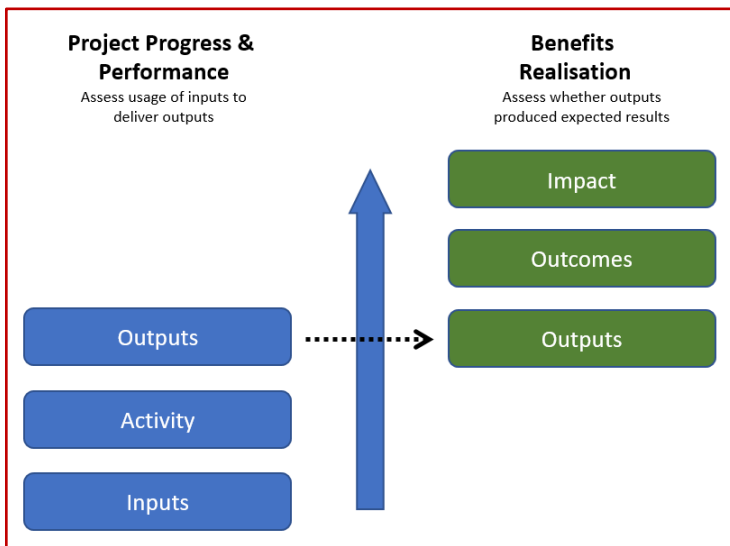


Figure 3. Logical Framework to monitor and Evaluate portfolio performance and impact

3.2. Portfolio progress and performance – Performance monitoring will check and assess whether the portfolio, programme and projects are successful in achieving their objectives by monitoring project activities to improve efficiency and overall effectiveness of the portfolio implementation. Performance monitoring is continuous and will gather information on programme and project implementation against the scheduled plan, including the delivery of quality outputs in a timely manner. Continuous monitoring of project performance will ensure that any issues or constraints, such as technical, resource and financial issues, are identified and managed in an appropriate and timely manner. This will also support the development of clear recommendations for corrective action, and identify lessons learned and best practices for other regional or cross-regional opportunities. All projects will be monitored closely by the SBCD PoMO and will be required to present monthly highlight reports and quarterly monitoring data to Programme (Portfolio) Board and Joint Committee. These reports will be incorporated into a SBCD Annual Report.

- 3.3. Portfolio benefits realisation - Evaluation of the portfolio's success in achieving its outcomes will be monitored Quarterly throughout the portfolio lifecycle with an annual report summarising benefits realised to date and forecasted delivery. The indicators have been further reviewed and refined during the development of this M&E Plan, and tools, methods and indicators for measuring the impact of projects, programmes and the overarching portfolio have been determined and agreed to ensure that a standardised framework is approved and put into practice by all primary SBCD stakeholders, including the SBCD PoMO and Project Managers.
- Further details of Portfolio benefits realisation can be found in section 4 of this guide.
 - The reporting template for individual benefits required to record Programme and Project benefits is included in appendix 1
 - This allows benefits to then be recorded in the Portfolio Benefits Register Summary – Version Q3 – FY21-22 is included in Appendix 5 of this document.
- 3.4. The monitoring and evaluation of portfolio performance and benefits realisation will improve decision-making of the SBCD governance committees and SBCD PoMO by ensuring that the portfolio and associated projects are on track in terms of planned delivery and achieving the intended outcomes by integrating lessons learnt into its planning processes.
- 3.5. The main criterion for monitoring and evaluation activity includes portfolio progress, benefits realisation evaluation, value for money, direct and indirect impact, capacity and capability developments, total impact measures and contextual economic forecasting.
- 3.6. Portfolio achievement monitoring and reporting commenced in Quarter 2 2021, with the first formal annual report being completed in 2022 and aligned to financial year end. Annual Assurance Gateway 0 reviews will be undertaken annually for the Portfolio via an externally appointed team. Projects and programmes will also be subject OGC Stage Gate review process, particularly at Investment Decision, Readiness for Service and Lessons Learned stages. In addition, each project and programme will undergo an evaluation at what was achieved and lessons learned stage review. The incorporation of these reviews and frequent monitoring of activity will ensure that all aspects of the portfolio and projects continuously plan, act, monitor and evaluate throughout their lifecycles, as depicted in Figure 4 below.

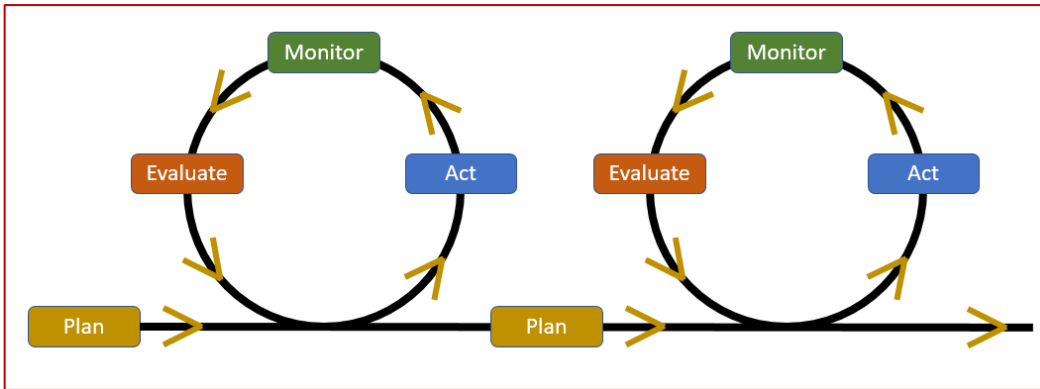


Figure 4. M&E as part of project and programme management and planning

The Milestone evaluations will be undertaken in two categories.

1. Projects, Programmes and Portfolio Gateway/assurance reviews will be undertaken at appropriate milestones identified in the IAAP.
 2. Local reviews will be completed at the end of each delivery phase and at the end of the portfolio. In order to determine the positive progress being made towards achievement of outcomes and will provide constructive recommendations to address any issues and risks identified. It will:
 - Review the effectiveness, efficiency and timeliness of the portfolio and project process model
 - Determine the scale of change and how they are attributable to the SBCD portfolio and projects
 - Compare the benefits and costs of the portfolio and projects to determine value for money and social value, whilst considering total impact measures
 - Analyse effectiveness of implementation and partnership arrangements
 - Identify issues requiring decisions and remedial actions
 - Highlight lessons learned about project design, technical achievement, implementation and management
 - Link across the portfolio and projects with nested logic models to test whether different approaches were successful. For example, the testbed approach of HaPS vs regeneration of Llanelli Well-being village or Swansea City Centre
 - Analyse whether the project is on track with respect to achieving the expected results
 - Propose any mid-course corrections and/or adjustments to the work plan as necessary.
- a. Final Evaluation will take place between three and six months post completion of each project and overall portfolio. In addition to all previous evaluation areas, the final evaluation will review project impact, analyse sustainability of results and whether the project has achieved the outcomes and the development and environmental objectives.

4. M&E Plan Knowledge Hub

4.1. The SBCD Portfolio Knowledge Hub once developed will house the approved processes, mechanisms and templates to monitor and evaluate the portfolio and projects which will be further supported with advice and guidance from the Regional PoMO. The diagram below illustrates the key components of what will be used to govern and assure the SBCD portfolio, programmes and projects by monitoring progress and performance and evaluating the portfolio's success.

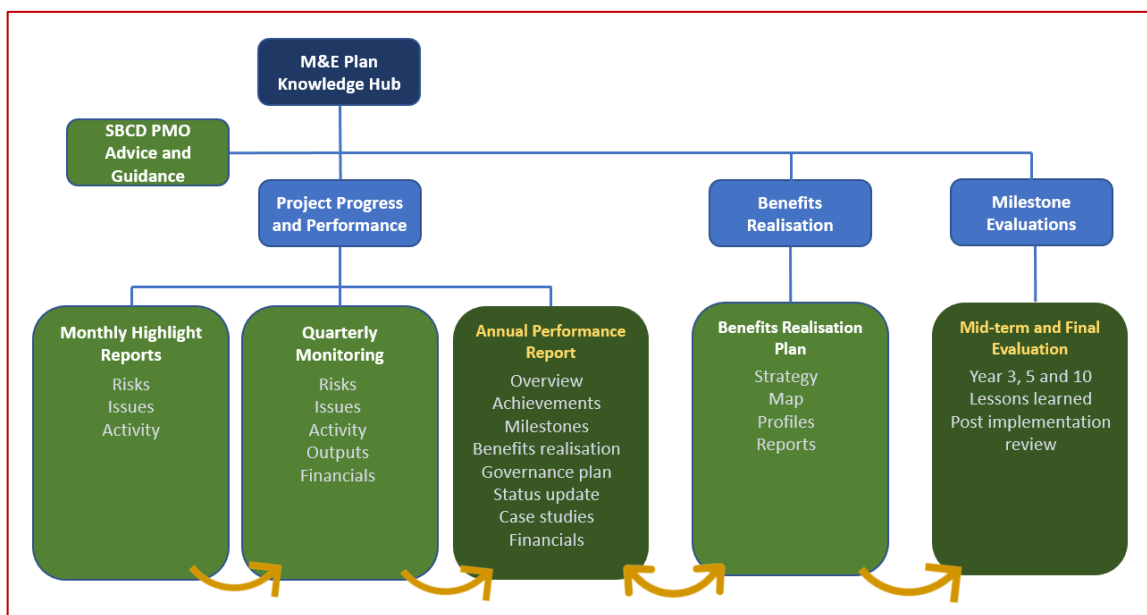


Figure 5. M&E Plan Knowledge Hub

4.2. Project Progress and Performance

4.2.1. Highlight report

Highlight reports will be produced monthly at a portfolio, programme and project level. The purpose is to provide governance structures such as Programme Board and key stakeholders with a collated portfolio summary of the project stage status and progress at regular intervals. The SBCD PoMO will also use these reports to advise and assure the Programme (Portfolio) Board, Project Managers and Governance Boards of any issues or risks, along with achieved and planned activity.

4.2.2. Quarterly monitoring

The quarterly project monitoring report provides an update on the portfolio, programmes and projects and reviews its progress every three months. The Portfolio level report is collated by the SBCD PoMO and is based on Project and Programme level quarterly monitoring reports. The purpose is to provide a summary of the direct outputs from the SBCD projects. Each report is included as an appendix to the quarterly Portfolio Status Report that is provided to the Programme (Portfolio) Board and Joint Committee and will form the basis of the Portfolio implementation plan.

4.2.3. Annual Report

The Annual Report will look back on the previous twelve months of the portfolio, programmes and projects to detail objectives and deliverables, key achievements to date for outputs and outcomes, community benefits, milestones, governance arrangements, portfolio and project status updates, case studies, financial reporting and equality impact assessments. Future priorities and activity for the next period will also be detailed in the report.

4.3. Benefits management

The SBCD benefits management reporting processes will assess and review the SBCD Portfolio benefits that are aligned to the Portfolio Business Case strategic investment objectives and benefits associated at programme and project level to deliver the defined scope in a timely manner and at the anticipated levels.

The benefits associated with the SBCD portfolio have been identified and appraised during the development of the Portfolio, Programme and Project Business Cases and form part of the funding agreement mechanisms implemented by the SBCD to cascade funding and apportion delivery targets. The process identifies the benefits with key stakeholders, identifying owners of each benefit, prioritising and categorising the benefits and establishing baselines. The business case contains the benefits, outcomes, timescales, costs and risks against which continuing viability is tested based on the strategic, economic, financial, commercial and management cases of the HM Treasury five business case model. The Business Case is developed in three iterations: The Strategic Outline Case (SOC), Outline Business Case (OBC) and Full Business Case (FBC) which mature in detail as the project matures.

During the quarter 2 reporting of FY 21/22 the PoMO provided the first iteration of Portfolio Level Benefits Reporting Log, the current benefits log summary is attached to this monitoring and evaluation plan as appendix 5. The log provides actual and forecasted summaries at portfolio level for Investment, **GVA and Jobs Created.

***GVA monitoring is currently delivered through the anticipated effect as per the Economic Case elements of the respective business cases. Any variance to future reporting will be included in future iterations of the M&E Plan and agreed by all stakeholders using the SBCD Change Procedures.*

The Benefits Log will be updated and reported via the SBCD governance arrangements on a quarterly basis, highlighting any significant variance from plan to inform all relevant stakeholders and change notifications being generated if needed via the SBCD change management processes.

In support of the Portfolio Benefits Log, wider Programme and Project benefits templates will be made available from Q4 FY 21/22 to report on the wider benefits.

Project/programme benefits will form part of the Quarterly monitoring report and Annual Report to ensure wider benefit delivery is reported to Portfolio stakeholders.

The process for reporting benefits while using the templates which feed information into the Benefits Reporting Log (included within the appendices) is outlined below.

- 4.3.1 The establishment, monitoring and reporting of benefits will be shared through benefits realisation templates. These templates outline the wider programme and project benefits and the three core portfolio spending objectives for the SBCD, namely:
- 4.3.2 Regional investment – split into City Deal, Other Public, and Private investment
- 4.3.3 Jobs created – Jobs created has been split Pre-procurement (management teams), delivery (i.e. construction jobs – to be measured as FTE) & Operational (the ongoing jobs post handover from the pre-procurement and SBCD teams)
- 4.3.4 Regional GVA – has initially been split into delivery and operational categories, and is subject to review pending UK Government guidance
- 4.3.5 The lead delivery organisation and associated Senior Responsible Officer (SRO) is responsible for benefits realisation.
- 4.3.6 Any variance from agreed benefits must be agreed regionally by the Joint Committee utilising the SBCD change management procedure. Where a change will have an effect on the portfolio spending objectives or a significant impact on the wider programme/project benefits or deliverables then change will likely need government engagement and approval.
- 4.3.7 All benefits will be annualised where possible for the duration of the portfolio, providing a forecast of anticipated delivery in any given year.
- 4.3.8 Benefit realisation will be reported in two key ways:
- 4.3.9 Firstly, the respective templates and log will be updated quarterly and form part of the quarterly monitoring report – it is not mandated that updates are made quarterly and only where benefits have been realised/advanced does the template/log require updating.
- 4.3.10 Secondly, an annual benefits realisation report will be produced which will highlight the following:
- 4.3.11 Benefits achieved/ realised in the last 12 months – including how this compares against target.
- 4.3.12 Project/Programme leads are required to update Benefit Log Templates on a quarterly basis. Deviations from plan should be highlighted as soon as reasonably practical to ensure visibility at board level. The ongoing and annual Benefits Realisation Report must consider all change that has occurred in the previous 12 months.
- 4.3.13 Mitigation strategies should be presented where the benefits realisation has been delayed, reduced or become undeliverable, in order to ensure that the overall level of benefits is safeguarded by the Programme or Project.
- 4.3.14 Following the transition from delivery to operation there is a responsibility of the SBCD stakeholders to continue to report and record the realisation of benefits for the whole duration of the portfolio. The post delivery mechanisms for achieving this will be consulted upon and agreed by the SBCD JC in due course.
- 4.3.15 Categories of reporting need to be agreed using the Benefits Profile Reporting

template, ensuring that what is being reported is meaningful and meets the requirements of SBCD and its stakeholders. Benefits should only be reported where the impact can be realised and demonstrated as providing tangible improvements.

The milestones to review completed benefits will be a suitable and agreed time at project level which allows time for the embedding of associated outputs and capabilities when benefits can be realistically and meaningfully measured. These can be aligned to the Gateway Review process or at suitable milestones set by the project and detailed in the Integrated Assurance and Approval Plan (IAAP).

The portfolio and each associated programme and project will have a defined and up-to-date Benefits Realisation Plan (BRP). The BRP is a document that profiles all the benefits and how they are forecast to be realised from baseline to target, including baseline and measurement information, identified benefit risks and benefit realisation milestones. These BRPs are currently being developed for wider Programme and Project benefits, but have been compiled for the Portfolio level benefits of Jobs, GVA contribution and Investment. The key element found within the BRP include:

4.4 Benefits Profile

A benefits profile is used to define the benefits and potential dis-benefits of the project or portfolio. The profile is developed early on in the scoping and development phases of a portfolio lifecycle where benefits or dis-benefits are defined, and detail will be provided on how they will be realised and measured.

4.5 Benefits Map

A benefits map, referred to as a success map, is a method to visually represent the links between the project deliverables and the overall business case objectives. The map is used to show where the value and benefits of the project really lie. This will demonstrate the change or impact of the portfolio and project through delivery of outcomes and meeting of regional need.

4.6 Benefits Report

A report produced at an agreed frequency demonstrating the realisation of benefits to date, usually comparing the baseline, target and actuals.

4.7 Community Benefits

SBCD projects will be required to use the Value Wales Community Benefits Toolkit to capture the full range of Community Benefits outcomes, including jobs and educational support initiatives and training, in order to provide a consistent and thorough way of measuring such benefits. These will be part of the annual performance review process.

4.8 Milestone Evaluations

The Milestone evaluations will be undertaken in two categories.

Projects, Programmes and Portfolio Gateway/assurance reviews will be undertaken at appropriate milestones identified in the IAAP.

Local reviews will be completed at the end of each delivery phase and at the end of the portfolio. In order to determine the positive progress being made towards achievement of outcomes and will provide constructive recommendations to address any issues and risks identified

4.9 Final Evaluations

Final Evaluation will take place between three and six months post completion of each project and overall portfolio. In addition to all previous evaluation areas, the final evaluation will review project impact, analyse sustainability of results and whether the project has achieved the outcomes and the development and environmental objectives.

a. Risk and Issue Management

A Portfolio Risk Management Strategy covers the portfolio and individual Local Authority led projects, with quarterly reviews at project and programme level. The Risk Register will be reported on a quarterly basis to Programme Board and Joint Committee and shared with Joint Scrutiny Committee and Welsh and UK Governments on the same basis. Risks will be identified, evaluated and prioritised to minimise, monitor and control the probability and impact of such events or to maximise the realisation of opportunities.

b. Alignment with the Well-being of Future Generations (Wales) Act 2015

As a portfolio which provides an opportunity to address persistent challenges such as climate change, poverty, inequality, jobs and skills in a transformational and preventative way, the SBCD is in keeping with the approach and ambitions of the Well-being of Future Generations (Wales) Act 2015. Given the breadth of the Swansea Bay City Deal portfolio, it also has a significant impact across the seven well-being goals for Wales and will be monitored and assessed accordingly across these goals. The five ways of working (long-term; prevention; integration; collaboration; and involvement) as outlined in the Act, will also be used across the portfolio to ensure that the sustainable development principle is applied to all that is undertaken.

c. Equality Impact Assessments

The Equality Act 2010 introduced the Public Sector Equality Duty (PSED). This requires public bodies in Wales to assess the likely impact of proposed and reviewed policies and practices on our ability to comply with the PSED and publish reports of assessments where a substantial impact is detected.

Equality Impact Assessments (EIA) are a tool to help the SBCD portfolio ensure that the policies, practices and decisions are fair, meeting the needs to the public and businesses to ensure that they are not inadvertently discriminating against any protected group as identified in the [Equality Act 2010](#).

The process to conduct EIAs will be to work through several questions. Firstly, one set will screen proposals to determine whether a full impact assessment is required, and the second set of questions forms the basis of a full Equality Impact Assessment. The full assessment will identify the affected group and enable data analysis of those affected

groups, which leads on to analysis of the impact based on that data analysis. A final section requires any negative impacts and mitigating actions to be noted.

d. Welsh Language Act

The Welsh Language (Wales) Measure was passed by the National Assembly for Wales and was given royal assent on 9 February 2011. The Welsh language's official status has a legal effect, which means that Welsh should be treated no less favourably than the English language in Wales. The Welsh Language Standards were created as a regulatory framework in order to set standards on specific organisations. The purpose of Welsh Language Standards is to:

- Ensure clarity to organisations in relation to the Welsh language
- Ensure clarity to Welsh speakers on what services they can expect to receive in Welsh
- Ensure greater consistency in Welsh language services and improve quality to users

As part of our work, we commit to complying with the highest set of Standards, placed on organisations across the region. In order to achieve this the PoMO have developed a Welsh Language Policy for Guidance in use of the City Deal, approved by JC on 14th October 2021

5 Financial monitoring and evaluation

5.1 Financial performance

The total City Deal portfolio expenditure covering all projects is within the £1.3 billion funding package. The City Deal portfolio and project finances will be monitored through quarterly monitoring and annual performance reports. The Programme (Portfolio) Board and Joint Committee will receive financial monitoring updates through these reports, along with the Economic Strategy Board and Joint Scrutiny Committee where appropriate, to monitor and assure Portfolio (encompassing Programme/project) financials. In doing so, they will also make recommendations on possible additional funding opportunities or alternative portfolio expenditure. These reports will also be presented by the Accountable Body to Regional Section 151 Officer working group. The Accountable Body will, in collaboration with the UK and Welsh Government have agreed the financial monitoring process which is aligned to the overall reporting processes for the City Deal and based on best practice principles and guidance on project monitoring contained within the HM Treasury's Green and Magenta Books.

The monitoring process will allow for the control of project cost variations and visibility of variations at a portfolio level.

5.2 Monitoring Requirements

The Project Authority Lead shall submit a claim for Project Funding to the Accountable Body on a quarterly basis. The claim shall include actual expenditure sums and will be approved by the lead authority Section 151 Officer and Project/Programme Senior Responsible Owner. Within the legal funding agreement there is acknowledgement that whilst transactional level documentation is not required to support claims, this should be made available on the request of the Accountable Body.

After the parties have agreed in accordance with clause 6.7 of the funding agreement that the project has achieved practical completion, the Project Authority Lead shall not be required to submit claims for project funding. Thereafter the Project Authority Lead shall complete annual monitoring returns in a form to be specified by the Accountable Body prior to the Accountable Body releasing any project funding to which the Project Authority Lead is entitled. The annual monitoring forms will include an obligation to report on the progress in achieving the agreed outputs. The Accountable Body reserves the right to impose additional monitoring requirements at a frequency and for such period as it considers reasonable in all the circumstances.

In addition to the above monitoring requirement the Accountable Body will require quarterly financial updates on project spend, to support the cashflow management of the portfolio. These will detail the actual spend to the period, with forecast outturn over the 15 year portfolio.

The SBCD operating budget will also be monitored and reported on a quarterly basis to Programme (Portfolio) Board and Joint Committee.

Project Lead Authorities are also obligated to support the Accountable body with any progress update reporting as required by the Welsh Government and UK Government.

5.3 Portfolio Expenditure Forecast

The table below demonstrates the forecast spend of the City Deal portfolio cumulatively over the 15-year grant period, as at 31st December 2021. This forecast position excludes all transactions in respect of the Joint Committee's operational activities.

Investment Component	Working Budget (as per BC) Total (£m)	Portfolio Forecasted Total (£m)	Variance (£m)	Variance
City Deal	235.70	235.70	0.00	0.00%
Public	381.85	390.15	8.30	2.17%
Private	622.56	625.04	2.48	0.40%
Grand Total	1,240.11	1,250.89	10.78	0.87%

Cumulative portfolio Expenditure Forecast (Estimated) – Figure 6

5.4 Portfolio Funding Forecast

Investment Component	Cumulative Actuals (20th Mar 2017 to 31st Mar 2021)	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast
		Year 4 2021-22	Year 5 2022-23	Year 6 2023-24	Year 7 2024-25	Year 8 2025-26	Year 9 2026-27
Capital/Revenue Investment	(£m)	(£m)	(£m)	(£m)	(£m)	(£m)	(£m)
Capital Investment	101.22	47.43	144.18	161.60	176.48	190.99	210.28
Revenue Investment	5.61	3.28	10.61	12.59	12.07	10.68	0.43
Total	106.83	50.70	154.79	174.20	188.55	201.67	210.71
Funding							
City Deal Investment	11.20	20.90	53.04	35.17	26.02	23.77	24.93
Public Sector Investment	82.41	24.20	48.38	56.39	37.56	56.85	67.89
Private Sector Investment	3.60	3.67	32.79	45.17	123.55	132.28	137.01
Total	97.21	48.78	134.21	136.73	187.12	212.90	229.83

Investment Component	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Total
	Year 10 2027-28	Year 11 2028-29	Year 12 2029-30	Year 13 2030-31	Year 14 2031-32	Year 15 2032-33	
Capital/Revenue Investment	(£m)	(£m)	(£m)	(£m)	(£m)	(£m)	(£m)
Capital Investment	163.43	-	-	-	-	-	1,195.62
Revenue Investment	-	-	-	-	-	-	55.27
Total	163.43	-	-	-	-	-	1,250.89
Funding							
City Deal Investment	23.15	4.13	3.35	3.35	3.35	3.35	235.70
Public Sector Investment	16.47	-	-	-	-	-	390.15
Private Sector Investment	146.97	-	-	-	-	-	625.04
Total	186.58	4.13	3.35	3.35	3.35	3.35	1,250.89

Portfolio Funding Forecast – Figure 7

With the funding being released to the portfolio over a fifteen-year period an inherent temporary funding gap is recognised. Each Project or Programme Lead Authority is responsible for managing the cashflows in respect of the projects in which they hold responsibly for delivery, and subsequently are accountable for managing inherent risks and the funding gaps recognised. Each Authority shall be responsible for borrowing to provide funding or securing funding for projects and programmes in its own area.

6 Regional and external scrutiny

There will be a level of independent monitoring and scrutiny both regionally and by external bodies such as Welsh and UK Government. These will be in accordance with the processes and governance arrangements put in place or facilitated by the SBCD PoMO.

Key to this is the IAAP which provides detail on assurance activity across the portfolio including:

- Governance groups reporting
- Key documentation review and approvals
- Internal functional assurance
- Independent assurance (inc. Gateway Reviews)
- Internal and external audit

6.1 Regional PoMO

The SBCD PoMO will provide guidance, support and assurance to all projects in the SBCD portfolio. The SBCD PoMO will work on a risk-based approach to support and intervene when projects and programmes are deviating from the agreed timescales, budgets or deliverables. Escalation of risks and issues will be accessed and communicated through the Project/Programme SRO, Portfolio Director and Portfolio SRO prior to being presented to the formal governance groups.

6.2 Joint Scrutiny Committee

The Joint Scrutiny Committee will provide a scrutiny function to ensure greater public accountability over decisions made by the Joint Committee and any of its sub-committees/related entities. It has been agreed by the four Councils that Neath Port Talbot County Borough Council will be the lead authority to take responsibility for the scrutiny function responsibility and its administration. The details of the committee are set out in the Portfolio Business Case and Implementation Plan, where the role of the Joint Scrutiny Committee is to provide advice, challenge and support to the Joint Committee, based around financial affairs, risk management, governance and resource utilisation. Joint Scrutiny committee also has direct responsibility to scrutinise the regional projects including Digital Infrastructure, Skills and Talent Programme and Homes as Power Stations. To support scrutiny, reports will be regularly shared and can be requested throughout the portfolio lifecycle.

6.3 Internal Audit

Pembrokeshire County Council lead on the internal audit function for the SBCD and will work closely with the SBCD PoMO and key stakeholders to gather information and provide recommendations and follow up actions on a frequent basis.

6.4 Government sponsoring bodies

The Welsh Government and UK Government can commission an independent review of the SBCD if the arrangements and progress are not in accordance with the timeframes and deliverables outside of an agreed tolerance. These assessments will provide both the Welsh and UK Government Ministers with an assessment of the deliverability of the SBCD. A review commissioned by Welsh Government and UK Government was undertaken in January 2019 by Actica Consulting Ltd. The recommendations from the review have been actioned and incorporated into the SBCD operations.

6.5 Independent Assurance

The Portfolio Assurance Framework describes the independent assurance arrangements that will apply to the portfolio, the headline programmes and projects and their many component projects and workstreams. This framework has been produced jointly by the SBCD PoMO and Welsh Government Integrated Assurance Hub (WG IAH) and describes the arrangements for the SBCD Portfolio which are aligned to best practice, and are proportionate, practicable and fit for purpose. It supports the delivery of the IAAP and describes the OGC Gateway Review process and it will be applied. The framework also describes the establishment of an independent assurance capability within the SBCD community, to supplement the existing WG IAH, in order to ensure an effective, comprehensive and proportionate approach.

6.6 External Regulators

Audit Wales as External Auditor to the Joint Committee reviews and comments on the financial aspects of Corporate Governance which includes the legality of financial transactions, financial standing, systems of Internal Financial Control and standards of financial conduct and fraud and corruption.

7. Roles, responsibilities and communication

Key roles and responsibilities for each task or deliverables set out in the SBCD M&E Plan are outlined in the RACI (Responsible, Accountable, Consulted, Informed) matrix below. The RACI matrix considers all stakeholders for the M&E plan activity who will be:

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

Roles and Responsibilities		RACI Matrix														Responsible, Accountable, Consulted, Informed					
Swansea Bay City Deal Programme		ROLES																			
Deliverable or Task	Status	Senior Responsible Officer (SRO)	Joint Committee	Programme Board	Economic Strategy Board	Joint Scrutiny Committee	PMO Director	PMO Manager	PMO Support	Finance Manager	Marketing & Comms	Business Engagement	Senior Responsible Owner	Project Manager	Section 151 Officer	Monitoring Officer	Internal Audit	Welsh Government	UK Government	Consultants	
		Governance				Regional PMO						Projects		Other Stakeholders							
Programme & Project Progress and Performance																					
Monthly highlight report		C	I	C	I	A	R	C	C	C	C	C	A	R	C	C	I	I	I	I	
Quarterly monitoring		C	I	C	C	I	A	R	C	C	C	C	A	R	C	C	I	I	I	I	
Annual performance report		C	A	C	C	C	R	C	C	C	C	C	A	R	C	C	I	I	I	I	
Programme & Project Benefits realisation																					
Strategy		C	A	C	C	I	R	C	C	C	C	C	A	R	C	C	I	I	I	I	
Plan		C	I	C	I	I	R	C	C	C	C	C	A	R	C	C	I	I	I	I	
Profiles		C	I	C	I	I	I	R	C	C	C	C	A	R	C	C	I	I	I	I	
Reports		C	I	C	I	I	I	R	C	C	C	C	A	R	C	C	I	I	I	I	
Programme and Project Milestone evaluations																					
Mid-term evaluation (Year 3, 5 and 10)		C	A	C	C	I	R	C	C	C	C	C	A	R	C	C	I	I	I	I	
Lessons learned		C	A	C	C	I	R	C	C	C	C	C	A	R	C	C	I	I	I	I	
Post implementation review		C	A	C	C	I	R	C	C	C	C	C	A	R	C	C	I	I	I	I	

R Responsible	Assigned to complete the task or deliverable.
A Accountable	Has final decision-making authority and accountability for completion. Only 1 per task.
C Consulted	An adviser, stakeholder, or subject matter expert who is consulted before a decision or action.
I Informed	Must be informed after a decision or action.

Figure 8. Roles and Responsibilities

Further to the RACI matrix, the table below summarises specific responsibilities of the Senior Responsible Owners at portfolio, programme and project level along with the Regional PoMO and local Project Teams. These roles are the ones that are broadly responsible and accountable for the successful establishment and delivery of the M&E plan.

Position	Key responsibilities
Portfolio Senior Responsible Owner	Accountable to the Joint Committee for ensuring the SBCD portfolio has appropriate Monitoring & Evaluation plan in place.
SBCD PoMO (Director, Manager and support staff)	<p>Ensure an appropriate M&E plan and systems are established and functioning.</p> <p>Collate project milestones, deliverables and benefits realisation at a portfolio level.</p> <p>Monitor, manage and communicate change control of the portfolio M&E.</p> <p>Periodically review and revise to changing portfolio needs.</p> <p>Ensure relevant and timely M&E information is provided in user-friendly formats to key stakeholders and senior management.</p> <p>Provide training and mentoring for key stakeholders.</p> <p>Act as a focal point to organise and manage monitoring reviews, evaluations.</p>
<i>Project/Programme</i> Senior Responsible Owner	Accountable to their host organisation and SBCD PoMO for ensuring the SBCD project/programme has appropriate Monitoring & Evaluation practices in place.
Project/Programme Manager/Lead	<p>Establish project milestones, deliverables and benefits realisation.</p> <p>Monitor, manage and communicate change control of project M&E.</p> <p>Ensure that the Regional PoMO M&E plan and systems are embedded locally within the project and is functioning appropriately.</p> <p>Work with PoMO to periodically review and revise the M&E plan to changing portfolio and project needs.</p> <p>Ensure relevant and timely M&E information is gathered, summarised and presented in user-friendly formats to key stakeholders and senior management.</p> <p>Act as a focal point to organise and manage monitoring reviews and evaluations.</p>

Appendices

Appendix 1 – SBCD Benefits Profile Reporting Templates

SBCD Draft Benefits Profile

Programme / Project: Life Science, Wellbeing and Sport Campuses																	
Management Information	Benefit Number											Version					
	Benefit Short Name																
	Objective Description																
	Wider Benefit Detail																
	Benefit Owner																
	Benefit Type	<i>Quantifiable</i>															
Commitment	Financial (or other) Value																
	How has this financial value been derived																
	Current Commitment																
	Delivery Timeframe	Benefits Realisation Starts										Benefits Realisation ends					
Realisation Forecast	Year	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	
		2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	
	Number Forecast	xx	xx	xx	xx	xx	xx	xx	xx	xx	xx	xx	xx	xx	xx	xx	Xx
Measurement	Current target																
	Actual Benefit (Delivered to date)																
	Description of Measure																
	Unit of Measure																
Mechanism of Measurement																	

	Frequency of reporting		Frequency of Measurement		
Business Action	Business Changes required	<i>*What Business changes are required for realisation. What plans are in place to enable Business change*</i>			
	Risks to realisation	<i>*Description of the threats to achieving full benefit realisation (ideally with how they will be mitigated* These risks should be derived by the red risks in the programme/project risk register.</i>			
		Risk Log Ref	Description	Mitigation	Status
	Links & Dependencies	<i>*Summary of the link with other Benefits and activities and dependencies on aspects of this or other programmes and projects*</i>			
		Programme / Project	<i>*Programme / Project Name*</i>	Link / Dependency	<i>*Description of Link or Dependency*</i>

SBCD Benefits Profile – Jobs Created (Portfolio)

Programme / Project:																	
Management Information	Benefit Number	PoMO001						Version	1								
	Benefit Short Name	Jobs created by SBCD															
	Objective Description	Production of Jobs within SBCR															
	Wider Benefit Detail	Wider benefits include reduced unemployment, increased GVA, better prospects for younger residents, economic growth, raise profile of SBCR															
	Benefit Owner	PoMO/Delivery Partners/WG/UKG															
	Benefit Type	*Quantifiable															
Commitment	Financial (or other) Value	Jobs created 9207															
	How has this financial value been derived	This forecast has been derived from production of business cases for each Programme and Project making up the Portfolio. Each business case has estimated their job contribution towards the SBCD HoT target and accordingly has been included in the figures below. The jobs created falls under 3 categories, Pre-procurement jobs, Delivery Jobs and Operational jobs. Definitions of these are included within the Monitoring and Evaluation plan and splits will be derived at programme and project level at appropriate times.															
	Current Status	Job creation has commenced and in Q2 FY 21-22 a forecast target for annual creation was created in consultation with the programme and project leads. This will now be reported quarterly and annually with quarterly updates on variance commencing fully in Q1 FY 22-23.															
	Delivery Timeframe	Benefits Realisation Starts	2017					Benefits Realisation ends	End of portfolio 15 years – 2032/33 for measured benefit however benefit will remain to be generated long past this date.								
Realisation forecast	Year	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	
		2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	
	Number forecast	93	114	159	339	995	1572	2333	2900	3606	4415	5294	6221	7275	8361	9207	
Measurement	Current target	9000+ Jobs															
	Actual Benefit (Delivered to date)	Previous Years 1-3				Previous 12 Months – year 4											
		159				180 (anticipated)											
	Description of Measure	Number of jobs added to the region as a result of SBCD (where possible this should include indirect jobs such as those created as increased supply chain activity within the region)															
Unit of Measure	Jobs created																

	Mechanism of Measurement	<i>*A description of how measurement will be undertaken, including source of information. This should be linked with the Benefits realisation targets / timeline*</i>			
	Frequency of reporting	Quarterly	Frequency of Measurement	Annually or as benefits are realised and jobs created	
Business Action	Business Changes required	<i>*What Business changes are required for realisation. What plans are in place to enable Business change*</i>			
	Risks to realisation	<i>*Description of the threats to achieving full benefit realisation (ideally with how they will be mitigated*</i>			
		Risk Log Ref	Description	Mitigation	Status
			Number of jobs lower than originally anticipated		
		Outside factors impact the ability of the programme to realise its full benefits e.g a reduction in investment			
	Links & Dependencies	<i>*Summary of the link with other Benefits and activities and dependencies on aspects of this or other programmes and projects*</i>			
Programme / Project		<i>*Programme / Project Name*</i>	Link / Dependency	<i>*Description of Link or Dependency*</i>	

SBCD Benefits Profile – GVA contribution (Portfolio)

Programme / Project:																	
Management Information	Benefit Number	PoMO002						Version	1								
	Benefit Short Name	GVA contribution by SBCD															
	Objective Description	Contribution of GVA as a result of SBCD delivery and operation															
	Wider Benefit Detail	Provision of Jobs, Investment, Spend in local economy, raise profile of region, relocation of businesses to within the region, better health and wellbeing for local residents															
	Benefit Owner	PoMO/Delivery Partners/WG/UKG															
	Benefit Type	*Quantifiable – Whilst GVA is quantifiable the legitimacy of GVA as a Portfolio/Programme/Project metric has been raised and discussions are ongoing with the respective governments. Currently, as GVA at this level cannot be quantified by the PoMO reporting of this metric is based on the anticipated value created, outlined in the respective Business Cases and their economic cases.															
Commitment	Financial (or other) Value	Jobs created 9207															
	How has this financial value been derived	This forecast has been derived from production of business cases for each Programme and Project making up the Portfolio. Each business case has estimated their GVA contribution towards the SBCD HoT target and accordingly has been included in the figures below. Definitions of what GVA is reported is included within the Monitoring and Evaluation plan and splits will be derived at programme and project level (if possible) at appropriate times.															
	Current Status	GVA creation has commenced and in Q2 FY 21-22 a forecast target for annual contribution was created in consultation with the programme and project leads. This will now be reported quarterly and annually with quarterly updates on variance commencing fully in Q1 FY 22-23.															
	Delivery Timeframe	Benefits Realisation Starts			2017				Benefits Realisation ends				End of portfolio 15 years – 2032/33 for measured benefit however benefit will remain to be generated long past this date.				
Realisation forecast	Year	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	
		2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	
	Number forecast (GBP millions)	6	8	27	59	119	218	339	479	657	859	1119	1377	1664	1955	2284	
Measurement	Current target	In excess of £1.8 Bn contribution															
	Actual Benefit (Delivered to date)	Previous Years 1-3				Previous 12 Months – year 4											
		27				59 (anticipated)											
	Description of Measure	Number of GVA added to the region as a result of SBCD															

	Unit of Measure	<i>GVA contribution created</i>			
	Mechanism of Measurement	<i>*A description of how measurement will be undertaken, including source of information. This should be linked with the Benefits realisation targets / timeline*</i>			
	Frequency of reporting	<i>Quarterly</i>	Frequency of Measurement	<i>Annually or as benefits are realised and jobs created</i>	
Business Action	Business Changes required	<i>*What Business changes are required for realisation. What plans are in place to enable Business change*</i>			
	Risks to realisation	<i>*Description of the threats to achieving full benefit realisation (ideally with how they will be mitigated)*</i>			
		Risk Log Ref	Description	Mitigation	Status
			Private Investment	Early engagement with industry partners and securing relevant contractual commitments in order to maximise private investment	
		Delay	Ensure that any delays to the realisation of GVA benefits are recorded and reported accordingly in order to meet the expectations of the stakeholders.		
	Links & Dependencies	<i>*Summary of the link with other Benefits and activities and dependencies on aspects of this or other programmes and projects*</i>			
Programme / Project		<i>*Programme / Project Name*</i>	Link / Dependency	<i>*Description of Link or Dependency*</i>	

SBCD Benefits Profile – Investment (Portfolio)

Programme / Project:																	
Management Information	Benefit Number	PoMO003						Version	1								
	Benefit Short Name	Investment created by SBCD															
	Objective Description	Investment within SBCR															
	Wider Benefit Detail	Wider benefits include reduced unemployment, increased GVA, better prospects for younger residents, economic growth, raise profile of SBCR, delivery of SBCD															
	Benefit Owner	PoMO/Delivery Partners/WG/UKG															
	Benefit Type	*Quantifiable															
	Commitment	Financial (or other) Value	Investment £1.25 bn														
How has this financial value been derived		This forecast has been derived from production of business cases for each Programme and Project making up the Portfolio. Each business case has estimated their investment contribution towards the SBCD HoT target and accordingly has been included in the figures below. The investment created falls under 3 categories, Public sector investment, Private Sector and SBCD investment. Definitions of these are included within the Monitoring and Evaluation plan and splits will be derived at programme and project level at appropriate times.															
Current Status		Investment has commenced and in Q2 FY 21-22 a forecast target for annual investment was created in consultation with the programme and project leads. This will now be reported quarterly and annually with quarterly updates on variance commencing fully in Q1 FY 22-23.															
Delivery Timeframe		Benefits Realisation Starts						2017			Benefits Realisation ends			End of portfolio 15 years – 2032/33 for measured benefit however benefit will remain to be generated long past this date.			
Realisation forecast	Year	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	
		2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	
	Number forecast (GBP millions)	41	61	107	158	317	491	687	905	1103	1250						
Measurement	Current target	£1.25 bn															
	Actual Benefit (Delivered to date)	Previous Years 1-3				Previous 12 Months – year 4											
		£107m				£51m (anticipated)											
	Description of Measure	Amount of investment added to the region as a result of SBCD															
	Unit of Measure	Investment delivered															
	Mechanism of Measurement	*A description of how measurement will be undertaken, including source of information. This should be linked with the Benefits realisation targets / timeline*															

	Frequency of reporting	Quarterly	Frequency of Measurement	Annually or as benefits are realised and jobs created	
Business Action	Business Changes required	*What Business changes are required for realisation. What plans are in place to enable Business change*			
	Risks to realisation	*Description of the threats to achieving full benefit realisation (ideally with how they will be mitigated)*			
		Risk Log Ref	Description	Mitigation	Status
			Lack of co-investment	Research informed approach, effective market engagement	
	Links & Dependencies	*Summary of the link with other Benefits and activities and dependencies on aspects of this or other programmes and projects*			
		Programme / Project	<i>*Programme / Project Name*</i>	Link / Dependency	<i>*Description of Link or Dependency*</i>

Appendix 2 – Definitions of Portfolio Benefits

GVA contribution – this is defined by the PoMO as the financial contribution that each programme and project will generate and return to regional GVA. This is determined using the Economic case elements of the Respective Business Cases. Discussions are ongoing with Welsh and UK Government officers to determine the appropriateness of GVA at a Micro Level (i.e Programme and Project).




Investment – Investment is categorised across 3 categories:

- Public Sector Investment – Investment from delivery partners classed as public sector, notably Local Authorities, Health Boards and Universities.
- Private Sector Investment – funding leveraged from the private sector from non-public sector organisations.
- SBCD Investment – the allocated investment agreed as a combined contribution from UK and Welsh Government.

Jobs – Jobs are defined across 3 categories:

- Pre-procurement jobs – these are primarily management jobs and include the Delivery teams, Project and Programme managers and Leads and the PoMO staff.
- Delivery/construction jobs – these are jobs created or retained by delivery partners/contractors and will be reported as Full Time Equivalent roles.
- Operational Jobs – these are created as a result of the Project/Programme/Portfolio and will be the ongoing jobs created as a result of SBCD post delivery. This includes direct and indirect jobs created.

Appendix 3 – Monthly reporting template

Project Title		Name Project Manager
Project Partner Lead:		
Activities Completed	Activities Planned	Risks
		Issues 

Appendix 4 – Quarterly reporting template

Project Title		Programme / Project Lead	
Local Authority Lead			
Project Delivery Lead		Reporting Period	Q3
SRO			

Budget						
Total Budget						
City Deal						
Public						
Private						
Description						
Scorecard						
Delivery	Scope	Staffing Resource	Finance	Stakeholder Engagement	Overall	Status Update
R	A	G				Score Red/Amber or Green depending on current area status

RAG Status	
R	<p><i>Major problems identified which mean the programme / project is unlikely to deliver the agreed scope to the required standard on time or on budget, or to deliver the expected benefits.</i></p> <p><i>Remedial plans are not proving effective.</i></p> <p><i>Escalate to programme / project sponsor for support to resolve.</i></p>
A	<p><i>Some problems identified which may put the programme / project's scope, time, cost, and/or benefits at risk.</i></p> <p><i>Remedial plans are in place and are being monitored to ensure that risk is mitigated.</i></p> <p><i>Highlight to programme / project sponsor for visibility and awareness.</i></p>
G	<p><i>Programme / Project is proceeding according to plan.</i></p> <p><i>Risks/issues are being managed within the programme / project.</i></p> <p><i>No need to escalate to next level.</i></p>

Key achievements
•
Key Activities planned

Key Risks / Issues	
Risk Description	Mitigation
Operational	
Implementation	
Financial	

Outputs
-

Appendix 5 – Portfolio Benefits Log Summary



Benefits%20Summar
y%20-%20Portfolio%

Appendix 6 – Financial reporting



Appendix%20B%20-
%20PIF%20-%20Inve:

Swansea Bay City Deal Portfolio Quarterly Monitoring Report January 2022

Programme / Project Scorecard

Prog / Proj	Status Update	Delivery	Scope	Staffing Resource	Finance	Stakeholder Engagement	Overall
Digital Infrastructure	The programme has been assessed as Amber / Green via a thorough external peer stage gate review.	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow
Pembroke Dock Marine	Overall status Red due to cost increases being realised portfolio wide. Project Partners are mitigating and appraising options to de-risk project, whilst balancing the need to commence delivery post funding and collaboration agreement execution.	Yellow	Yellow	Yellow	Red	Yellow	Red
Pentre Awel	Delivery – Progression of procurement exercise following Business Case approval. Contractor and client-side support services contracts awarded. MoUs signed with academic institutions HoT under development – aligned with business case outputs.	Yellow	Green	Green	Green	Green	Yellow
Yr Egin	Increasing economic uncertainty and Covid implications impacting on levels and nature of demand. Following Phase 1 Lessons Learned exercise, an updated Creative Sector demand analysis has identified a significant change in the type of target companies (by financial size) and nature of provision required (bespoke support services rather than leased floorspace).	Green	Yellow	Green	Yellow	Green	Yellow
Campuses Page 517	The Project has received approval from both U.K. and Welsh Governments so now officially enters the Delivery phase. Scope of the project remains as per the Business case however particular focus is on the affordability of both builds at Morryston and Singleton. Project resources are continuously under review however an appointment of a Communication manager has strengthened the structure of the project team with a focus on stakeholder engagement. Work streams have been identified and appointments made to the delivery team surrounding commercial and operational elements of the project. The overall rating of the project is extremely strong, following funding approval, appointment of the project board and additional resources have ensured the project moves into delivery at the desired level	Green	Green	Green	Green	Green	Green
Homes As Power Stations	Project Manager in post Nov 2021 Scope agreed and fund guidance in development Project Team to be appointed in Q4 Funding agreements in progress Ongoing stakeholder mapping and engagement Monthly HAPS project board meetings	Yellow	Green	Yellow	Yellow	Yellow	Yellow
Supporting Innovation & Low Carbon Growth	Two projects in delivery Programme implementation and delivery plan live Programme Manager recruitment underway SILCG Programme Board meets monthly PAR June 2020 & CFR Oct 2020 – recommendations monitored by Programme Board Engagement with public, private and academia on-going	Yellow	Green	Yellow	Yellow	Green	Yellow
Skills & Talent	Waiting for HR approval for recruitment of remainder of team, which is currently a resource challenge.	Green	Green	Yellow	Green	Green	Green
Swansea City & Waterfront Digital District	Funding agreement discussions are on-going between Swansea Council & UWTSB about the delivery of the Innovation Precinct element of the project. The impact of Covid-19 on delivery timeframes, construction costs and tenancy interest in 71/72 The Kingsway (Digital Village). UWSTD change request has been approved. All projects: Covid 19 could impact on outputs on the project which is being continually monitored. Tickets are on sale for a number of events post March 2022.	Yellow	Green	Green	Green	Green	Yellow

Title	Portfolio Management Office (Communications & Marketing)	Reporting Period	Jan 2022
Officer	Heidi Harries (SBCD Communications & Marketing Officer)		

Summary of last 3 months – October, November and December

- Continuation of City Deal communications and marketing via press releases, website content, social media content, and media/stakeholder liaison
- Business Case approval for Skills & Talent and Campuses. All Business Cases have now been approved by the Welsh Government and UK Government and the focus can switch to delivery.

Key achievements

- 75 positive mentions in the local, regional, national and specialist media for the SBCD portfolio and its programmes/projects. This included coverage on Wales Online, the South Wales Evening Post, Wales Business Insider, Business News Wales, Wales 247, Inside Media, the Llanelli Star, the Carmarthen Journal, the Western Telegraph, and specialist publications. Topics covered included the UKG/WG approval of Skills & Talent and Campuses, Small Business Saturday, Bouygues UK named as contractor to Pentre Awel, 20m facility for decarbonisation, 3000 apprenticeships created, work starts on 71/72 the Kingsway, work beginning on Pembroke Dock Marine, Fleet of electric vehicles bought for Port of Milford Haven, Technology Centre on target for completion
- Twitter - From 1st October to 31st December 'reach' was 221.7k – this is the number of people that saw the posts, engaged, clicked on, re-tweeted, commented or liked. Number of followers is 1,530
- Facebook - From 1st October to 31st December 'reach' was 29.7k – this is the number of people that saw the posts, engaged, clicked on, re-tweeted, commented or liked. Number of followers is 891.
- Ministerial visit from UK Governments David T C Davis for Skills and Campuses approval at the University of Wales Trinity Saint David and Gower College. This was also attended by BBC Cymru and ITV with coverage on the TV as well as online and print media.
- Built a strong relationship with the communications teams in the 3 regions and wrote a joint piece - 2021 Highlights in Growth Deals across Wales
- Caught up with tenants at Yr Egin for a press release, which can be developed into a case study

Key Activities planned – January, February and March

- Finalise and issue the Communications and Marketing Plan
- Continue to update the Communications and Engagement Schedule
- Press Release to support that all projects and programmes are all in delivery. Additional Press Releases that are timely and on topic.
- Potential Ministerial visit for Campuses
- Create a suite of Infographics to be used across the portfolio.
- Begin work on the Annual Report
- Organise marketing collateral, attend and support in the Showcase Event
- Organise marketing collateral, attend and support in the 4 The Region Event
- Create Bios on key City Deal people
- Develop a template for Case Studies
- Continued updates of the website and social media

Project Title	Swansea City & Waterfront Digital District	Programme / Project Lead	Huw Mowbray
Local Authority Lead	Swansea Council		
Project Delivery Lead	Swansea Council	Reporting Period	January
SRO	Martin Nicholls		

Budget	
Total Budget	£175.35m
City Deal	£50m
Public	£85.38m
Private	£39.97m
Description	
<ul style="list-style-type: none"> To boost Swansea city centre's economic well-being at the heart of the City Region's economy, while retaining local tech, digital and entrepreneurial talent. This project includes: A digitally enabled indoor arena in the city centre for concerts, exhibitions, conferences and other events A 'digital village' development in the city centre to accommodate the city's growing tech and digital business sector Innovation Matrix development at the University of Wales Trinity Saint David's new Swansea waterfront campus to enable start-up company support and growth 	

Key achievements in Q3
Business Case & Project Development <ul style="list-style-type: none"> Arena cladding and install of LEDs complete. Arena internal finishers and M & E equipment install commenced. Tickets have gone on sale for the Arena. Coastal Parkland hard and soft landscaping commenced. 71/72 Kingsway - Contractor appointed and start date being agreed.
Key Activities planned Q4
Arena <ul style="list-style-type: none"> Practical completion by February 2022. Agree terms and conclude the agreement with commercial tenants. Continue to explore Hotel delivery options. 71/72 Kingsway <ul style="list-style-type: none"> The Business case to be updated to reflect the 71-72 moving to FBC. Construction has commenced. Further detailed letting/operator discussions continue for 71/72 The Kingsway Innovation Matrix <ul style="list-style-type: none"> Professional team has been appointed and planning application is being progressed.

Outputs
<p>Physical delivery of arena (circa 80,000 square feet with a 3,500-capacity), along with digital square is on track.</p> <p>Cabinet approved funding for 71/72 The Kingsway, which will comprise circa 115,000 square feet of office space.</p> <p>Discussions on-going with UWTSB about their element of the project (Innovation Matrix).</p> <p>Caveat: Covid 19 could have an impact on jobs and GVA.</p>

Project Title	Digital Infrastructure Programme	Programme / Project Lead	Gareth Jones
Local Authority Lead	Carmarthenshire County Council		
Project Delivery Lead	Carmarthenshire County Council	Reporting Period	Q3
SRO	Jason Jones		

Budget	
Total Budget	£55m
City Deal	£25m
Public	£13.5m
Private	£16.5m
Description	
<p>To significantly improve digital connectivity throughout the City Region for the benefit of businesses and residents, also helping to attract inward investment. The project is made of up of three Project workstreams:</p> <ul style="list-style-type: none"> • Connected Places • Rural connectivity • Next generation wireless (5G and IOT networks) 	

Key achievements
<ul style="list-style-type: none"> • Programme risks and issues being managed with mitigation ongoing. • Appointment of specialist advisors to the Digital Programme is complete. • Recruitment of central Programme team complete. • Supplier engagement ongoing. • Commercial options assessment commenced. • Delivery workshops & engagements for individual project plans. • Submission of Regional DCIA funding bid to UK Government to accelerate mobile deployment.

Key Activities planned
<ul style="list-style-type: none"> • Fully transitioning all elements of the Programme from planning and preparation to delivery. • Supporting Local Authorities with ongoing Digital Infrastructure interventions and investment. • Programme risk mitigation ongoing. • Market engagement ongoing. • Pursuit of further additional Public Sector funding via UK and Welsh Government. • Additional lobbying for, facilitating, and supporting of private sector investment. • Digital Programme funding agreements drafted and being consulted upon with the 4 Local Authorities. • Human resource recruitment for individual revenue funded Projects. • Procurement strategies finalised for first capital funded Projects. • Arrange next Programme stage gate review.

Project Title	Pembroke Dock Marine	Programme / Project Lead	Steve Edwards
Local Authority Lead	Pembrokeshire County Council		
Project Delivery Lead	Milford Haven Port Authority	Reporting Period	Jan 22
SRO	Steven Jones		

Budget	
Total Budget	£60.47m
City Deal	£28m
Public	£16.35m
Private	£16.12m
Description	
<p>This Programme will place Pembrokeshire at the heart of UK and global zero carbon, marine and offshore energy innovation, building on the expertise of a marine energy cluster in Pembroke Dock. Facilities will be provided for marine energy innovators to build, test and commercialise their technologies. Project features include:</p> <ul style="list-style-type: none"> • Pembroke Dock Infrastructure (PDI) improvements • A Marine Energy Engineering Centre of Excellence (MEECE) • Marine Energy Test Area (META) developments • The Pembrokeshire Demonstration Zone (PDZ) 	

Key achievements (Overall Objective ID shown in brackets)
<p>PDI update</p> <ul style="list-style-type: none"> • Hanger Annexes (IP1) has commenced. The tendered price exceeded the budget as set out in the approved business plan but these are in line with general increases being experienced across the SBCD portfolio. The Port’s delivery team are working through multiple options in close communication with both PCC and the PoMo to mitigate this whilst maintaining the transformational impact of the project. • We have engaged with WEFO about additional funding opportunities and are awaiting its response. • We have participated in the Welsh Government Deep Dive on renewable energy and positively some of the feedback has been included within the Welsh Government published recommendations • We have engaged with a number of FLOW developers during Q4 and a number are really encouraged by the infrastructure to be developed by PDI • Partner collaboration agreement and formal governance has all been executed • We have submitted our first claims to PCC. <p>PDZ update</p> <ul style="list-style-type: none"> • PDZ project definition, key Stakeholder engagement and early procurement commenced. Permitting and technical pathway notes delivered, providing basis for work in early 2022. • PDZ recruitment underway, with 1FTE appointed in Pembroke and two more in process.

META update

- Swansea University have deployed a device for testing at the Warrior Way site at META as part of the SELKIE project (IP5a)
- A drop down video survey was completed at the Dale Roads and Warrior way META test sites using a local survey company Haven Marine Surveys. The data collective is part of the ongoing campaign to further characterise the sites. (IP5a)
- Members of staff from Marine Energy Wales and the META project attended the Ocean Energy Europe conference in Brussels as part of the Welsh Government trade delegation. Marine Energy Wales exhibited on the Welsh Government stand and promotional materials were distributed promoting the Pembroke Dock Marine project. (IP5a, OP16, OP11)
- Marine Space was selected as the contractor to undertake the marine licence consents variation work package for the META project. (IP5b)

MEECE update

- MEECE has submitted its final reprofile documents to WEFO (Delivery Profile and updated Business Plan) expecting final sign off by WEFO in the week beginning 24th January 2022.
- Recruitment activity: 1 new and one replacement Innovation Manager, advertised, interviewed and appointed in this period. 1 replacement engineer advertised this period. 1 new Project Admin role appointed for the MH:EK project.
- Buoy refurbishment completed by Mainstay Engineering, and transported to Williams Shipping in Pembroke Dock ready for deployment in META

Key Activities planned

- PDI – Delivery of Hanger Annexes and also further development of all other phases
- PDI - Further engagement with WEFO to assess options once funding decisions received
- PDI – Animation of Slipway development being progressed to share with stakeholders
- PDI – Recruitment to replace Tim James at MHPA
- PDZ - Procurement and commencement of environmental scoping works, technical feasibility, and options. Concept selection and design review expected to be complete by end Q2/22.
- PDZ - Planning for offshore surveys with a view to commencement mid-summer 2022.
- META - Further deployments are planned with Swansea University at the Warrior Way site at META as part of the SELKIE project (IP5a)
- META - Marine Energy Wales Conference is planned for 22nd – 23rd March (OP16, OP11)
- MEECE - Deployment of the Buoy in META, gathering baseline information before testing IMS mooring load reduction device.
- MEECE - Signing of MEECE collaboration agreement with Swansea, Cardiff, Bangor and Cardiff Met universities.
- MEECE - Attendance, presentation and Exhibition at MEW Annual Conference in Llandudno in March 2022.

Project Title	Pentre Awel	Programme / Project Lead	Sharon Burford
Local Authority Lead	Carmarthenshire County Council		
Project Delivery Lead	Carmarthenshire County Council	Reporting Period	Q3 2021/22
SRO	Chris Moore		

Budget	
Total Budget	£199.19m
City Deal	£40m
Public	£51
Private	£108.19
Description	
<p>Proposed for an 83-acre site at Delta Lakes in Llanelli, Pentre Awel will be the first development of its kind in Wales. The project will include the co-location of academic, public, business and health facilities to boost employment, education, leisure provision, health research and delivery, and skills and training.</p> <p>City Deal will provide the requisite investment for business incubation and acceleration facilities, laboratory space, testbed capabilities, a well-being skills centre, clinical research centre and a clinical delivery centre to deliver multi-disciplinary care closer to home. The design for Zone 1 will create an 'ecosystem' by facilitating joint working across traditional boundaries, integrating education and training programmes within a clinical setting and fostering interface between health and leisure for the benefit of population health.</p> <p>Pentre Awel will include state-of-the-art leisure centre funded by Carmarthenshire County Council.</p> <p>A network of integrated care and rehabilitation facilities will also be provided on site to enable the testing and piloting of life science technologies aimed at enhancing independent and assisted living.</p> <p>Assisted living accommodation will also feature, along with a nursing home, a hotel, expansion space for businesses, and elements of both open market and social and affordable housing.</p>	

Key achievements in Q3
<p>Project development</p> <ul style="list-style-type: none"> • Tender awarded to Gleeds to support the Authority in the management of the Zone 1 Contractor and the delivery of the build. • Tender awarded to Bouyges for the construction of Zone 1. This includes the City Deal components of business, education skills and training, along with clinical delivery and research. Zone 1 also includes the Authority elements of dry sports and aquatics centre. The Authority has entered into a two stage contract with Bouyges. The first stage is the detailed design phase, this is underway with the confirmed tenants. This discharge will also include the discharge of planning conditions. • Officers appointed to lead the construction contact the construction management is embedded into the project governance structure. • A revised project governance structure has been developed to take the project into implementation. • The community Benefits structure has been established with the contractor to ensure scrutiny and optimisation of community benefits. There is multidisciplinary membership including academic, health representation and community representation. • AHR architects have been appointed to undertake the design development of Zone 3. This includes the first zone of assisted living and the business expansion space. • Planning confirmed to deliver the innovation aspects of the zone 1, including Living Laboratory. • A multidisciplinary group has been established to consider how the outdoor space can be used to align with the project objectives of health promotion, prevention and facilitating independence. This group has commenced meeting and will look at the way the outside space can be used to help achieve the overall project outputs and facilitate movement around the site. • Policy developed for Third sector involvement within Pentre Awel, with mapping against the core frameworks of the 5 Life Stages and the Strong Recommendations of the Health Impact Assessment.

Key Activities planned Q4
<ul style="list-style-type: none"> • Complete first stage of the two-stage contract with Bouyges. • Confirmation of Hydrotherapy Pool charity funding – Q4 2021/22. • Complete Head of Terms with partners. • Secure private funding as required. • A reprofiling of the spend will be undertaken to reflect the accurate proportionality of spend on the zone one construction contract.

Outputs
Output measurement will commence during the pre-construction phase linked to the Community Benefits. Framework developed to ensure appropriate opportunities are maximised, the outputs will be managed by a multidisciplinary workstream which will link both with the construction management team and with the overall project management process.

Project Title	Supporting Innovation and Low Carbon Growth	Programme / Project Lead	Lisa Willis
Local Authority Lead	Neath Port Talbot County Borough Council		
Project Delivery Lead	Neath Port Talbot County Borough Council	Reporting Period	2021/22 Q3
SRO	Nicola Pearce		

Budget	
Total Budget	£58.7 m
City Deal	£47.7 m
Public	£5.5 m
Private	£5.5 m

Description
<p>The Supporting Innovation and Low Carbon Growth (SILCG) programme has been developed to deliver sustainable growth and job creation in the Swansea Bay City Region, with a targeted focus on the Port Talbot Waterfront Enterprise Zone area. It aims to create the right environment for a decarbonised and innovative economy.</p> <p>The programme will support the green industrial revolution and will be delivered in partnership with industry, academia and government.</p> <p>The Programme of interlinked projects comprises:</p> <ul style="list-style-type: none"> • Bay Technology Centre • South Wales Industrial Transition from Carbon Hub (SWITCH) with Swansea University • Hydrogen Stimulus Project with University of South Wales • Air Quality Monitoring Project • Low Emission Vehicle Charging Infrastructure • Advanced Manufacturing Production Facility • Property Development Fund

Key achievements

Business Case Development

- PBC approved Aug 2021
- PAR action plan closed
- CFR Action Plan closed

Project Development

- Programme Board meets monthly
- Regular stakeholder engagement – stakeholder engagement plan live document
- Update to FLEXIS Advisory Board Nov 2021
- Project delivery / implementation plan developed – live document
- Attended skills solution group Nov 2021

Bay Technology Centre

- Working group meets monthly

SWITCH

- Working group meets to develop building specification (NPT/SU)

Advanced Manufacturing Production Facility

- Developing building specification
- Site visit to Manufacturing Technology Centre - Oct 2021

Property Development Fund

- Scheme guidance prepared
- Live pipeline of enquiries

Hydrogen Stimulus Project

- Delivery plan in development
- Site works commenced

Air Quality Monitoring Project

- Sensors installed
- Data collection in progress

Low Emission Vehicle Charging Infrastructure

- Strategy development underway
- Dedicated resource to be appointed

Key Activities planned

Business Case Development

Project Development

- Appoint project manager Q4
- Primary and Secondary Funding Agreements to be agreed Q4

Bay Technology Centre

- Due for completion Jan 2022
- ‘fly through’ video in development
- Prospective tenants visits taken place and planned – Q4
- Working group to continue to meet

SWITCH

- Commence D&B Process – Q4
- Agree lease documentation – Q4

Advanced Manufacturing Production Facility

- Preparing procurement documentation for operator
- Preparing specification for design and build construction contract

Property Development Fund

- Launch PDF – Q4

Hydrogen Stimulus Project

- Procurement of equipment – Q4

Air Quality Monitoring Project

- Data collection ongoing
- Appointment of Data Collection Officer – Q4

Low Emission Vehicle Charging Infrastructure

- Progress Strategy development
- Appointment of EV Officer – Q4

Outputs

Project component	Expected Outputs
Technology Centre	Construction of an energy positive hybrid commercial building (2500 m2)
SWITCH	Specialised open access facility created to enhance applied research for steel & metals industry (4000 m2)
	Provision of specialised equipment to enhance research for steel & metals industry
Hydrogen Stimulus Project	Increase the capacity for hydrogen production at the Hydrogen Centre at Baglan Energy Park
Air Quality Monitoring Project	Procurement & installation of 70 sensors in and around the Port Talbot Air Quality Management Area (AQMA)
LEV Charging Infrastructure	Regional strategy for LEV charging
Advanced Manufacturing Production Facility	Specialist hybrid facility providing a range of industrial / production units with pilot line and office space. (4000 m2)
	Provision of open access specialist equipment advised by industry with academia input
Property Development Fund	Property Development Fund targeted on the Port Talbot Waterfront Enterprise Zone (expected premises created 6000 m2)

Project Title	Yr Egin - Creative Digital Cluster	Programme / Project Lead	Geraint Flowers
Local Authority Lead	Carmarthenshire County Council		
Project Delivery Lead	University of Wales Trinity Saint David	Reporting Period	Q4
SRO	Prof. Medwin Hughes (Vice Chancellor)		

Budget

Total Budget	£25.17m
City Deal	£5m
Public	£18.67m
Private	£1.5m

Description
<p>To support and further develop the region's creative industry sector and Welsh language culture, led by University of Wales Trinity Saint David campus in Carmarthen. Phase 1 was completed in September 2018 and features:</p> <ul style="list-style-type: none"> National creative sector anchor tenants World class office space for local and regional creative sector SMEs, with opportunities for expansion Facilities for the community and business networking <p>Facilitating engagement between businesses and students as well as accommodating dynamic growth of the creative and digital industries within Carmarthenshire and SW Wales.</p>

Key achievements
<p>Project Development</p> <ul style="list-style-type: none"> Phase 2 – Q4
Key Activities planned
<ul style="list-style-type: none"> Sector demand study completed August 2021. Ongoing discussion is taking place involving the ESB, regional stakeholders and industry to define any revisions to the project scope to accommodate these changes. University continues to refine scope to accommodate new requirements from industry.

Project Title	SBCD Campuses Project	Programme / Project Lead	Tony Harris
Local Authority Lead	City and County of Swansea		
Project Delivery Lead	Swansea University	Reporting Period	Q4: Oct – Dec 2021
SRO	Keith Lloyd		

Budget	
Total Budget	£49.41m
City Deal	£15.00m
Public	£11.39m
Private	£23.02m
Description	
<p>The project harnesses unique capabilities and the thriving life science ecosystem in the Swansea Bay City Region to establish an international centre for innovation in life science, wellbeing and sport, supporting preventative interventions in healthcare and medicine and driving the growth of a globally significant Sports Tech industry. The project will deliver R&D, trials and testing facilities, enabling co-location of research and industry alongside clinical infrastructure and investment opportunities. An emphasis on digital and data-driven innovation at the intersection of life sciences, health, wellbeing and sport is a key differentiator for this project within the South Wales health and life sciences sector.</p>	

Key achievements
<ul style="list-style-type: none"> Approval granted by Welsh and U.K. Governments. Project delivery board appointments made.

- All Gateway review recommendations have been addressed, 7 currently completed and 4 ongoing actions.
- Communication and relationship manager appointment (Richard Lancaster)
- Ministerial visit confirmed by M.P. David T.C. Davies to mark project approval – Date TBC.
- Project moves into “Start-up” (SU) Delivery phase.
- Draft funding agreement received and currently under reviewed.

Key Activities planned

- Design team appointments “Morrison management centre”
- Phase One project plan finalised and signed off by project board.
- Private sector engagement and work streams commence with Industry Wales, E.S.B, and Department of International Trade.
- Branding exercise signed off
- Procurement stage starts for “Morrison management centre”

Project Title	Homes as Power Stations	Programme / Project Lead	Oonagh Gavigan
Local Authority Lead	Neath Port Talbot County Borough Council		
Project Delivery Lead	Neath Port Talbot County Borough Council	Reporting Period	2021/22 Q3
SRO	Nicola Pearce		

Budget	
Total Budget	£505.5m
City Deal	£15m
Public	£114.6m
Private	£375.9m
Description	
<p>A regional project to facilitate the take up of energy efficient design and renewable technologies in new build and existing housing stock in the public, RSL and private sector across the City Region. The project will support the renewable technology in housing supply chain and will share the learning via an open access knowledge sharing hub.</p> <p>The project will:</p> <ul style="list-style-type: none"> • Facilitate the take up of renewable technologies and energy efficient design in new build and existing housing stock • Support the regional supply chain • Establish an open access knowledge sharing hub to share the project findings with all sectors • Tackle fuel poverty • Further decarbonise the regional economy • Improve residents’ health and well-being 	

Key achievements

Business Case Development

- OBC approved by UKG and WG July 2021

Project Development

- Established formal governance in place - HAPS Project Board
- Funding agreements in progress

- Regional funds guidance in development
- Appointed Project Manager
- Formalised stakeholder engagement plan (live document)
- Formalised project delivery / implementation plan (live document)
- Completed PAR recommendations action plan

Key Activities planned

Project Development

- Establish Technical Advisory Group – Q3
- Establish knowledge sharing hub – Q4
- Establish regional supply chain fund & financial incentives scheme – Q4
- Establish monitoring and evaluation process – Q4
- Establish HAPS Skills Group – Q4
- HAPS Project financial reprofile based on development and timescales associated with financial incentives and supply chain schemes and on-going engagement with Welsh Government in relation to previous complimentary programmes – Q4

Outputs

Project Outcomes

- Facilitate the adoption of renewable technologies in 10,300 properties
- Develop a regional supply chain of HAPS related renewable technologies
- Monitoring and Evaluation - determine the efficacy and impacts of renewable technologies on new build and existing housing stock
- Establish knowledge sharing hub for all sectors

Project Outputs

- Reduction in energy use as a result of the additional technologies funded by HAPS for new build and retrofit homes, New build = £564 per home Retrofit = £758 per home by 2033
- Reduction in greenhouse gas (GHG) emissions as a result of reduction in energy use, New build = £71 per home Retrofit = £99 per home by 2033

Project Title	Skills and Talent	Programme / Project Lead	Jane Lewis
Local Authority Lead	Carmarthenshire County Council		
Project Delivery Lead	South West Wales Regional & Skills Partnership	Reporting Period	Q4
SRO	Barry Liles		

Budget

Total Budget	£30m
City Deal	£10m
Public	£16m
Private	£4m

Description

To develop a sustainable pipeline of regional talent to benefit from the high-value jobs City Deal projects will generate in growth

sectors for the region. This includes the potential to develop skills through courses and training and apprenticeship opportunities aligned to City Deal projects and regional priorities, as well as a partnership approach involving schools, universities, businesses and training providers across the region to identify need and resolve skills development gaps.

Key achievements

Business Case Development

- Business Case submitted to UK and Welsh Government and approved on 18th October 2021.

Key Activities planned

- Completion of Skills Carometer Feb 2022.
- Appoint the remainder of the Skills Team.
- Skills Solution Group second meeting Feb 2022.
- Second Gateway Review March/April 2022

Outputs

- Create 14,000 individuals with increased level of skills within 10 years
- Create at least 3000 new apprenticeship opportunities, to include level 3 to Degree apprenticeships.
- Create Centre of Excellence for specific sectors.
- Create a clear career pathway through school, FE, HE and apprenticeship and into the world of work.
- Deliver pilot programmes of new courses and training opportunities to upskill existing workforce in new areas to meet the needs of the City Deal projects.

ANNEX 1

RAG Status	
R	<p><i>Major problems identified which mean the programme / project is unlikely to deliver the agreed scope to the required standard on time or on budget, or to deliver the expected benefits.</i></p> <p><i>Remedial plans are not proving effective.</i></p> <p>Escalate to programme / project sponsor for support to resolve.</p>
A	<p><i>Some problems identified which may put the programme / project's scope, time, cost, and/or benefits at risk. Remedial plans are in place and are being monitored to ensure that risk is mitigated.</i></p> <p>Highlight to programme / project sponsor for visibility and awareness.</p>
G	<p><i>Programme / Project is proceeding according to plan. Risks/issues are being managed within the programme / project.</i></p> <p>No need to escalate to next level.</p>

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Swansea Bay City Region Joint Committee – 10th February 2022

Financial Monitoring Report 2020/21 - Forecast Outturn Position Quarter 3

Purpose:	To provide Joint Committee with an update on the latest financial position of the Swansea Bay City Region.
Policy Framework:	Swansea Bay City Deal
Consultation:	Accountable Body
Recommendation(s):	It is recommended that the Joint Committee:
1)	Review and approve the financial monitoring update report.
Report Author:	Chris Moore
Finance Officer:	Chris Moore, Section 151 Officer, SBCD
Legal Officer:	Tracey Meredith, Monitoring Officer, SBCD
Access to Services Officer:	

1. Introduction

This report details the projected forecast outturn position of the Joint Committee and the Portfolio Investment Fund. The Financial Monitoring Report presents the City Deal Accounts in a detailed format, in line with Carmarthenshire County Council's financial management system. The report summarises the current forecasted financial outturn position, at the year end.

2. JOINT COMMITTEE – Estimated Forecast Outturn Position

2.1. Supplementary Information

The outturn position includes 'Top Slice' of Government Grants in terms of income. On drawdown of government grants, 1.5% of this will be utilised to support the PoMO and the direct administration functions of the Portfolio. Any contribution from Government grants utilised within the financial year will be transferred to a ring-fenced reserve at year end, for utilisation in future years.

A detailed breakdown of the Joint Committee financial outturn position is included in Appendix A.

2.2. Joint Committee and Accountable Body

The Joint Committee and Accountable Body expenditure forecast is estimated at £155k. This is in respect of democratic support, support of the portfolio monitoring officer and legal fees in respect of the funding agreements. Internal audit has been forecasted but is scheduled to be undertaken later within the financial year. The Accountable Body expenditure is attributable to service provision by the Portfolio Section 151 Officer to the Swansea Bay City Deal and the annual external audit review by Audit Wales.

2.3. Joint Scrutiny Committee

The Joint Scrutiny Committee expenditure consists of democratic services and related costs, provided by Neath Port Talbot County Borough Council. This has been forecasted at £21k.

2.4. Portfolio Management Office (PoMO)

To the period ended 31st March 2022 the expenditure is estimated at £570k. The PoMO staffing cost is estimated at £466k. There is a small variance against budget due to a temporary vacancy and all posts being budgeted at the top of grade.

Training is forecasted at £6k, which included Better Business Case training for regional programme/project managers. Rents and service charges in respect of office space total £23k, fees including consultancy and gateway reviews have been forecast at £10k and conferences, marketing and advertising forecasted at £15k (revised from £45k in

the prior quarter) in respect of the SBCD annual event. Central Recharges of £28k has been included to contribute to Carmarthenshire County Council as the host Authority's costs for supporting the PoMO. These include payroll, Pensions, Creditors, Debtors, Human Resources support, Information Technology Support, financial systems support, Chief executive administration support, employee support and all necessary insurances.

2.5. Provision for Unwinding

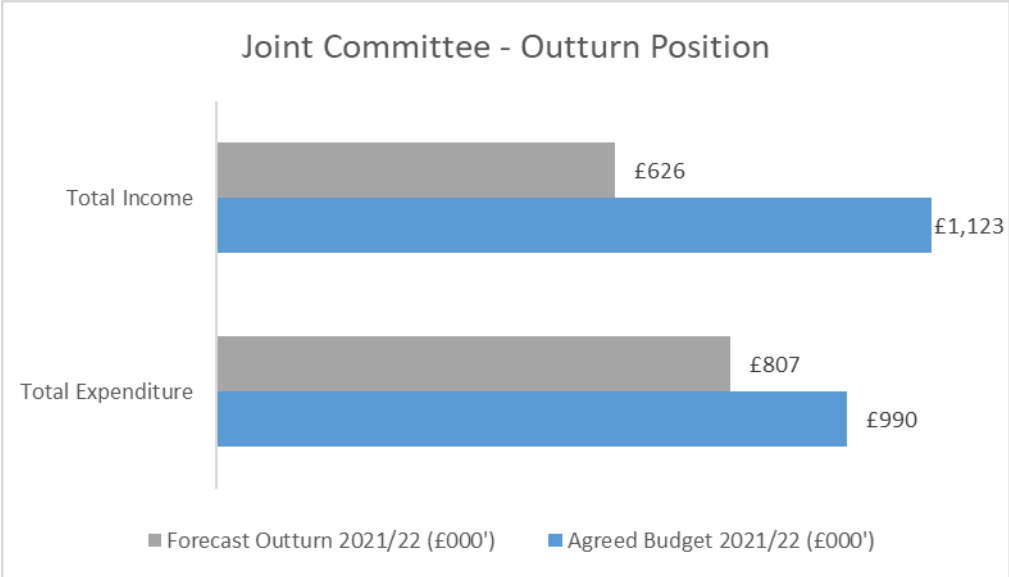
This is an annual provision for the unwinding of the PMO at the end of its five-year operational requirement. Currently the total estimate is £152k, however it is demonstrated as 2/5th (£61k) within the financial monitoring due to an accounting policy treatment.

2.6. Income

Total income for the year demonstrates £626k. This consists of partner contributions (£50k per partner) £400k and anticipated drawdown of 'Top Slice' of £226k from the dispersed grant awards.

2.7. Financial Monitoring - Statement of Balances

The prior year (2020/21) balance carried forward in reserve demonstrates £215k. Currently the estimated year end position of the City Deal accounts demonstrates a deficit of £181k. This is as a result of a timing effect attached to the grant dispersed to projects/programmes within the year. This concludes in an anticipated reserve of £33k at year end.



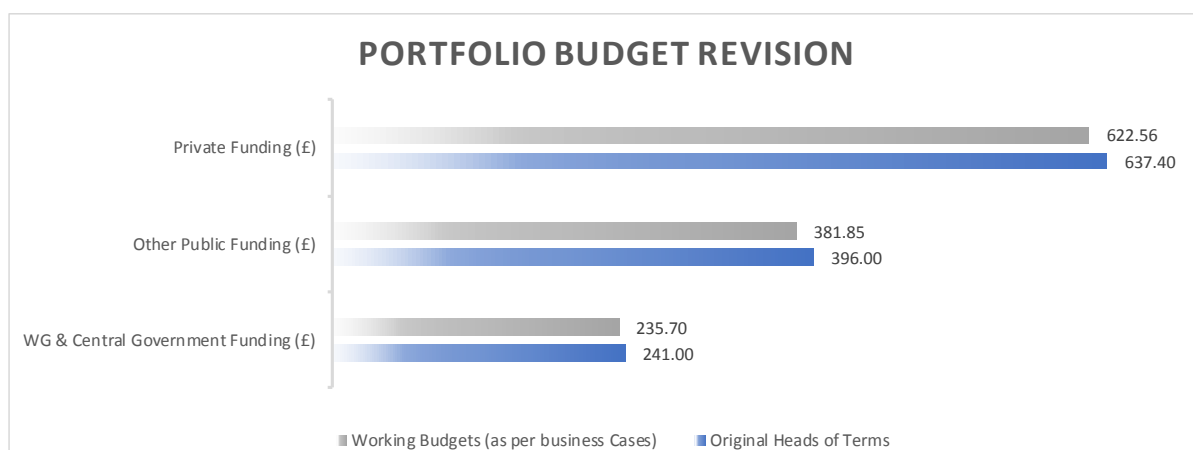
3. PORTFOLIO INVESTMENT FUND – Forecast Outturn Position

Revised Budget

The Swansea Bay City deal was incorporated on 20th March 2017 by the then Prime Minister Theresa May demonstrating an anticipated investment of £1.274billion. The business cases of all nine SBCD Portfolio programmes and projects have now been formally approved by both UK and Welsh Government. Business cases have been reviewed and a revised budget has been compiled demonstrating an approved working budget for the portfolio of £1.24billion.

The City Deal Grant award is demonstrating an under allocation of £5.3million within the portfolio. This is currently under review to establish practical utilisation.

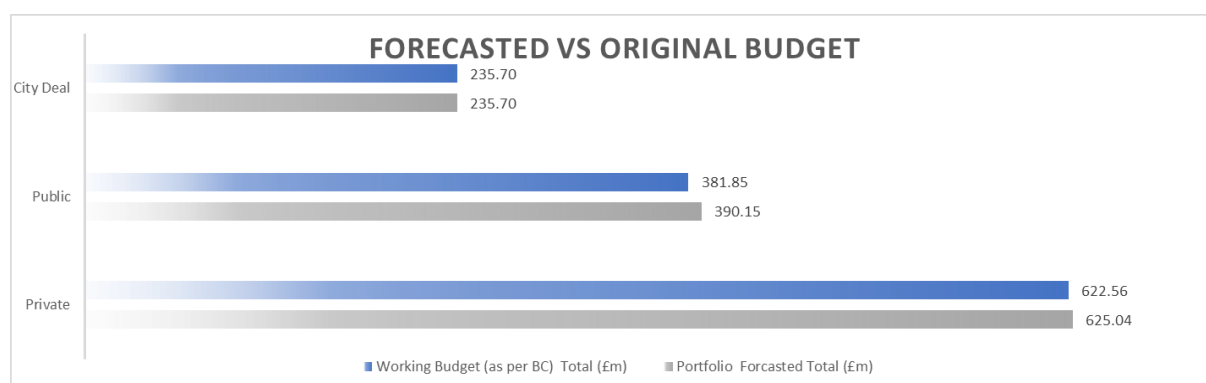
Description	WG & Central Government Funding (£)	Other Public Funding (£)	Private Funding (£)	Total (£)
Original Heads of Terms	241.00	396.00	637.40	1,274.40
Working Budgets (as per business Cases)	235.70	381.85	622.56	1,240.11
Variance	- 5.30	- 14.15	- 14.84	- 34.29



Portfolio Investment Outturn Position

The overall estimated investment position is demonstrated at £1.251bn (Quarter 2 2021/22 - £1.249b) over the fifteen-year life of the portfolio. The revised budget (as outlined within programme/project business cases) comprised of a total investment of £1.240b, currently the City Deal is presenting investment exceeding this of £11m (Quarter 2 2021/22 - £1.249b). Investment in the region has increased due to the further investment in the Swansea Waterfront project, incorporating additional WEFO funding of £500k, and a small increase on the Pentre Awel Project. A detailed breakdown of investment is outlined in Appendix B.

Investment Component	Working Budget (as per BC) Total (£m)	Portfolio Forecasted Total (£m)	Variance (£m)	Variance
City Deal	235.70	235.70	0.00	0.00%
Public	381.85	390.15	8.30	2.17%
Private	622.56	625.04	2.48	0.40%
Grand Total	1,240.11	1,250.89	10.78	0.87%



Programme	City Deal Investment (£m)	Public Sector Investment (£m)	Private Sector Investment (£m)	Programme Total (£m)	Working Budget Total (£m)	Sum of Variance (£m)	Sum of Variance (%)
Digital Infrastructure	25.00	13.80	16.50	55.30	55.30	0.00	0.00%
Homes as Power Stations	15.00	114.60	375.90	505.50	505.50	-	0.00%
LS&WB Campuses	15.00	58.01	57.43	130.44	130.43	0.01	0.01%
Pembroke Dock Marine	28.00	16.41	16.12	60.53	60.47	0.06	0.10%
Pentre Awel	40.00	52.30	108.19	200.48	199.19	1.30	0.65%
Skills & Talent	10.00	16.00	4.00	30.00	30.00	-	0.00%
Supporting Innovation and Low Carbon Growth	47.70	5.50	5.50	58.70	58.70	-	0.00%
Swansea Waterfront	50.00	94.87	39.90	184.77	175.35	9.41	5.37%
Yr Egin	5.00	18.67	1.50	25.17	25.17	-	0.00%
Grand Total	235.70	390.15	625.04	1,250.89	1,240.11	10.78	0.87%

Annual Investment Forecast 2021/22

The current investment is demonstrated at estimated £51m (Quarter 2 2021/22 - £51m) to end of March 2022. The PDM project is continuing to review spend profiles on their public and private sector investment which could potentially affect the current year forecast.

Annual Portfolio Investment Summary 2021/22 (Estimated)				
Description	Actuals (to Date) (£)	Commitments (£)	Forecast Commitments (£)	Total (£)
<u>City Deal Investment</u>				
Capital	12,260,803	-	9,612,748	21,873,551
Revenue Expenditure (where capital receipts directive applied)	228,166	-	729,107	957,274
City Deal Total	12,488,969	-	10,341,855	22,830,825
<u>Public Sector Investment</u>				
Capital	15,597,989	-	6,433,636	22,031,625
Revenue	-	-	2,023,960	2,023,960
Public Sector Total	15,597,989	-	8,457,596	24,055,585
<u>Private Sector Investment</u>				
Capital	-	-	3,727,090	3,727,090
Revenue	-	-	494,216	494,216
Private Sector Total	-	-	4,221,306	4,221,306
<u>Project Total</u>				
Capital	27,858,792	-	19,773,474	47,632,266
Revenue	228,166	-	3,247,283	3,475,449
Project Total	28,086,958	-	22,617,757	50,704,715

Annual Programme Investment Breakdown 2021/22 (Estimated)				
Description	Actuals (to Date) (£)	Commitments (£)	Forecast Commitments (£)	Total (£)
Digital Infrastructure	85,777	-	99,286	185,063
Homes as Power Stations	-	-	50,000	50,000
LS&WB Campuses	-	-	347,000	347,000
Pembroke Dock Marine	849,015	-	10,528,507	11,377,522
Pentre Awel	110,325	-	786,314	896,639
Skills & Talent	25,852	-	148,038	173,890
Supporting Innovation and Low Carbon Growth	-	-	7,251,000	7,251,000
Swansea Waterfront	27,015,989	-	3,407,612	30,423,601
Yr Egin	-	-	-	-
Total	28,086,958	-	22,617,757	50,704,715

4. Financial Implications

The forecasted Joint Committee year end out-turn position (as at 31st December 2022) indicates a deficit of £181k, which will be supported by the Swansea Bay City Deal ring-fenced reserve at the year end. Expenditure is forecasted at £807k, which is offset by income through partner contributions of £400k and the 'Top Slice' of dispersed Government grants. The deficit is as a result of a timing effect attached to the grant dispersed to projects/programmes within the year.

The business cases of all nine SBCD Portfolio programmes and projects have now been formally approved, a working revised budget has been compiled for the portfolio demonstrating £1.240billion. The estimated portfolio forecasted investment position (as at 31st December 2021) demonstrates investment exceeding the revised budget by £11m. Currently the portfolio is presenting a total investment over the fifteen-year life span of the Swansea Bay City Region Deal of £1.251bn. This is subject to fluctuation over the life span of the project and will be monitored quarterly through financial templates and through the Portfolio risk register.

A detailed breakdown of investment is outlined in Appendix B.

4. Legal Implications

There are no legal implications associated with this report.

Appendices: These will be included within the report.

Appendix A Joint Committee Outturn Position – Quarter 3

Appendix A

Joint Committee - Outturn Position

Financial Year 2021/22

as at 31st December 2021

Description	Actuals 2020/21 (£)	Revised Budget 2020/21 (£)	Forecast Outturn 2021/22 (£)	Variance (£)
Joint Committee and Accountable Body				
Room Hire	-	1,854	-	1,854
Subsistence & Meeting Expenses	-	3,427	-	3,427
Democratic Services - CCS	20,430	25,893	25,893	0
Monitoring Officer & Legal Services	34,705	35,659	35,659	0
External Legal Advisory Fees	495	25,000	-	25,000
Internal Audit Support	20,000	20,550	19,462	1,088
Staff Recruitment Expenses	-	-	-	0
External Audit Fees	11,993	25,000	19,000	6,000
Section 151 Officer	54,244	55,329	55,329	0
Joint Committee and Accountable Body Total	141,867	192,713	155,343	37,369
Joint Scrutiny Committee				
Subsistence & Meeting Expenses	-	6,875	-	6,875
Travel	-	1,224	-	1,224
Democratic Services - NPT	21,332	20,658	21,332	(674)
Joint Scrutiny Committee Total	21,332	28,757	21,332	7,425
Portfolio Management Office				
Salary (Inc. On-costs)	366,284	536,759	466,380	70,379
Recharges - Employee costs Grant (direct)	5,259	-	-	0
Staff Recruitment Expenses	-	-	-	0
Training of Staff	-	26,010	6,000	20,010
Response Maintenance	-	-	-	0
Electricity	-	-	-	0
Gas	-	-	-	0
Rents (The Beacon)	14,889	15,796	15,796	0
Rates (The Beacon)	6,688	6,975	6,688	287
Public Transport - Staff	-	2,040	-	2,040
Staff Travelling Expenses	-	16,320	1,000	15,320
Admin, Office & Operational Consumables	269	2,550	600	1,950
Furniture	-	1,000	1,000	0
Fees (including Gateway Reviews)	4,712	25,500	10,000	15,500
ICT Computer Hardware & Software	-	2,500	7,000	(4,500)
Subsistence & Meetings Expenses	-	8,160	500	7,660
Conferences, Marketing & Advertising	1,200	76,500	15,000	61,500
Projects & Activities Expenditure	32,465	14,280	-	14,280
Translation/Interpret Services	2,444	10,200	9,000	1,200
Printing & Copying	130	4,590	2,295	2,295
Photocopying Recharge	-	-	-	0
Fees - Evaluation and Assurance	14,850	-	-	0
Central Recharge	28,365	-	28,365	(28,365)
Portfolio Management Office Total	477,554	749,180	569,624	179,556
Provision for Unwinding of PMO				
Redundancies	-	19,684	60,957	(41,273)
Provision for Unwinding Total	-	19,684	60,957	(41,273)
Total Expenditure	640,752	990,334	807,256	183,078
Funding Contributions				
Welsh Government - Revenue Grant	(14,850)	0	0	0
SBCD Grant Revenue Contribution	(168,050)	(723,000)	(225,694)	(497,306)
Partner Contributions	(400,000)	(400,000)	(400,000)	0
Total Income	(582,900)	(1,123,000)	(625,694)	(497,306)
Provision of Service - (Surplus) / Deficit	57,852	(132,666)	181,562	(314,228)

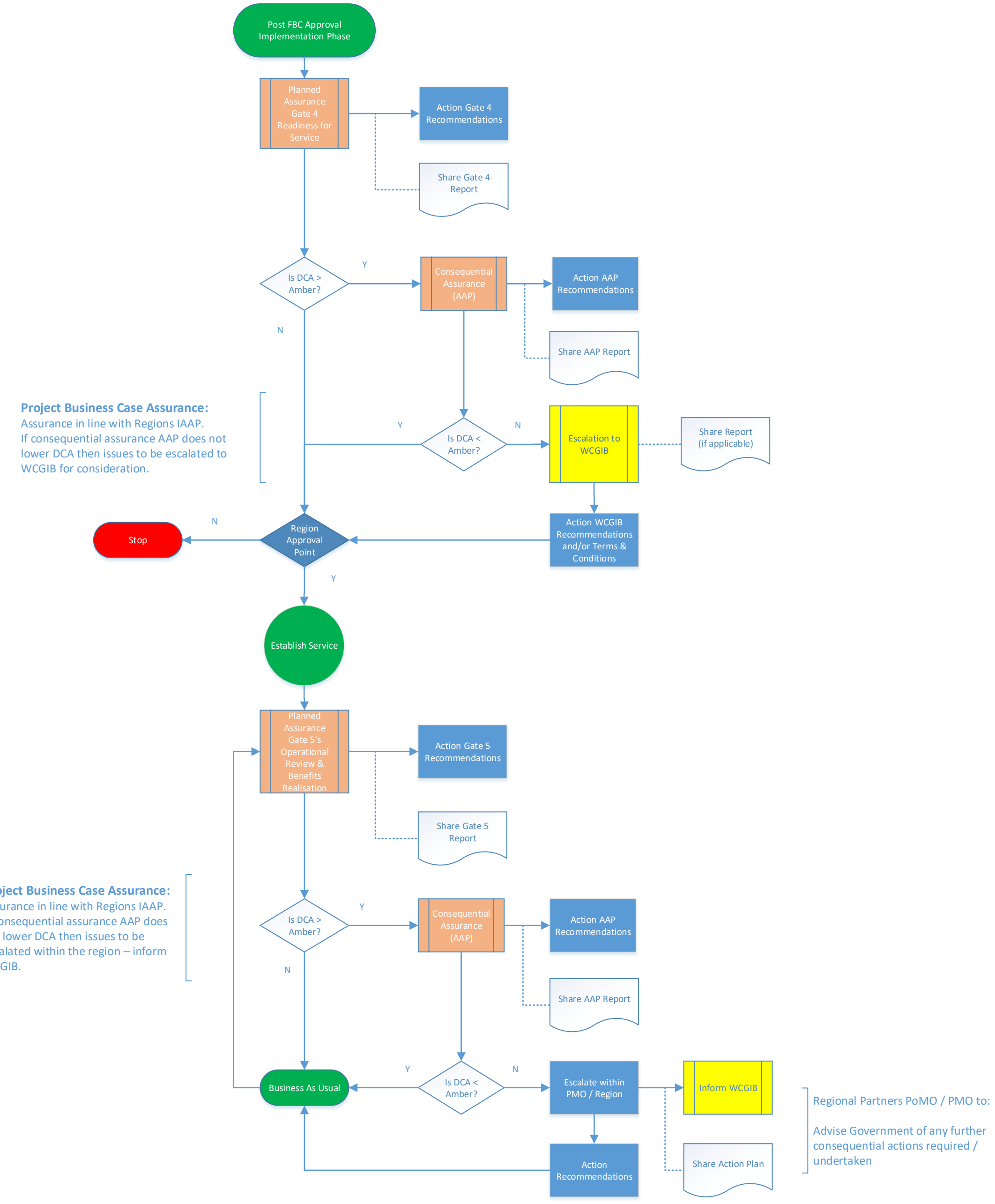
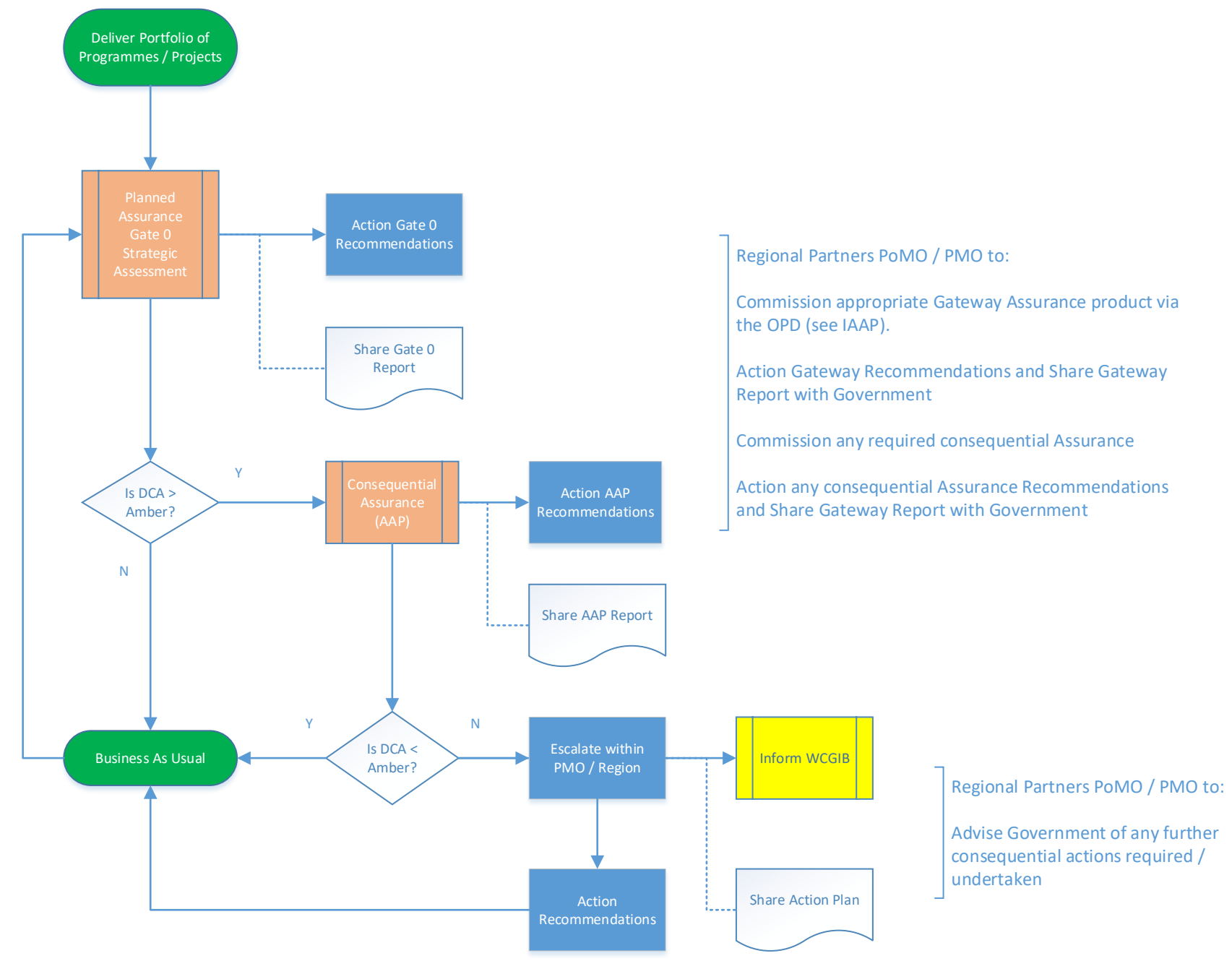
Movement to Reserves		
Description	2020/21 (£)	2021/22 (£)
Balance Brought Forward from previous year - (Surplus) / Deficit	(272,668)	(214,816)
Net Provision of Service - (Surplus) / Deficit	57,852	181,562
Balance Carry Forward - (Surplus) / Deficit	(214,816)	(33,254)

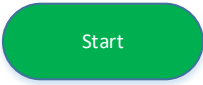










Assurance / approval / Reporting	Activity/Product	Primary client	2020/2021												2021/2022												2022/2023												Comments
			Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	
Governance																																							
Project Level																																							
Meetings																																							
Delivery Team	Meetings	Project Leads	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	Meetings increased to weekly to align with "Start up" and delivery phase.			
Steering Group	Meetings	Project Leads, Internal Partners	x	x	x	x	x	x	x																												Bi weekly meetings		
External Reference Group	Meetings	Project Leads, Internal and External Partners	x	x	x	x	x	x	x																											Bi weekly meetings			
City Deal Strategic Oversight Group	Meetings	PLA																																		Monthly meetings. Two meetings in October and Novmeber.			
CSS Governance	Meetings																																						
Health Board Governance	Meetings																																						
Joint Committee	Meetings	SRO, JC, PMO																																					
Programme Board	Meetings	SRO, PB, PMO	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	Monthly meeting. August recess.			
Economic Strategy Board	Meetings	SRO, ESB, PMO	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	Monthly meeting. Two meetings in June 2020. August 2020 meeting cancelled.			
Joint Scrutiny Committee	Meetings	SRO, JSC, PMO																																		Meetings every two months.			
PMO/Project Leads	Meetings	PMO, Project Leads	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	Bi-weekly meetings			
Key Documentation Review																																							
Integrated Assurance & Approval Plan	Live document	SRO, PB, PMO, JC																																		June 2020 approval at JC. IAAP review every quarter			
Business Case	Live document	SRO, PB, PMO, JC																																		Approval from Welsh and U.K. Government received Dec 21			
Implementation Plan	Live document	SRO, PMO, PB, JC, JSC																																		Revised plan to be approved by PB Feb 2022			
Highlight Report	Live document	PMO, PB, JC, JSC																																		monthly			
Quarterly Monitoring Report	Live document	PMO, PB, JC, JSC																																		Quarterly			
Issues Log	Live document	SRO, PMO, PB, JC, JSC																																		Quarterly			
Risk Register	#NAME?	SRO, PMO, PB, JC, JSC																																		Quarterly			
Benefits Register																																							
M & E plan	Live document	SRO, PMO																																		Quarterly			
Covid-19 Impact Assessment	Live document	SRO, PMO																																		Updated quarterly as part of quarterly monitoring report			
Assurance																																							
Project Level																																							
Level 1 - Functional Assurance (Internal)																																							
Technical, due diligence, data security and financial	Internal procedures	PLA, Project Leads																																		Annual review to ensure fit for purpose			
Level 2 - Independent																																							
OGC Gateway Process	Risk Potential Assessment	SRO, PB, PMO																																		SRO appointment in June 2020. RPA			
OGC Gateway Process	Gate 0 Programme Strategic Assessment	SRO, PB, PMO, JC																																					
OGC Gateway Process	Gate 1 Business Justification	SRO, PB, PMO, JC																																					
OGC Gateway Process	PAR																																						
PMO Project Health Check	Health Check	SRO, PB, PMO, JC																																					
OGC Gateway Process	Gate 2 Delivery Strategy	SRO, PB, PMO, JC																																					
OGC Gateway Process	Gate 3 Investment Decision	SRO, PB, PMO, JC																																					
OGC Gateway Process	Gate 4 Readiness for Service	SRO, PB, PMO, JC																																		Sketty Lane PAR gateway 3 - Q2 2023.			
OGC Gateway Process	Gate 5 Operations Review &	SRO, PB, PMO, JC																																		Set for Qtr1 - 2025			
OGC Gateway Process																																				Estimate date - 2033			
Approvals																																							
SBUHB Board	Meeting	SRO, PL, Internal Partner																																					
HUHB R&I Board	Meeting	SRO, PL, Internal Partner																																					
Scrutiny Panel	Meeting	SRO, PL, Internal Partner																																					

Assurance / approval / Reporting	Activity/Product	Primary client	2020/2021												2021/2022												Comments							
			Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar		Apr	May	Jun	Jul			
Governance																																		
Digital Programme Board	Live document / Meetings	CCC, PCC, CCS, NPT		x	x		x		x	x							x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	Monthly Programme Board meetings
Carmarthenshire County Council	Council Meetings	CCC		x					x	x	x						x																	Reports and/or presentations taken to CMT/PEB/EB as appropriate for decisions and updates
Regional Local Authorities	Council Meetings	CCC, SCC, PCC, NPTC							x	x																								Reports/Business Case taken as appropriate for decision and discussion
Joint Committee	Meetings	SRO, JC, PoMO	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	Monthly meeting - Highlight reports/Project updates provided as requested	
SBCD Programme Board	Meetings	SRO, PB, PoMO	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	Monthly meeting - Highlight reports/Project updates provided as requested	
Economic Strategy Board	Meetings	SRO,ESB, PoMO	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	Monthly meeting - Highlight reports/Project updates provided as requested	
Joint Scrutiny Committee	Meetings	SRO, JSC, PoMO		x		x		x		x		x		x		x		x		x		x		x		x		x		x		x	Meeting every two months - Documentation provided as requested	
Assurance																																		
OGC Gateway Process	Risk Potential Assessment	SRO, PB, PoMO			x			x																									Provided to regional office in June 20 and to Welsh Government in September 20	
OGC Gateway Process	Gate 0 Programme Strategic Assessment	SRO, PB, PoMO, JC							x																								x	Completed October 20. Next one planned for January 22
Programme Business Case	Live document	SRO, PoMO, PB, JC, JSC							x	x	x																						x	Business Case produced, incremental strengthening and amendments ongoing
Programme Risk Register & Issues Log	Live document	SRO, PoMO, PB, JC, JSC	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	Risk register and issues log produced and live. Monthly review and amendments ongoing via Digital Programme Board.	
Programme M & E plan	Live document	SRO, PoMO, PB, JC, JSC	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	M & E Plan produced and live. Monthly review and amendments ongoing.	
UK and Welsh Gov Policy discussions	Meetings	SRO, PoMO		x		x		x	x		x		x		x		x		x		x		x		x		x		x		x		Several policy meetings have taken place to inform Business Case. Policy discussions ongoing quarterly.	
Audit and risk																																		
Audit	Audit	SRO, PB, PoMO, JC																															annual audit	

Key Documentation Approvals																							
Intregated Assurance & Approval Plan		SRO, SILCG PB, PMO, PB, JC, JSC	Jan-22																x	x	Live document / on-going review / update		
SILCG Programme Business Case		SRO, SILCG PB, PMO, PB, JC, JSC	Jan-22																	x	PBC approved Aug 21		
Programme Implementation Plan		SRO, SILCG PB, PMO, PB, JC, JSC	Jan-22																		x	x	Live document / on-going review / update
Benefits Realisation Strategy		SRO, SILCG PB, PMO, PB, JC, JSC	Jan-22																		x	x	Live document / on-going review / update
Programme Issues Log		SRO, SILCG PB, PMO, PB, JC, JSC	Jan-22																		x	x	Live document / on-going review / update
Programme Risk Register		SRO, SILCG PB, PMO, PB, JC, JSC	Jan-22																		x	x	Live document / on-going review / update
M&E Plan		SRO, SILCG PB, PMO, PB, JC, JSC	Jan-22																		x	x	Live document / on-going review / update
Programme Communications Strategy		SRO, SILCG PB, PMO, PB, JC, JSC	Jan-22																		x	x	Live document / on-going review / update
Covid 19 Impact Assessment		SRO, SILCG PB, PMO, PB, JC, JSC	Jan-22																		x	x	Live document / on-going review / update
Programme Progress Reports		SRO, SILCG PB, PMO, PB, JC, JSC	Jan-22																		x	x	Live document / on-going review / update
Assurance																							
Project Level																							
Level 1 - Functional Assurance (Internal)																							
Technical, due diligence, data security and financial	Internal procedures	SRO, SILCG PB, PMO, PB, JC, JSC	Jan-22																		x	x	To plan with NPT internal audit for 2022
Level 2 - Independent																							
OGC Gateway Process	Risk Potential Assessment	SRO, SILCG PB, PMO, PB, JC, JSC	Jan-22																		x		Meeting with WG Jan 2022
OGC Gateway Process	PAR	SRO, SILCG PB, PMO, PB, JC, JSC	Jan-22																		x		planning meeting with PoMO & WG Jan 2022
OGC Gateway Process	CFR	SRO, SILCG PB, PMO, PB, JC, JSC	Jan-22																		x		
Approvals																							
Consequential Assurance																							

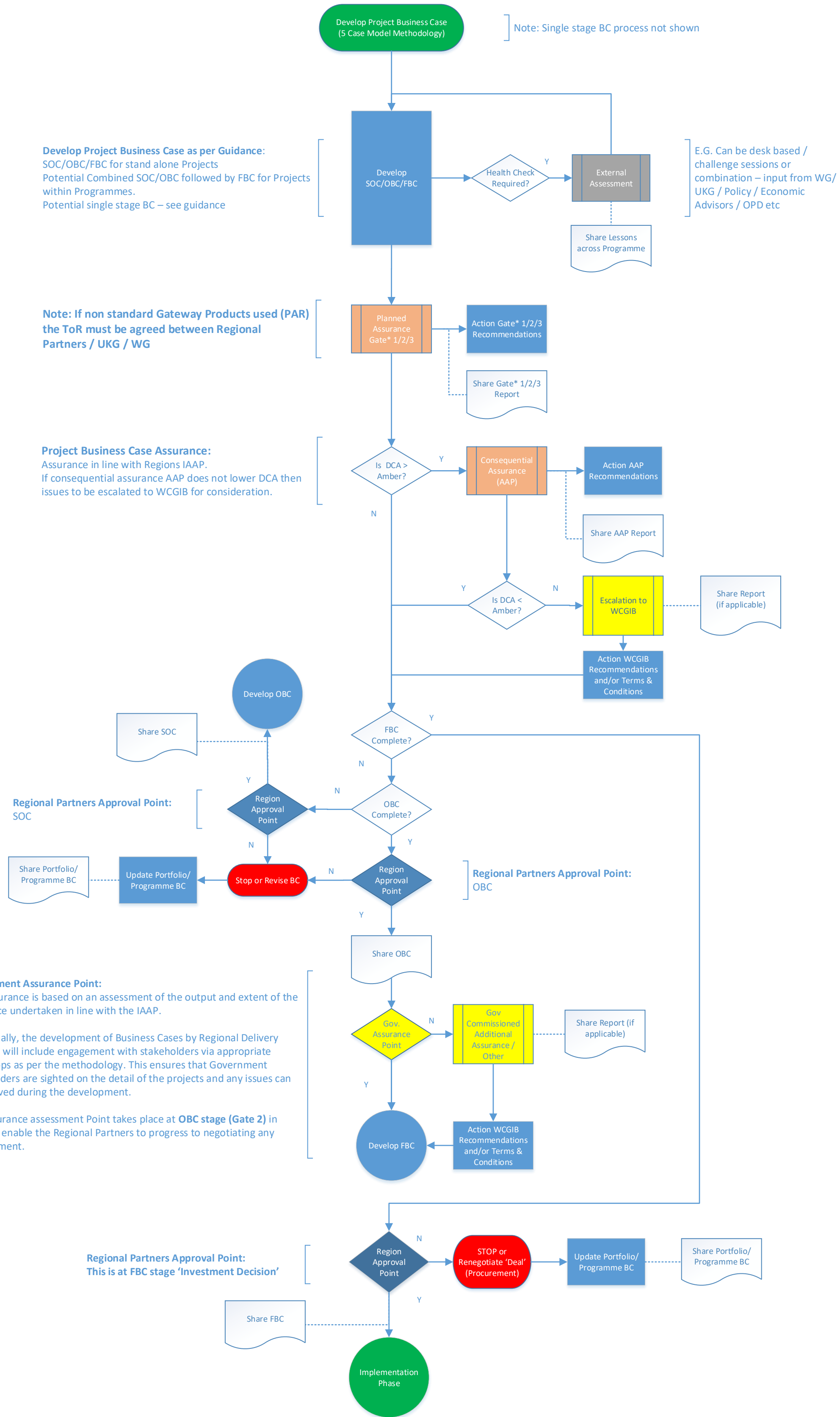
Assurance / approval / Reporting	Activity/Product	Primary client	Last review date	2020/2021												2021/2022												Comments
				Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	
Governance																												
Project board	Live document	CCC, PCC, CCS, NPT	Jan-20	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	monthly meeting
Carmarthenshire County Council	Council Meetings	CCC	Jan-20	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	monthly meeting
RLSP	Meetings	RLSP	Jan-20	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	monthly meeting
Regional LAs	Council Meetings	CCC, SCC, NPTC, PCC	Jan-20			x				x																		
Project Partners	Meetings	Partners	Jan-20	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	monthly meeting
Joint Committee	Meetings	SRO, JC, PMO	Jan-20	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	monthly meeting
Programme Board	Meetings	SRO, PB, PMO	Jan-20	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	monthly meeting
Ec Strategy Board	Meetings	SRO, ES, PMO	Jan-20	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	monthly meeting
JSC	Meetings	SRO, JSC, PMO	Jan-20		x				x						x													monthly meeting
Assurance																												
OGC Gateway Process	Risk Potential Assessment	SRO, PB, PMO																										
OGC Gateway Process	Gate 0 Programme Strategic Assessment	SRO, PB, PMO, JC	Jun-21																									x
OGC Gateway Process	Gate 1 Business Justification	SRO, PB, PMO, JC	TBC																									
OGC Gateway Process	Gate 2 Delivery Strategy	SRO, PB, PMO, JC	TBC																									
OGC Gateway Process	Gate 3 Investment Decision	SRO, PB, PMO, JC	TBC																									
OGC Gateway Process	Gate 4 Readiness for Service	SRO, PB, PMO, JC	TBC																									
OGC Gateway Process	Gate 5 Operations Review & Benefits	SRO, PB, PMO, JC	TBC																									
Project Implementation Plan	Live document	SRO, PMO, PB, JC, JSC	Jan-20	x				x																				
Project business case	Live document	SRO, PMO, PB, JC, JSC																										
Project issues log	Live document	SRO, PMO, PB, JC, JSC	Jan-20		x			x		x																		
Project risk reg	Live document	SRO, PMO, PB, JC, JSC	Jan-20		x			x		x																		
Project M & E plan	Live document	SRO, PMO, PB, JC, JSC																										
Uk and Welsh Gov Policy Workshops	Meetings	SRO, PMO	Jan-20																									
Audit and risk																												
Audit	Audit	SRO, PB, PMO, JC																										annual audit
Risk Critical Friends	Meetings	PMO, IA, Proc, Risk																										
Lessons learned workshop	Meetings	Partners																										
Comms group	Meetings	Partners																										

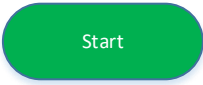












	Phase Start
	Phase End
	Process – Conducted by City/Growth Deal
	Assurance – Commissioned by City/Growth Deal
	Document / Report Shared between City/Growth Deal & Governments
	Process – Question for City/Growth Deal
	Approval Point – City/Growth Deal
	Approval Point - Governments
	City/Growth Deal to Inform Governments
	Move to Next Phase
	Move to Next Process

Glossary

- OPD – WG Office for Project Delivery (Formerly Integrated Assurance Hub)
- RPA – Risk Potential Assessment
- IAAP – Integrated Assurance and Approval Plan
- BC – Business Case
- PVR – Programme/Project Validation Review
- PAR – Programme/Project Assessment Review
- SOC – Strategic Outline Case
- OBC – Outline Business Case
- FBC – Full Business Case
- Gate – Gateway Review
- AAP – Assurance of Action Plan (Consequential Assurance)
- DCA – Delivery Confidence Assessment
- AO – Accounting Officer
- AOR – Accounting Officer Review
- PMO – Programme/Project Management Office (Portfolio PoMO)
- WCGIB – Welsh Cities & Growth Implementation Board



	Phase Start
	Phase End
	Process – Conducted by City/Growth Deal
	Assurance – Commissioned by City/Growth Deal
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Swansea Bay City Deal Gateway Assurance Framework



Llywodraeth Cymru
Welsh Government

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1. Purpose

The purpose of this document is to provide a framework for the management, resourcing and governance of Gateway assurance arrangements for the Swansea Bay City Deal (SBCD) Portfolio and its constituent programmes, projects and workstreams. The framework provides clarity for programme and project Senior Responsible Owners (SROs) and their teams, Welsh and UK governments and partner organisations on the assurance arrangements that will apply to the SBCD Portfolio.

The establishment and application of independent assurance arrangements are an essential and integral part of ensuring successful delivery of portfolios, programmes and projects, and the realisation of their benefits. Due to the high value, risk rating, complexity and the significant number of discrete project elements within the SBCD Portfolio, it is essential that the assurance arrangements are effective and practical, particularly with respect to cost, resource and timing. It is also important that clarity is provided to all stakeholders on assurance requirements, the process involved and their respective roles and responsibilities to ensure the effectiveness of the assurance arrangements.

The framework supports the Portfolio Integrated Assurance and Approval Plan (IAAP) which leads the assurance activity associated with the development, delivery and operational phases of the programmes and projects.

This framework has been produced jointly by the SBCD Portfolio Management Office (PoMO) and Welsh Government Integrated Assurance Hub (IAH) and describes the arrangements for the SBCD Portfolio which are aligned to best practice, and are proportionate, practicable and fit for purpose.

2. Background

2.1 Assurance and Gateway Reviews

The HM Treasury Guidance for Better Business Cases highlights the importance of integrating effective assurance arrangements in the development, delivery and evaluation of projects and programmes. Assurance provides independent and impartial confirmation that a programme / project and its various activities are on track and that the spending objectives can be delivered successfully. It also improves the prospects of achieving the intended outcomes and benefits.

The Better Business Case guidance for developing programme and project business cases aligns with the Cabinet Office Gateway Review assurance process and the Welsh Government Assurance Process. This process examines projects at key decision points in their lifecycle and looks ahead to provide assurance that they can progress successfully to the next stage. OGC Gateway Reviews are regarded as best practice in central civil government throughout the UK and are applicable to a wide

range of programmes and project. The Gateway Reviews deliver a 'peer review', in which independent practitioners from outside the programme/project use their experience and expertise to examine the progress and likelihood of successful delivery of the programme or project. They are used to provide a valuable additional perspective on the issues facing the project team, and an external challenge to the robustness of plans and processes.

It is designed to provide independent guidance to SROs, programme and project teams and to the departments who commission their work, on how best to ensure that their programmes and projects are successful. Essentially, the Gateway Process provides support to SROs in the discharge of their responsibilities for the delivery of the programme or project and to achieve their business aims, by helping the SRO to ensure:

- the best available skills and experience are deployed on the programme/project
- all the stakeholders covered by the programme/project fully understand the programme/project status and the issues involved
- there is assurance that the programme/project can progress to the next stage of development or implementation and that any procurement is well managed in order to provide value for money on a whole life basis achievement of more realistic time and cost targets for programmes and projects
- improvement of knowledge and skills among government staff through participation in Reviews
- Provision of advice and guidance to programme and project teams by fellow practitioners.

Portfolio and Programme Reviews are carried out under OGC Gateway™ Review 0: Strategic assessment.

Project Reviews are carried out under OGC Gateway Reviews 1 - 5; and can undergo up to five Reviews during its lifecycle – three before commitment to invest, and two looking at service implementation and confirmation of the operational benefits. Project Reviews may be repeated as necessary depending on the size, scope and complexity of the project.

The Gateway process identifies the following key stage decision points:

- Gateway 0 – Strategic Assessment for Programmes
- Gateway 1 – Business Justification
- Gateway 2 – Delivery Strategy
- Gateway 3 – Investment Decision
- Gateway 4 – Readiness for Service
- Gateway 5 – Operations Review and Benefits

Additional 'products' available for SROs include Project Validation Reviews (PVR), Project Assessment Reviews (PAR) and Critical Friend Review (CFR). In addition, in circumstances where a Review returns a Delivery Confidence Assessment (DCA) of either Amber/Red or Red, an Assurance of Action Plan (AAP) Review is invoked. PARs tailored to specific terms of reference have made been made use of by a number of City Deal projects.

The standard format for a Gateway Review involves the formation of a Review Team consisting of a paid independent consultant as the Review Team Leader (RTL) and two supporting Review Team Members (RTMs) from the public sector. This Team undertakes a series of interviews with selected stakeholders over a 2-day period and produce a report to the SRO on the third day which includes a Delivery Confidence Assessment (Green / Amber Green / Amber / Amber Red / Red) together with recommendations to support the delivery of the programme or project going forward. For more complex projects and programmes with many stakeholders, a 5-day review can be undertaken.

2.2 SBCD Portfolio, Programmes and Projects

The SBCD has a current portfolio investment of £1.3bn, funded by the UK Government, the Welsh Government, public sector bodies and the private sector. This investment will improve regional infrastructure in high value sectors, attract inward investment from businesses and create good job opportunities. It is a partnership of eight regional organisations made up of local authorities, universities and health boards.

The portfolio is to be delivered over a 15-year period 2017-2033 and with the following investment objectives:

1. **Jobs** - To create over 9,000 skilled jobs aligned to economic acceleration, energy, life sciences and smart manufacturing across the region within 15 years (2017-33).
2. **GVA** - To contribute £1.8-2.4 billion GVA to the Swansea Bay City Region by 2033 and contribute to the region achieving 90% of UK productivity levels by 2033.
3. **Investment** - To deliver a total investment in the region of £1.15-1.3 billion in the South West Wales Regional economy by 2033.

These investment objectives will be realised through the successful delivery of 9 headline programmes and projects each of which has developed a programme or project business case aligned to the Better Business Case guidance.

Responsibility for the delivery of the programmes and projects lies with the identified lead authority / lead delivery organisation.

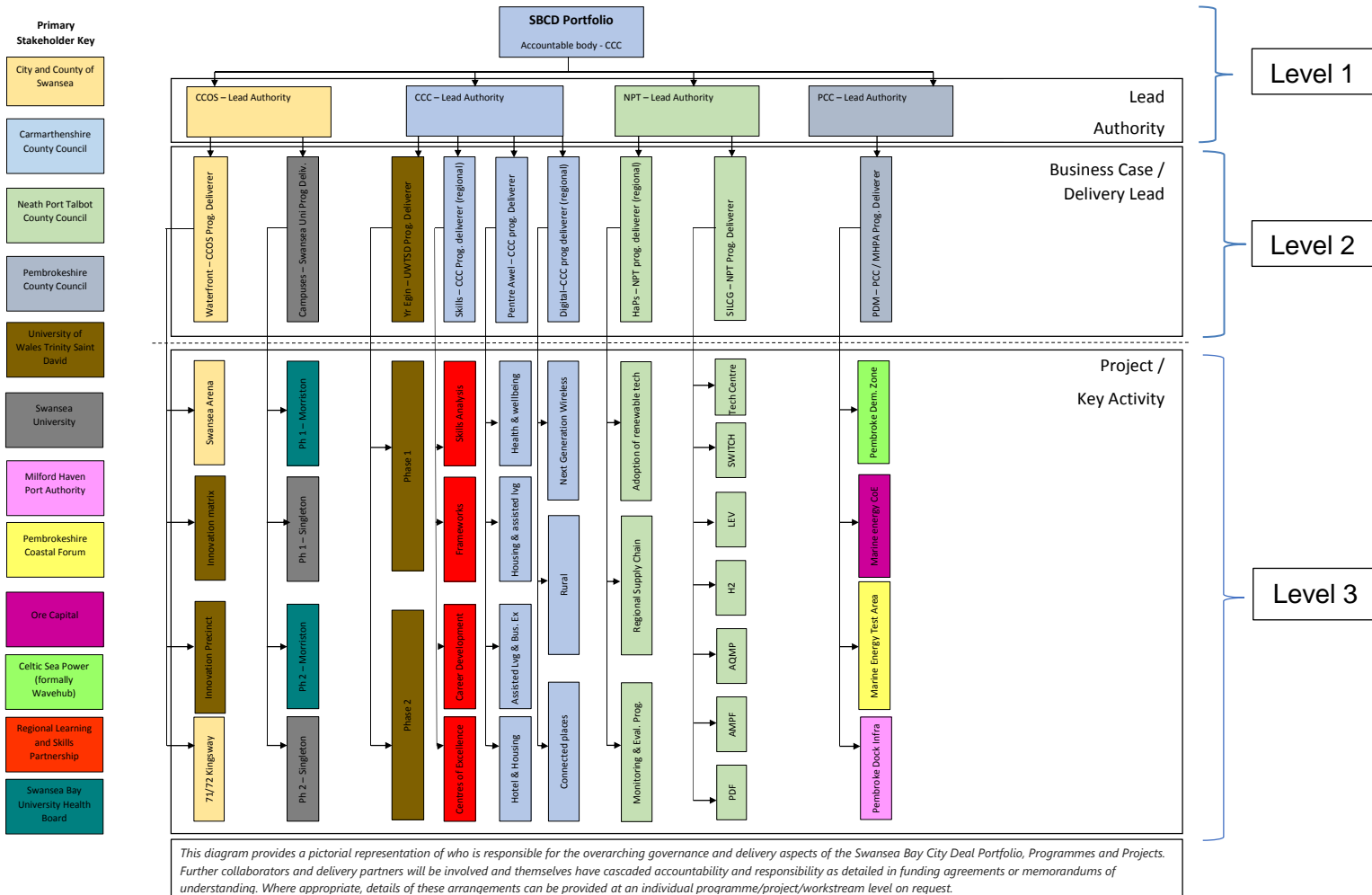
The SBCD structural diagram below shows the organisational responsibility for the delivery of each element of the portfolio and demonstrates the complexity and magnitude of projects and workstreams incorporated within the headline programmes and projects. All nine of the programmes and projects have received regional and Government approval and the SBCD Portfolio is now in full delivery.

The following diagram illustrates that the component activities of the SBCD fall within one of the following levels:

Level 1 - SBCD Portfolio (1).

Level 2 – Headline Programmes and Projects (9). Led by a SBCD local authority and delivered by a lead authority and SBCD partner organisations.

Level 3 – Projects and Workstreams (35). Delivered by a SBCD local authority and partner organisations



2.3 Current Assurance Arrangements

The Gateway Assurance Framework is complementary to the assurance arrangements that already exist and are operational for the SBCD Portfolio. It is acknowledged that the Gateway review process supports a rigorous governance framework to manage key processes including business planning, investment appraisal and business case management (including benefits management), programme and project portfolio management, risk management, procurement/acquisition, and service and contract management. It is also recognised that partner delivery organisations will have individual assurance arrangements and obligations that will be fulfilled in programme and project delivery.

Working closely with the Welsh Government’s Integrated Assurance Hub, the SBCD

Portfolio Management Office (PoMO) has established a Portfolio Integrated Assurance and Approval Plan (IAAP), to ensure that the planning, coordination and provision of assurance activities and approval points throughout the City Deal portfolio are proportionate to levels of cost and risk. An IAAP has been established for all SBCD Programmes / Projects, which are live documents and are regularly updated and shared with the appropriate governance structures at programme / project and portfolio levels. Portfolio and programme / project level IAAPs are updated by programme / project teams and reported through the SBCD governance on a quarterly basis. The IAAPs provide details on the nature and timing of assurance arrangements at all levels including:

- Governance groups reporting
- Key documentation review and approvals
- Internal functional assurance
- Independent assurance (inc. Gateway Reviews)
- Internal and external audit

The Portfolio IAAP and project template is attached for information at Appendix 1.

Currently, Gateway Reviews are required and undertaken at both a Portfolio level and at the 9 headline Programme or Project level as shown in the table below. Reviews are administered by the Welsh Government Assurance Hub, under accreditation by the Infrastructure and Projects Authority (IPA), to coincide with key decision points in the delivery of a programme / project at the request of the SRO. There is a 10-12 week lead in time for a review and a cost of approximately £6,500 to the commissioning organisation for a typical 3-day review. The SBCD PoMO facilitate the process and support the SRO and project team through the scoping, interview and feedback sessions. The PoMO also track the scheduling of Reviews through the project IAAPs.

Within the headline programmes and projects there are many discrete projects and workstreams. Some of these are of a high value and risk rating and are crucial to the success of the headline programme / project and consequently to the success of the Portfolio overall. Currently, there are no systematic Gateway assurance arrangements at this level across the SBCD Portfolio. It is acknowledged however that evaluations / reviews, such as WEFO related projects, may be required by other funding sponsors. Any proposed arrangements would seek to supplement these existing arrangements and not to replace or duplicate.

Level	Assurance Arrangements
Level 1: Portfolio (1)	Gateway 0 - annual
Level 2: Headline Programmes and Projects (9)	Gateway 0 / Gateways 1-5 / PARs – periodic reviews with the option of undertaking Gateway 1-5 to incorporate key decision points of component projects and workstreams
Level 3: Projects and Workstreams (35)	No current systematic Gateway assurance arrangements across the SBCD Portfolio.

2.4 Rationale for Change

HM Treasury advice on Better Business Cases Guidance assurance arrangements indicates that there should be independent assurance throughout the lower level of SBCD projects and workstreams (Level 3) that currently have no independent Gateway assurance arrangements. Some of these projects are high value / high risk projects that could have significant consequences for the success of their headline programme / project and the overarching SBCD portfolio. It is acknowledged by SBCD, its partner organisations and Welsh and UK Government sponsors that comprehensive assurance arrangements need to be in place across the whole of the portfolio.

It is recognised that appropriate and effective assurance is required at all levels within the SBCD Portfolio. It is also acknowledged that there would be considerable practical issues with undertaking the full suite of Gateway reviews at Level 3 solely through the defined Gateway Review process using external Review teams. With the portfolio now being in full delivery there will be a requirement for rigorous, effective and frequent assurance activity to ensure that the portfolio remains on track to deliver its defined benefits to the region.

The main challenge is the number of reviews that would need to be undertaken which would lead to issues for delivery organisations relating to:

Cost

Each Gateway review costs approximately £6.5k plus expenses for a typical 3-day review, which is funded by the lead organisation for a programme or project.

Programme / Project resource

There is already pressure on some programme and project teams to provide resource to undertake Reviews in terms of organisation, administration and providing support to the review team. These pressures are likely to become more significant as an increased number of projects and workstreams progress through delivery.

Stakeholder commitment

The programmes and projects have many common stakeholder organisations / individuals that would be involved in a Review. To follow the prescribed arrangements at all levels of the Portfolio would lead to unmanageable time pressures on senior officers in the partner organisations in attending and managing reviews.

Management

The need for a 10-12 week lead-in time for Gateway reviews is acknowledged and are scheduled in the IAAP to coincide with key decision points. However, as programmes and projects are proceeding at pace through delivery, it will become difficult to manage and capture all key decision points for the component projects and workstreams and avoid delays to delivery. Under the current arrangements there have been instances where project reviews have not been undertaken at the most opportune time

Assurance community resource

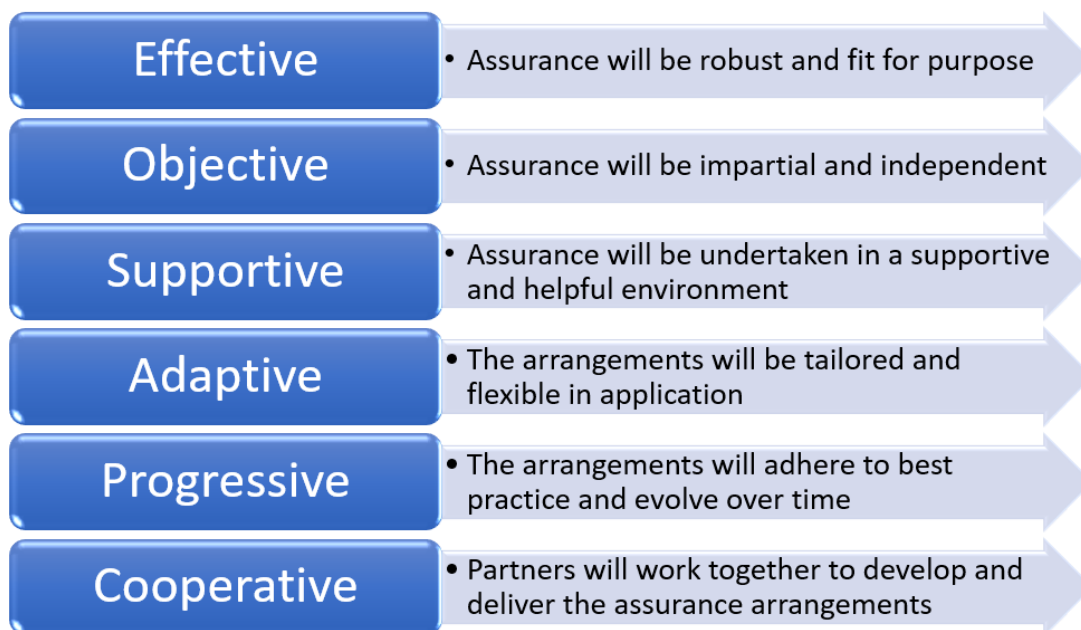
Potential for excessive resource demands on the existing Welsh Government assurance community for RTLs / RTMs.

In consideration of the above, there is an identified need to establish Gateway assurance arrangements which address these challenges whilst ensuring that assurance is comprehensive, practical, proportional, fit for purpose and robust.

3. SBCD Assurance Model

3.1 Principles and Approach

The management and delivery of this Framework and the undertaking of reviews will align to the following guiding principles:



The Gateway assurance arrangements for the SBCD have been developed jointly between the SBCD PoMO and the Welsh Government Integrated Assurance Hub (IAH). A series of meetings and workshops have been held to discuss the most appropriate response to the challenges identified in implementing an effective Gateway assurance process throughout all Levels of the portfolio. An options appraisal has also been undertaken and is provided in Appendix 2 for information.

The table below summarises the agreed approach to assurance arrangements for each level of the Portfolio.

Level	Assurance Arrangements
Level 1: Portfolio (1)	Gateway 0 – annual review
Level 2: Headline Programmes and Projects (9)	Gateway 0 / Gateways 1-5 / PARs – periodic reviews with the option of undertaking Gateway 1-5 to incorporate key decision points of component projects and workstreams
Level 3: Projects and Workstreams (35)	Primarily internal (regional) independent reviews managed and resourced through a SBCD Assurance Sub-Hub. Provision for some high risk / value projects to be undertaken through the formal Gateway Review process

The following agreed approach will also apply in the establishment of the assurance arrangements for Level 3 of the portfolio:

- The SBCD Gateway assurance arrangements will replicate the OGC Gateway Review process e.g., format, documentation, process
- Level 3 reviews will be aligned to best practice for OGC Gateway Review process but adapted to undertake lighter touch reviews
- The management and delivery of reviews will be overseen by a joint SBCD/WG/UKG assurance panel
- A SBCD assurance sub-hub will be established to undertake the planning, organisation and resourcing of reviews under accreditation of WG IAH
- WG IAH will ensure that assurance standards are being applied throughout the process and will manage the process by way of quality assurance checks and regular updates/meetings
- Reviews will be led by an independent RTL, trained by the WG IAH, to ensure integrity and transparency in the review process
- Projects and workstreams will have assurance reviews by exception based on the Risk Potential Assessment (RPA) rating for criteria such as value, risk, and complexity

The approach outlined will address the main challenges faced under the existing arrangements and result in benefits to the delivery of the SBCD Portfolio as outlined in the table below.

Challenges	Current Arrangements	Proposed Arrangements
Cost	<ul style="list-style-type: none"> • Each Gateway review costs approximately £6.5k plus expenses for a typical 3-day review, which is funded by the 	<ul style="list-style-type: none"> • Cost savings for partner organisations in undertaking Gateway reviews at Level 3

	lead organisation for a programme or project.	
Programme / Project Resource	<ul style="list-style-type: none"> • Pressure on some programme and project teams to provide resource to undertake reviews in terms of organisation, administration and providing support to the review team. • Pressures are likely to become more significant as projects and workstreams progress through delivery 	<ul style="list-style-type: none"> • Less resource will be required from programme / project teams in arranging and attending Gateway reviews for Level 3 projects
Stakeholder Commitment	<ul style="list-style-type: none"> • Programmes and projects have many common stakeholder organisations / individuals that would be involved in a Review. To follow the prescribed arrangements at all levels of the Portfolio would lead to unmanageable time pressures on senior officers in the partner organisations in attending and managing reviews. 	<ul style="list-style-type: none"> • Less demand on stakeholder organisations / individuals that involved in the Gateway review process
Management	<ul style="list-style-type: none"> • As programmes and projects are proceeding at pace through delivery, it will become difficult to manage and capture all key decision points for the component projects and workstreams and avoid delays to delivery • Under the current arrangements there have been instances where project reviews have not been undertaken at the most opportune time 	<ul style="list-style-type: none"> • Increased coordination and robustness of assurance arrangements at all levels of the SBCD Portfolio • Effective management of the assessment and scheduling of assurance reviews thereby providing clarity to SROs and preventing delays at key decision points • Increased likelihood of successful delivery and benefit realisation across the Portfolio
Assurance Community Capacity	<ul style="list-style-type: none"> • Potential for excessive resource demands on the existing Welsh Government 	<ul style="list-style-type: none"> • Enhanced regional assurance capability through the establishment

	assurance community for RTLs / RTMs	of SBCD Assurance Sub- hub <ul style="list-style-type: none"> • Upskilling within the region and within the WG IAH assurance community
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3.2 SBCD Assurance Sub-Hub

Essential to the establishment of the Gateway assurance arrangements is the creation and operation of a formal assurance capability within the SBCD. This will be in the form an Assurance Sub-hub which would manage the organisation, resourcing, delivery and monitoring of the majority of Level 3 reviews. The Sub-Hub would also ensure that the independent external reviews at Levels 1 and 2 are assessed and scheduled appropriately through the WG IAH.

Level 1 reviews will be held annually during the delivery period of the SBCD Portfolio.

Level 2 reviews will be scheduled to coincide with significant decision points in the component Level 3 projects and workstreams wherever possible. This will take the form of a blended review e.g. A PAR for a headline programme / project blended with a Gateway 3 review of a key component project or workstream.

Level 3 reviews will then be scheduled and undertaken to assure other key points for the component projects and workstreams based on a Risk Potential Assessment as agreed through the Assurance Panel in consultation with the programme / project SRO. Whilst it is envisaged that the majority of Level 3 reviews will be led by the SBCD Assurance Sub-hub, provision will remain for those with a high risk / value profile to be led by the WG IAH where appropriate.

The SBCD Assurance Sub-hub will be established under the umbrella and accreditation of the WG Integrated Assurance Hub with the approach, process, format, standards and documentation replicated to ensure the consistency and robustness of reviews.

The establishment and management of the SBCD Assurance Sub-hub will be undertaken by the SBCD PoMO under the direction of the SBCD Portfolio Director and WG IAH and on behalf of the SBCD Portfolio SRO.

The Sub-hub will be resourced by independent public sector RTLs from the established WG IAH community of reviewers. RTMs will be identified from the partner organisations of the SBCD. All RTLs and RTMs will receive appropriate training by the WG IAH to fulfill their respective roles.

3.3 Roles and Responsibilities

The table below details the key individuals and groups involved in the operation of the SBCD Assurance Framework and their main roles and responsibilities in relation to

the operation of an assurance Sub-hub.

<p>Joint SBCD/WG/UKG Assurance Panel</p>	<ul style="list-style-type: none"> • Oversight of SBCD Gateway assurance arrangements and the operation of the SBCD Assurance Sub-hub • Review and development of the assurance process • Initiation of reviews for Levels 1-3 • Evaluation of review appraisals
<p>WG Integrated Assurance Hub</p>	<ul style="list-style-type: none"> • Management of the WG IAH assurance community • Management of OGC Gateway Process for SBCD Portfolio and headline Programmes / Projects (Levels 1 and 2) • Provision of training and accreditation for SROs, RTLs, RTMs • Identification and provision of RTLs • Specialist advice on the management of reviews • Accreditation of the Sub Hub and responsible for ensuring standards and quality are attained • Responsibility for the Gateway products and how they are administered • Quality assurance of reviews, processes and documentation • Joint SBCD/WG/UKG Assurance Panel representative
<p>SBCD Portfolio SRO</p>	<ul style="list-style-type: none"> • Overall responsibility for the establishment of robust Gateway assurance arrangements for the SBCD following WG IAH standards • Initiation of reviews for Level 1
<p>SBCD Portfolio Director</p>	<ul style="list-style-type: none"> • Direct responsibility for the establishment and c0-management (with WGIAH) of effective assurance arrangements for the SBCD • Responsibility for the establishment and resourcing of the SBCD Assurance Sub-hub • Joint SBCD/WG/UKG Assurance Panel representative
<p>SBCD PoMO</p>	<ul style="list-style-type: none"> • Responsible for the establishment and management of the SBCD assurance database • Management of OGC Gateway Process for SBCD Projects and Workstreams (Level 3) as agreed with WG IAH • Initiation of reviews for Level 3 where appropriate

	<ul style="list-style-type: none"> • Identification and provision of RTMs • Advice on the management of reviews • Implementation of the Portfolio IAAP • Quality assurance • Joint SBCD/WG/UKG Assurance Panel representative
Programme / Project SROs	<ul style="list-style-type: none"> • Responsibility for the establishment of robust Gateway assurance arrangements for programmes / projects and workstreams • Initiation of reviews for Levels 2 and 3 – completion of RPA • Completion of Gateway Review action plan • Implementation of the programme / project IAAP • Financial arrangements for the costs associated with undertaking a review • Potential RTMs to undertake SBCD reviews at Level 3
SBCD Partner Organisations	<ul style="list-style-type: none"> • Provision of RTMs to resource the Assurance Sub-hub • Financing and hosting of reviews • Participation in reviews for Levels 1-3
WG / UKG City Deal Leads	<ul style="list-style-type: none"> • Joint SBCD/WG/UKG Assurance Panel representatives • Conduit to the Welsh City and Growth Deals Implementation Board (WCGIB)

4. Management of Reviews

4.1 Review Process

The organising and undertaking of reviews will follow the agreed process as shown below.

Reviews at Level 1 and Level 2 will be coordinated by the Welsh Government IAH through the established OGC Gateway process. Reviews at Level 3 will be coordinated primarily by the SBCD Assurance Sub-hub although some higher risk / value programme and project reviews may be coordinated by the Welsh Government IAH.

The process for all reviews will involve the following key stages.

Initiation of Review

Reviews can be initiated by the programme / project SRO, SBCD PoMO or WG/UKG. The SRO will be responsible for the completion of the RPA for submission to the WG IAH (Levels 1 and 2) or the SBCD Assurance Sub-hub (Level 3). A milestone review of the IAAP for programmes and projects will be the main prompt for the initiation of a review.

Assessment Meeting

An Assessment Meeting will be held with the programme / project SRO to determine the appropriate timing, scope and type of review to be undertaken. The SRO will be briefed on the Gateway Review process and provided with the Assurance Planning Pack to assist with the preparation for the review. The Essential Skills Form (ESF1) will need to be completed electronically by the Programme/Project SRO following the Assessment Meeting. The purpose of the form is to capture the essential skills required from a Review Team and the information used to select a Review Team best suited to undertake the review.

Appointment of Review Team

The WG IAH will be responsible for the selection and appointment of the RTL and RTMs for Level 1 and 2 reviews. The WG IAH will also select and appoint the RTL for Level 3 reviews. The SBCD Assurance Sub-hub will be responsible for the selection of the RTMs for Level 3 reviews.

Planning Meeting

A Planning Meeting will be held approximately 2 weeks prior to the review in order for the review team to meet with the programme / project SRO and team members. The SRO will brief the review team on the current status of the programme / project and any specific issues or terms of reference for the team to consider. The SRO will present the interview schedule for key stakeholders to be agreed / amended with the review team. The review team will also be provided with the key documentation required prior to undertaken the review.

Gateway Review

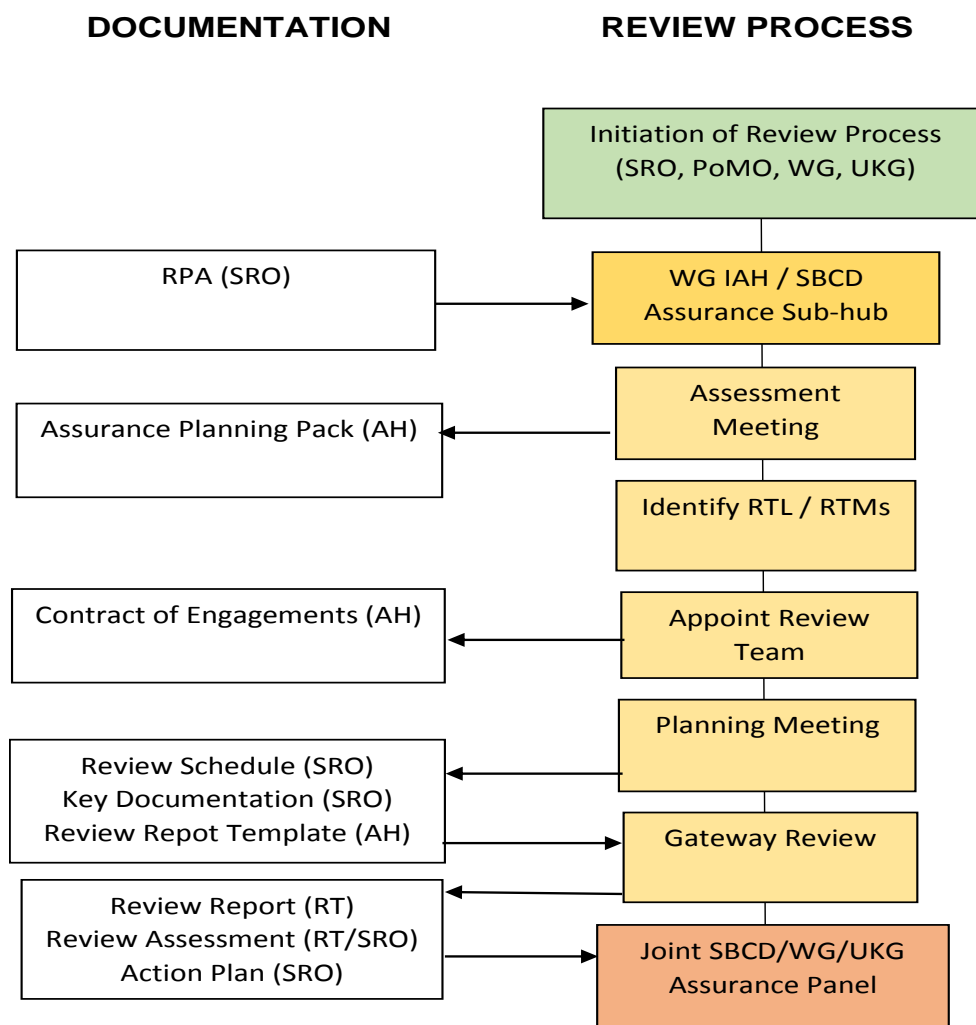
The review team will undertake the review and feedback to the SRO at the Emerging Finding meeting at the end of each day. A draft review report including a Delivery Confidence Assessment (DCA) and review recommendations will be provided to the SRO at the Review Draft Report Feedback Meeting at the end of the review. The SRO will have the opportunity to correct any factual inaccuracies in the report prior to final report being issued.

Post Review

Following the review, a 360-degree assessment will be undertaken for the RTL and RTMs and feedback sought from the SRO. The SRO will produce an action plan for completing the review recommendations. These will be presented the Joint SBCD / WG / UKG Assurance Panel.

The timescale from the Assessment Meeting to the Gateway Review current undertaken through the Welsh Government IAH is commonly 10-12 weeks. It is anticipated that Level 3 reviews could be undertaken within a shortened timescale of

around 6-8 weeks from the initial Assessment Meeting.



4.2 Format and Scope of Reviews

The Welsh Government IAH Gateway Assurance Guidance document provides guidance on the structure of each OGC Gateway Review ‘product’, and the areas of investigation to be addressed by the Review Team, together with examples of the evidence which would demonstrate to the Review Team the satisfactory nature of responses to the various topics.

These topics and the examples of evidence are indicative and not prescriptive; within the overall objectives of each Review stage. The Review Team will consider whether additional or different topics need to be addressed, and the evidence to be sought. Approaches may vary according to the context of the programme or project – for example, IT-enabled business change, property/construction, or policy development/implementation.

All reviews will be undertaken according to the format and scope described by this guidance and tailored to the specific needs of each programme / project. Central to

the process is the undertaking of 'conversations' with key stakeholders around the specified / agreed areas of investigation. These will be undertaken according to the established OGC Gateway Review Code of Conduct and will include the following key principles:

- 'conversations' are conducted in an impartial and constructive manner
- 'conversations' are confidential and non-attributable
- the Review Team will seek to triangulate any themes/comments or evidence heard across several interviews to ensure that they have a solid basis for any observations/recommendations that are contained in the review report
- documentation supplied to the Review Team will be treated with the strictest confidentiality and destroyed at the end of the review.

Level 1 and 2 reviews will normally be undertaken over a three-day period with two days dedicated to conversations with key stakeholders and third day for report writing and reporting back on the findings to the SRO. The timeframes for a review can be extended for complex programmes / projects with many stakeholders.

Level 3 reviews will deliver a lighter touch review with a more focused selection of stakeholders and areas of investigation to be addressed. An individual assessment will be made by the SBCD Assurance Sub-hub for the timeframe for Level 3 reviews with the intention that the majority of these reviews can be undertaken over a two-day period. Specific terms of reference may also be agreed for inclusion in the review that align to the strategic objectives of the SBCD. Where possible, a Level 2 review will be timed to incorporate a key decision point for a Level 3 project or workstream.

4.4 Review Team Arrangements

The Welsh Government IAH will be responsible for the selection and appointment of RTLs and RTMs for Level 1 and 2 reviews from within the established assurance community and through their existing arrangements.

For Level 3 reviews the Welsh Government IAH will be responsible for the selection and appointment of RTLs from within their established assurance community of trained and accredited reviewers from within the public sector. This will ensure the integrity and independence of the review. The SBCD Assurance Sub-Hub will select and appoint RTMs from the regional assurance community that is currently being established. The RTMs will be independent of the organisation hosting the review.

RTL and RTM selection will be informed by the specific nature and scope of review and the essential skills identified for review team members in the assessment stage of the review. All potential RTLs and RTMs will complete a Gateway Reviewer Application to identify an individual's skill sets and experience.

The Welsh Government IAH will provide the appropriate training and accreditation for all RTLs and RTMs through their existing training modules and specified accreditation requirements.

RTMs will require authorisation for release to undertake reviews by their line manager.

RTLs and RTMs will need to sign the Contract of Engagement prior to undertaking the review.

4.5 Standards and Quality

Reviews at all Levels will be undertaken according to the 14 Gateway Assurance Principles set by OGC™

Communications & Leadership

1. The Senior Executive is committed to the OGC Gateway process & brand
2. The SRO is the client for the OGC Gateway Review and is responsible for the effective implementation of recommendations
3. OGC Gateway is part of a planned and integrated assurance regime for supporting the effective delivery of programmes and projects

Delivery and Best Practice

4. OGC Gateway Reviews are prioritised and resourced commensurate with inherent risk, complexity and priority
5. OGC Gateway Reviews are carried out at appropriate points throughout the entire lifecycle of programmes and projects
6. The OGC Gateway process is applied to preparing and undertaking Reviews
7. Lessons learned from OGC Gateway Reviews are to be shared across the PPM community at national, strategic and local levels
8. The OGC Gateway Review Team must be independent of the programme/project, its management and associated support activities and is responsible for the content of the final report
9. OGC Gateway Reviews are undertaken by a team of accredited peers, with the requisite skills, knowledge and experience, that are drawn from an effectively managed reviewer pool
10. The Review will be short, focused and forward looking, delivering a report to the SRO on the final day of the review
11. OGC Gateway recommendations will be candid & practical, based on best practice & evidence and prioritised for urgency of implementation

Style

12. The process will be open with access to all stakeholders & documentation
13. The OGC Gateway Review process will be undertaken in a confidential manner, with a non-attributable report
14. A 'peer to peer' coaching style will be adopted, with a no 'no surprises' approach

The Welsh Government IAH, whilst adhering to the OGC Gateway Assurance Principles, have its own set of standards and quality that the Team and Reviewer community adhere to. These will be applied to all Levels of review for the SBCD Portfolio.

Flexible – The IAH will, where possible, will take a flexible approach to Gateway

Assurance Reviews, managing the SRO's requirements and expectations.

Honesty and integrity – The IAH maintains an honest approach to Gateway Assurance Reviews and will provide recommendations for Gateway Reviews if they are applicable at the time. We maintain an open and honest approach with our Reviewer Community and will provide feedback when required

Helpful not a Hindrance – The IAH will support Programmes and Projects through the Gateway Assurance Process, and will provide advice and guidance, ensuring that the Assurance Process is a helpful one and not a hindrance to the Programme/Project.

Feedback – The Hub provides feedback to both the SRO and Reviewer Community, where required, the Hub in return will also gather feedback on the IAH team performance to support and maintain the standards of delivery

Trend Analysis – The Hub provides Trend Analysis that supports future Programmes and Projects, supports learning and development and supports the Organisation development.

Quality – The Hub expects and maintains a high quality of delivery and will provide the highest quality of Reviewers to each review. We conduct 360-degree feedback to help develop all our reviewer community. We provide open and honest feedback within the Team to maintain a high level of delivery.

4.6 Financial Arrangements

The programme / project SRO will be responsible for financing the costs incurred in undertaking the Gateway Review through their organisational or project budgets.

For Level 1 and 2 reviews this will include the consultant fee for the RTL and the travel and subsistence expenses incurred by the RTL and RTMs. The WG IAH expenses form will be used to claim back expenses relating to the review.

For Level 3 reviews coordinated by the SBCD Assurance Sub-hub, there will be no fee for the RTL or RTMs. Travel and subsistence costs incurred by the RTL and RTMs will need to be re-imbursed by the host organisation. The host organisation will provide the relevant documentation for claiming this expenditure.

Any accommodation and hospitality costs will also be borne by the programme / project SRO.

4.7 Documentation

The following documentation will be utilised by the WG IAH and the SBCD Assurance Sub-hub in the management and delivery of assurance reviews.

Assessment and Planning

Risk Potential Assessment Form (IAH-RPA)

Assurance Planning Pack

- Welsh Government Gateway Assurance Guidance
- Essential Skills Form (ESF1)
- SRO Briefing Note (IBN002)
- Assurance Process Checklist
- Assurance Review Schedule
- Interviewee Briefing Note (IBN001)
- Welsh Government Assurance Reviews – Customer ‘tips’

Review and Review Team

RTL / RTM Reviewer Contract of Engagement

- Travel and Subsistence Policy
- Expenses and claims forms

OGC Gateway Review Report Templates

Post Review

360-degree assessment form

Action plan template

5. Governance and Oversight

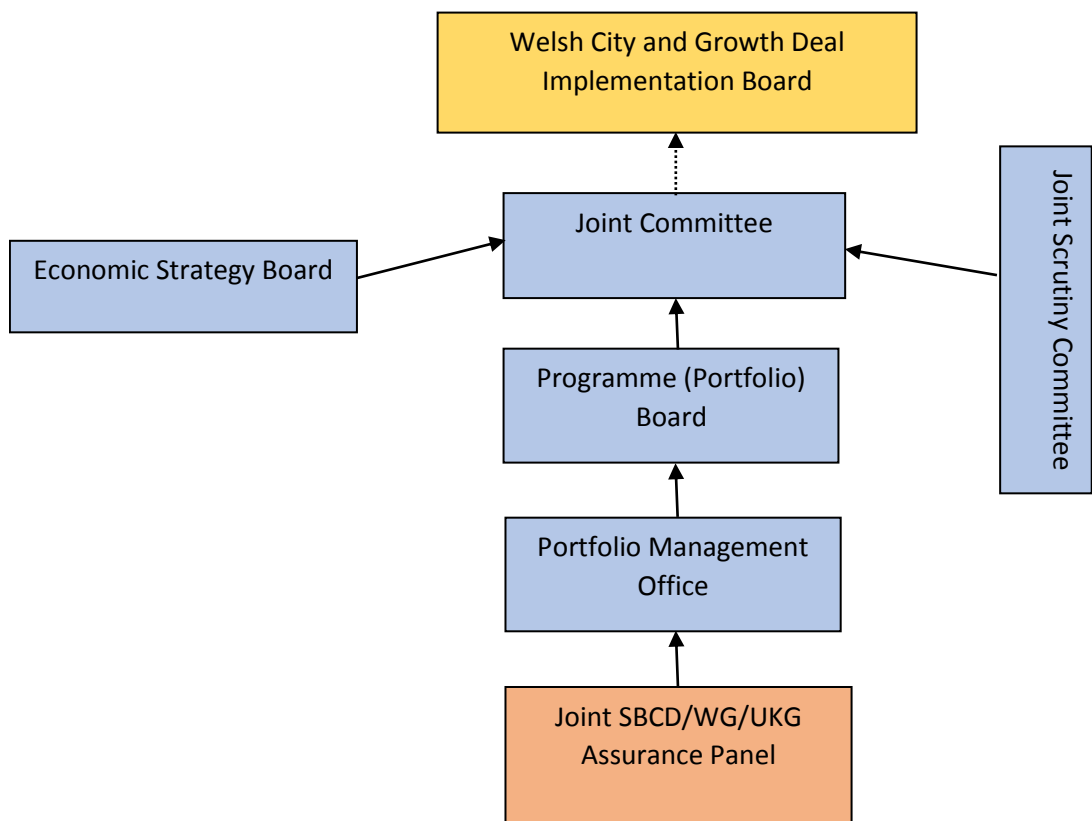
5.1 Joint SBCD/WG/UKG Assurance Panel

Oversight of the development and implementation of the SBCD Assurance Framework will be undertaken by the Joint SBCD/WG/UKG Assurance Panel. The Panel will be chaired by Welsh Government Head of Integrated Assurance with representation from the SBCD PoMO, the Welsh Government and UK Governments leads for City and Growth Deals.

Draft terms of reference are attached at Appendix 3. Main duties and responsibilities of the Assurance Panel will be:

- Ensure that appropriate assurance arrangements are in place for the delivery of the SBCD portfolio of programmes, projects and workstreams
- Identify of the appropriate level of reviews to be undertaken for programmes and projects
- Ensure the specified standards are met in management and delivery of reviews
- Ensure that the quality of the OGC Gateway process and products are maintained in the delivery of reviews
- Oversee the assessment, scheduling and delivery of reviews
- Monitor and assess the progress of programme / project action plans in relation to review recommendations
- Assessment and identification of training needs to ensure the successful operation of the SBCD Assurance Framework
- Ongoing review and development of the SBCD Assurance Framework
- Provide reports to SBCD governance groups on the delivery of the independent assurance arrangements for the portfolio

The Panel will report on a quarterly basis via the Portfolio Management Office into the formal governance arrangements for the SBCD as shown below:



6. Development and Review

The SBCD assurance arrangements as described in this Framework will be further developed as the process is implemented.

The Framework will also be formally reviewed by the Joint Assurance Panel on a six-monthly basis.

It is acknowledged that the OGC Gateway Review process will be revised in 2022 with the introduction of the Get to Green proposals. Further advice will be provided by the WG Assurance Hub on the implications for Gateway Reviews in Wales and the process described in this Framework.

Appendices

1. Portfolio IAAP
2. Options Appraisal
3. SBCD Assurance Panel – Draft Terms of Reference

Swansea Bay City Deal Portfolio Risk Management Strategy



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1. Introduction

1.1 Overview

- 1.1.1 The Swansea Bay City Deal (SBCD) will deliver an estimated portfolio investment of £1.13bn across nine project and programmes in partnership with four local authority areas within the Swansea Bay City Region.
- 1.1.2 The SBCD Portfolio Business Case provides details on the management of the portfolio of programmes and projects that respond to the regional needs to increase regional GVA, opportunities for high level skilled jobs and inward investment. These programmes and projects will be delivered against a set of constraints affecting cost, benefits and risk, whereby each will be assessed against the Green Book five business case model.
- 1.1.3 The SBCD Risk Management Strategy is aligned to the HMT Green Book supplementary guidance: [The Orange Book](#).
- 1.1.4 Risk is defined as this uncertainty of outcome, whether positive opportunity or negative threat, of actions and events. The risk must be assessed in respect of the combination of the likelihood of something happening, and the impact which arises if it does happen. Risk management includes identifying and assessing risks and then responding to them.
- 1.1.5 Risk is unavoidable, and every organisation needs to take action to manage risk in a way which it can justify to a level which is tolerable. The amount of risk which is judged to be tolerable and justifiable is the risk appetite.
- 1.1.6 The level of risk after these internal controls are known as the residual risk and is the exposure the SBCD has in respect of the identified risk and therefore should be deemed acceptable or justifiable and within the SBCD risk appetite.
- 1.1.7 SBCD risk management considers the environment in which it operates and provides full consideration to the risk priorities of SBCD partners organisations, as these will influence the risks and provide context on how they should be managed.
- 1.1.8 The PoMO functions are based on P3M (Portfolio, Programme and Project) development and delivery.
- 1.1.9 The risk management strategy will be led from the top of the SBCD and embedded in standard practices and processes of the SBCD governance arrangements. All stakeholders will be made aware of the importance of risk management and how it supports the achievement of the SBCD objectives, where training and support will be made available via the SBCD PoMO.

1.2 Purpose

- 1.2.1 The Swansea Bay City Deal Portfolio purposefully seeks to promote an environment that is risk 'aware' and strives to place risk management information at the heart of key decisions. This means that the SBCD PoMO, primary stakeholders, governance structures and third parties can take an effective approach to managing risk in a way that both address significant challenges and enable positive outcomes for the SBCD Portfolio.

1.2.2 The purpose of this Risk Management Strategy is to provide a systematic and effective method by which risks can be consistently managed throughout the SBCD Portfolio and thus will:

- Inform stakeholders how risks will be identified, assessed, addressed and managed
- Provide a common strategy and understanding of portfolio management that will enhance the capability, willingness and understanding of appropriate governance and assurance and thereby increasing the likelihood of successful delivery of the SBCD aligned to the regional ambitions
- Detail the key roles and responsibilities of groups and individuals associated with the SBCD with respect to programme management
- Signpost to additional resource, support and training
- Provide standard definitions and language to underpin the risk management process
- Implement an approach that follows best practice

1.3 Definitions

The City Deal means the Swansea Bay City Deal agreed between the Member Authorities and UK and Welsh Governments.

SBCR is a partnership between the local authorities of Carmarthenshire, Neath Port Talbot, Pembrokeshire and Swansea.

P3M means Portfolio, Programme and Project management functions, best practices, principles and practices.

The PoMO means the Portfolio Management Office which oversees the SBCD development and delivery and in particular, P3M functions such as assurance, risk and issue management, benefits and value, communications and stakeholder engagement, information management, finance, resource management, reporting and administration.

Risk can be defined as the uncertainty of outcome, whether positive opportunity or negative threat, of actions and events. It is the combination of likelihood and impact, including perceived importance.

Risk Management is the systematic application of all the processes involved in identifying, assessing and judging risks, assigning ownership, taking actions to mitigate or anticipate them, and monitoring and reviewing progress.

Risk Owner is a person with accountability and authority to effectively manage the risk.

Risk Strategy is the overall organisational approach to risk management as defined by the Accounting Officer and/or governance board. This should be documented and easily available throughout the organisation.

Risk Appetite the amount of risk that an organisation is prepared to accept, tolerate, or be exposed to at any point in time.

Inherent Risk is the exposure arising from a specific risk before any action has been taken to manage it.

Residual Risk is the exposure arising from a specific risk after action has been taken to manage it and making the assumption that the action is effective.

1.4 Principles

- 1.4.1 The SBCD portfolio risk management Strategy is based on five principles. These principles aim to assist with increasing confidence in achieving the programme outcomes and making better decisions by utilising forward-looking and proactive tools that enable the SBCD to build a better chance for successful socio-economic outputs and outcomes for the region. They are:
- **Dialogue** - with and amongst key stakeholders to identify risks
 - **Debate and challenge** - collective debate and constructive feedback to challenge organisational and traditional thinking to ensure the decisions are the right ones to make
 - **Culture** - that cultivates creativity, diversity and open ways of thinking from staff engagement and empowerment to contribute and be listened to
 - **Risk appetite** - clear on conduct, behaviour and the level of risk that the SBCD is willing to accept or tolerate in order to operate safely
 - **Independent thinking** - obtaining views from someone who can independently challenge the risk management strategy, practices and ways of thinking to overcome the issues associated with “groupthink”
- 1.4.2 By adhering to these principles, the SBCD will remain relevant, move forward and assure a sustainable future for our region.
- 1.4.3 The SBCD risk management strategy is targeted to all the projects and programmes associated with the portfolio and the key stakeholder members on the governance boards of the SBCD and the UK and Welsh government as sponsoring bodies.

2. Risk Management

2.1 Risk Management Policy Statement

- 2.1.1 The SBCD faces numerous risks (opportunities and threats), which have the potential to disrupt achievement of the investment objectives of the SBCD, for better or worse. The SBCD will use risk management to take better-informed decisions and improve its ability to achieve or exceed its strategic and operational objectives.
- 2.1.2 The SBCD considers risk management to be fundamental to good P3M practice and a significant aspect of governance. Accordingly, risk management must be an integral part of the SBCD routine decision-making and must be incorporated within strategic and operational planning processes at all levels.
- 2.1.3 The SBCD’s **Risk Management Strategy (RMS)** supports this policy statement and contains details of the processes by which risk management will be carried out, reported and managed, including the tools and systems to be used.
- 2.1.4 The RMS will be led from the top of the SBCD and embedded in standard practices and processes of the SBCD governance arrangements. All stakeholders will be made aware of the importance of risk management and how it supports the achievement of the SBCD objectives.
- 2.1.5 The SBCD PoMO will regularly review and monitor the risk management process and the development of an appropriate risk management culture across the SBCD.

2.2 Benefits of Risk Management

2.2.1 There are several benefits that result from adhering to structured and standardised Risk Management. Most importantly:

- Identifies threats and opportunities to SBCD Portfolio and raises awareness
- Reduces the level of risk which threatens the delivery of SBCD Portfolio
- Elevates communication between stakeholders and the SBCD Portfolio
- Improves decision making at all levels
- Provides confidence from primary stakeholders and governing committees that risks are effectively identified, monitored and evaluated
- Results in fewer surprises

2.3 Risk Categorisation

2.3.1 The SBCD portfolio risk register captures and monitors key portfolio level risks to the delivery of the City Deal and achievement of its aims and objectives. It will be monitored by Joint Committee, Programme Board, Economic Strategy Board and Joint Scrutiny Committee via circulation prior to each meeting and issues tabled for discussion as necessary. This identifies what aspect of the SBCD portfolio could be impacted. See Appendix 1 for more detail on the Impact Criteria.

Category	Ref. No	Description
Contractual	C1	Ineffective use or management of contacts leads to increased costs
Environmental	C2	Environmental incidents
Financial	C3	Financial risks facing the Councils
Health & Safety	C4	Harm to employees / public
IT	C5	Failure of systems / cyber attack
Objectives	C6	Threat to achieving portfolio objectives
People / Social	C7	Threat to / from society / groups / public
Physical / Assets	C8	Damage to organisational property
Political	C9	Adverse actions caused by changes in local/ regional/national governments
Professional	C10	Lack or loss of qualified employees
Projects	C11	Threat to / from individual projects
Regulatory / Legal	C12	Changes to regulations / law
Reputation	C13	Negative publicity
Schedule/Timescales	C14	Threats to timelines / critical path(s)

2.4 Risk Classification

2.4.1 The identification and assessment of risks in the risk register are aligned to the UK and Welsh Government Guidance, where risks fall into three main categories:

Business	Business related risks remain with the public sector and can never be transferred
Service	Service-related risks occur in the design, build, funding and operational phases of a programme / project and may be shared between the public and private sectors
External	External systemic risks affect all society and are unpredictable and random in nature

2.4.2 **Business-related risks** that can affect the scope, time and cost at portfolio level are summarised as follows:

- Displacement as a result of competing with other regions across Wales
- Lack of funding from Welsh and UK Governments
- Lack of inward investment from private sector
- Lack of quality human capital within the region
- Political conflict at Regional, UK and Welsh Government levels

2.4.3 **Service-related** risks will be managed by each of the City Deal programmes / projects, who will maintain, manage and monitor their own risk registers in line with guidance from the Green Book and the PoMO governance arrangements. Any significant risks that may affect portfolio deliverables will be escalated to the PoMO and reported and managed via the regional governance structure.

2.4.4 **External Risks:** Although not within the control of the portfolio the following external risks are significant to portfolio delivery and are therefore monitored accordingly.

2.4.5 **Brexit:** In 2016 a referendum was held to decide whether the UK should remain in the European Union or not. No dedicated process is in place to monitor the effects of Brexit (at July 2020) due to delays in implementation by UK Government. High-level monitoring is being undertaken at Welsh Government and Local Authority level.

2.4.6 **Covid-19:** At the time of the Business Case update in July 2020, the long-term effects of Covid- 19 and the Brexit situation are largely unknown. This situation will be closely monitored over the coming months, where risks and mitigating actions will be continually under review. To support this process, the SBCD PoMO coordinated all projects to populate a Covid-19 Impact Assessment template, which is reported through governance structures to actively manage the identified Covid-19 risks. This is a live document that is regularly reviewed by the PoMO.

2.4.7 Key business risks captured in a SBCD risk register and Covid-19 impact assessments include SBCD partner withdrawal, delays to project approval, funding draw down and portfolio delivery delays, achievement of targets, reputational effect and change to scope and objectives.

3. The Risk Management Model

3.1 Introduction

3.1.1 SBCD portfolio works towards a comprehensive and integrated approach to risk management where:

- Staff are clear about what risk management is intended to achieve
- Significant risks are being identified and managed effectively
- Guidance on risk management is easily accessible
- A consistent approach is followed across the portfolio, programmes and projects using a common language for risk management and it is seen as an integral part of good corporate governance

3.1.2 The PoMO risk management approach is based on P3M (Portfolio, Programme and Project) and HM Treasury Orange Book best practice principles and practices.

3.1.3 This section details the agreed arrangements that are needed to ensure the effective management of risk across the portfolio. The SBCD approach to risk management is based on best practice and involves four key steps as outlined in Section 3.1.4 below.

3.1.4 The risk management model is non-linear, whereby the elements of risk management need to be balanced with each other for it to be effective. Risks are also treated together as the management of one risk may be more effective by controlling several simultaneously. The process to manage risks is represented by four main elements for illustrative purposes, but in practice they blend together.

The SBCD Risk Management Model:



3.1.5 Effective communication and consultation between SBCD portfolio is critical to the successful management of risk. These are not one-off standalone events but important factors at every point of the process and it is vital that staff at all levels across the organisation are involved if risk management is to be truly embedded and a useful management tool.

3.2 Identify Risks

3.2.1 Risks should be related to objectives and should encompass the cause of the impact and impact of the objective (the cause and impact) which might arise. Once identified risks will be assigned to an appropriate owner who has the authority and responsibility to manage and monitor the risk. The risk owner may not be the person who addresses the risk. Risks can be identified by either commissioning a risk review and/or by self-assessment.

3.2.2 **Continuous risk identification** is then necessary to identify new risks that were not initially seen and to monitor any changes in already reported risks.

3.2.3 Risks are identified by a variety of means, (e.g. brainstorming, SWOT analysis, workshops, previous experiences, etc). SWOT Analysis through a workshop environment is the technique the SBCD PoMO adopt to determine the Strengths, Weaknesses, Opportunities and Threats to deliver the portfolio both internally and externally. This technique enhances the ability to identify risk within the wider government context.

S trengths	W eaknesses
What do you do well? What unique resources can you draw on? What do others see as your strengths?	What could you improve? Where do you have resource limitations? What are you lacking?
O pportunities	T hreats
What opportunities are open to you? Media / press coverage How can you turn strengths into opportunities?	What threats could harm you? What threats do your weaknesses expose? Regulatory changes

3.2.4 Describing the risk is equally important to ensure that risks are fully understood, and to assist with the identification of actions, the cause and impact of each risk must also be considered. A good risk description avoids ambiguity and confusion. Typical phrases used to do this include:

Cause	Risk	Impact
Lack of clarity in programme / project specification leads to ...	Failure to deliver outcomes as expected resulting in ...	Customer dissatisfaction and damage to reputation

3.2.5 Once the risk, the cause and the impact to the SBCD portfolio has been identified the risks are recorded in the Risk Register.

3.3 Assess risks

3.3.1 Once a risk is clearly defined, the SBCD’s approach to risk management is to assess the risk in terms of probability of occurrence and the plausible impact that its potential consequences using the Risk Assessment Matrix detailed below.

Risk Assessment Matrix		Impact				
		Insignificant (1)	Minor (2)	Moderate (3)	Major (4)	Fundamental (5)
Probability	Almost Certain (5)	Low	Medium	High	High	High
	Likely (4)	Low	Medium	Medium	High	High
	Possible (3)	Low	Low	Medium	Medium	High
	Unlikely (2)	Low	Low	Low	Medium	Medium
	Extremely Unlikely (1)	Low	Low	Low	Medium	Medium

3.3.2 **Probability** is scored as follows:

- 5 = Probability is **certain** will occur in most circumstances >80%
- 4 = Probability is **likely** to occur 51% - 80%
- 3 = Probability is **possible** of occurring 26% - 50%
- 2 = Probability is **unlikely** to occur but potentially exists 10% - 25%
- 1 = Probability is **extremely** unlikely to occur <10%

3.3.3 **Impact** is scored using a 1 to 5 scale (See Appendix 1 for Impact Criteria):

- 5 = Incidence would be **fundamental** to the ability to deliver the portfolio at all
- 4 = Incidence would be **major** on the ability to deliver the portfolio
- 3 = Incidence would be **moderate** on the ability to deliver the portfolio
- 2 = Incidence would be **minor** on the ability to deliver the portfolio
- 1 = Incidence would be **insignificant** on the ability to deliver the portfolio

3.3.4 The outcome of the risk assessment is determined by multiplying probability by impact and will produce a score that translates into an evaluation of the risk as being high, medium or low.

3.3.5 The assessment needs to be compared to the risk appetite to determine the level of action required. Focus needs to be given to residual risk i.e. the risk after control has been applied and therefore is the actual exposure that SBCD portfolio faces. Information about the inherent risk is also considered to determine if there is over-control in place. The risk assessment will provide the SBCD portfolio with a risk profile that enables the SBCD PoMO to prioritise risk, capture the reasons for decisions, records how risk is being addressed and facilitates the sharing, facilitation and monitoring of risks for all those concerned with risk management.

3.3.6 In order to maintain consistency across the SBCD portfolio, the ‘5 x 5’ scoring matrix (3.3.2) should be used for managing and reporting risks for the City Deal portfolio, programmes and projects. Risk magnitude is determined by categorising as High, Medium or Low.

3.3.7 Risks are given two scores; Firstly, at the point the risk is identified, with any existing controls in place (i.e. before anything new has been done to manage it). This is the “inherent risk” score and is calculated only once, at the time the risk is identified. The score remains unchanged thereafter, to act as a baseline for future risk management activity.

Risk Appetite

3.3.8 The amount of risk, the SBCD portfolio is willing to take on, accept, tolerate or be exposed to, in the pursuit of its objectives, is known as its risk appetite. It is essential to consider risk appetite prior to considering how to address risks. Application of risk appetite requires a standardised escalation process across the portfolio, programmes and projects.

Risk Appetite Status

Status	Management action required
Comfortable	The Joint Committee and Programme Board accepts the level of risk presented as within its' comfort zone
Manageable	The Joint Committee and Programme Board accepts the level of risk presented, subject to suitable and effective risk controls being in place, working and evidenced
Unacceptable	Risks at this level <u>may</u> be accepted, subject to approval of Joint Committee and Programme Board, based on rigorous control measures and regular evidenced reporting of control effectiveness by SBCD PoMo

3.3.9 Within the parameters set by its Risk Tolerance, the SBCD portfolio will be open to risk taking in activities which support the fulfilment of its objectives. Objectives may carry numerous inherent risks and within this context, risk appetite may vary on a case-by-case basis. Risks will therefore be assessed as they arise, in proportion with the opportunities that they present and the controls that will be introduced to protect the SBCD portfolio from financial/reputational loss or non-compliance with legislation.

3.3.10 The SBCD portfolio maintains an effective management process to manage risks. Any risks that are an unacceptable exposure to the SBCD, stakeholders or third parties are mitigated as far as possible. Where a proposed activity or venture has a residual risk that is considered unacceptable and there is no means of reducing the risk to an acceptable level the activity may be rejected.

3.3.11 The SBCD will seek to enhance sustainability and improve the region. The SBCD will be open to risk taking to achieve these goals.

3.3.12 In deciding the risk appetite and delegated risk appetite (risk tolerance levels), consideration needs to be given to:

- Environmental and wider economic factors, including current government

- required reductions in budgetary spending
 - Funding levels and its overall capacity to bear risk
 - The amount of risk that is acceptable (what risk could be justified if it happened)
- 3.3.13 The SBCD will seek to enhance knowledge and understanding of national and globally important issues through its commitment to excellence in economic development. SBCD portfolio is open to an appropriate level of risk taking which is beneficial to advancing the region and supports the achievements of its objectives.
- 3.3.14 The SBCD's reputation will directly influence its ability to attract interest and inward investment, which in turn will influence the opportunities on offer. To this extent, the SBCD will ensure that appropriate measures are in place when exposed to risks which promote and enhance its ambition to become more productive.
- 3.3.15 The SBCR recognises that it must build infrastructure to fulfil its potential and achieve its strategic objectives. The SBCR consists of a portfolio of programmes and projects to transform its economic landscape and infrastructure, whereby risks will be controlled through robust project management, oversight and governance.
- 3.3.16 The SBCD operates in a challenging environment with economic recovery from Covid-19 and Brexit, increasing competition and political differences. The SBCD aims to be competitive by attracting industry, creating highly skilled jobs and creating an ecosystem of innovation, enterprise and engagement. The SBCD will be open to risk taking in order to achieve these goals.
- 3.3.17 The SBCD must be responsive to increasing demands within the various sectors in which it operates and will reflect upon its efficiency and effectiveness with the aim of delivering strategic change within the region for these sectors. Regional change will expose the SBCD to risk and this will be mitigated through strong leadership and meaningful engagement with all stakeholders in order to promote a culture of innovation, development and resilience.

3.4 Address Risks

- 3.4.1 The SBCD will address risks through internal controls and by defining its level of tolerance to achieve its objectives by setting the parameters which determine the acceptance of risk (risk tolerance).
- 3.4.2 Risks rated as Red will be deemed to have exceeded tolerance levels and will be subject to escalation to Programme Board (PB) and Joint Committee (JC) for review and action. The target residual rating for a risk is expected to be 'medium' or lower. In the event that this is not deemed realistic in the short to medium term, this shall be discussed as part of the Governance Boards, and this position regularly reviewed with the ultimate aim of bringing the level of risk to a tolerable level.
- 3.4.3 Not all risks will be required to be managed continually, so having assessed and prioritised the identified risks, cost effective action needs to be taken to manage those that pose the most significant threat.
- 3.4.4 Some risks are unavoidable, and it is not within the ability of the SBCD portfolio to completely manage it to a tolerable level - for example many organisations have to

accept that there is a risk arising from COVID-19 as referred to in 2.4.1 which they cannot control. In these cases, contingency planning is required.

- 3.4.5 The SBCD will accept a degree of financial risk in order to develop and improve; whilst overall, it will adopt a cautious approach to promote financial stability.
- 3.4.6 The SBCD operates in a highly political and legislative environment and will operate within the relevant value for money, legal and regulatory frameworks. The portfolio will not seek to take risks to systemic compliance in these areas.
- 3.4.7 The SBCD portfolio will accept risks that could result in short term adverse but will seek to avoid any longer-term exposure to adverse publicity.
- 3.4.8 There are five key aspects to addressing risk.

Tolerate	Agree that any further action to treat a risk is not cost effective or proportionate in relation to the current risk and decide to tolerate it as it is.
Treat	Implement cost effective measures to reduce or further control a risk to an acceptable level.
Transfer	Move the responsibility for risk or a specific component of risk to another party. This might be achieved through legislation, contract, insurance or other means.
Terminate	Choose an alternative solution or not to be involved in, or to withdraw from, an activity or opportunity because of the risk involved.
Take the opportunity	Actively take advantage of risk through realisation, enhancement and exploitation, where it is seen as an opportunity to gain benefit.
Monitor, review and report risks	Risk management should be thought of as an ongoing process and as such risks need to be reviewed regularly to ensure that prompt and appropriate action is taken to reduce their likelihood and/or impact. The Risk Register is used to monitor, track and review risks to become more proactive to provide solutions to problems that could have been anticipated.

3.5 Monitor, Review and Report Risks

- 3.5.1 Risk management should be thought of as an ongoing process and as such risks need to be reviewed regularly to ensure:
 - Prompt and appropriate action is taken to reduce their probability and/or impact
 - New risks are identified and evaluated
 - Mitigating actions are in place to control the risk
 - Risk management is effective
 - The current risks still exist
- 3.5.2 The Risk Register is an important tool that forms an integral part of the SBCD Portfolio Risk Management Strategy and helps the PoMO document risks, track risks and address them through preventative controls and corrective measures.

3.5.3 Risk Register Template

Risk Theme	Ref	Title	Date Raised	Category	Owner	Risk Description	Inherent Probability	Inherent Impact	Inherent Rank	Original Control Actions	Review Update/Control Actions	Revised Probability	Revised Impact	Revised Rank	Reported Change	Review Date
	SBCD001			C6 C14			4	3	12			3	3	9	↑ (2,3)	Jan-21

3.5.4 The Risk Register includes the following elements:

Risk Theme	SBCD Portfolio Risk Register defines risks associated to 1. Development 2. Implementation 3. Operational 4. Financial
Reference	A numerical identifier for each risk
Title	Summary of Risk
Date Raised	Date the risk was first identified
Category	The category to which the risk could impact (See 2.3)
Owner	Accountable point of contact for the risk
Risk Description	Description of the Risk, cause and Impact on the Portfolio
Inherent Probability	Assessed at the point of risk identification, how likely is it that the risk will occur prior to any mitigating action.
Inherent Impact	Assessed at the point of risk identification, how significant would the impact be if the risk were to occur prior to any mitigating action
Inherent Risk	The exposure arising from a specific risk before any action has been taken to manage it
Original control action	First steps to control the risk after being identified
Update/Control	Regular progress update / steps that are planned to mitigate the risk
Revised Probability	The probability of the risk occurring after mitigating action has taken place. This can deviate from the inherent probability depending on whether controls in place are taking effect. This can change month on month
Revised Impact	The impact if the risk occurs after mitigating action has taken place. This can deviate from the inherent impact depending on whether controls in place are taking effect. This can change month on month
Revised Risk	The exposure arising from a specific risk after action has been taken to manage it and making the assumption that the action is effective

- 3.5.5 The SBCD PoMO are responsible for creating, maintaining, reviewing and reporting on the Portfolio Risk Register. Frequency of review will be dependent on the circumstances and environment around the risks but will be a minimum of every three months. Risks rated Red will be subject to more detailed and frequent monitoring. Programme / project risks will be the responsibility of the allocated lead. These risks will be reported to the PoMO on a quarterly basis.
- 3.5.6 Portfolio risks will be reported on a quarterly basis to the SBCD governance structures and shared with Welsh and UK Governments on the same basis enabling senior managers and primary stakeholders to be more fully aware of the extent of the risks and progression being made to manage them.

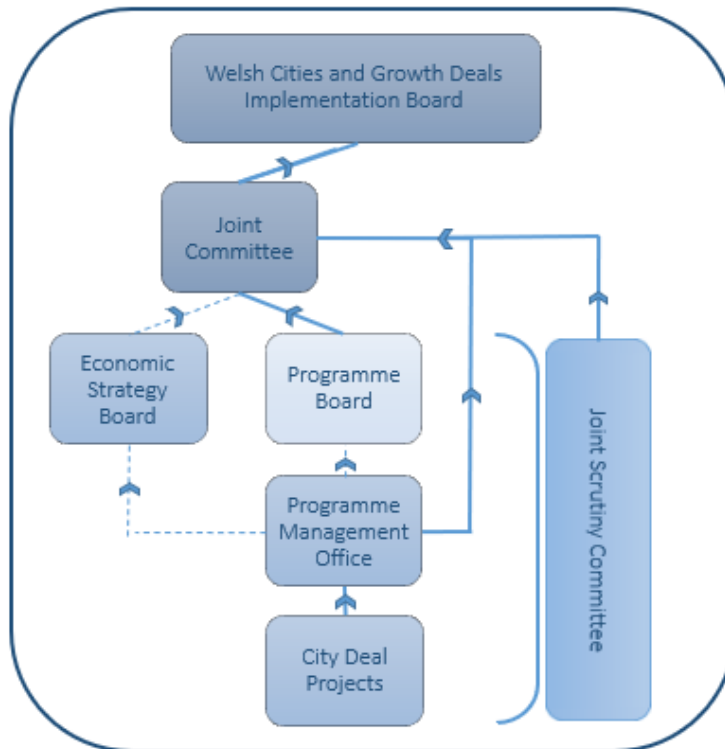
4. Issues

- 4.1 Risks are events which can be anticipated, but when or how often they may happen is uncertain.
- 4.2 Issues are events which have happened or are known to be about to happen and thus their occurrence is certain.
- 4.3 The urgency with which an issue must be addressed is potentially higher than that for a risk, (i.e. a threat or opportunity), because its occurrence is no longer subject to uncertainty. However, the information that needs to be recorded for the issue remains the same as for a risk, as does the way it is managed; identify and implement control actions, monitor and review to determine if further control actions are required, reporting, etc.
- 4.4 Issues will be captured, assessed and monitored via an Issues Log.

5. Governance

5.1 Governance Structure

- 5.1.1 To ensure risk management is effectively implemented, the PoMO are responsible for ensuring that an agreed approach is in place for adequate and effective risk management and control. All primary stakeholders should have a level of understanding of the SBCD risk management approach and regard risk management as part of their responsibilities. Staff and managers that are accountable for achieving an objective are accountable for managing risks to achieve the objective.



5.1.2 The SBCD governance and delivery structure, as outlined above is operational with established Terms of Reference, membership/post holders, and plans and processes in place to govern and deliver the SBCD portfolio.

5.2 Escalation of Risk

5.2.1 A key element to effective risk management is on-going vigilance and the communication and escalation of risk information to the appropriate management level. The reporting and escalation of risk within the SBCD portfolio is based on the Governance structure.

5.2.2 Risk escalation is based on the following key principles:

- Escalation process needs to be managed and have ownership. It is not sufficient to simply escalate a risk to the next management level. It is important that when a risk is escalated, it is reassessed as to its impact on the achievement of objectives at that next level.
- All SBCD staff are empowered to escalate. Importantly, escalation should not be seen as a failure. Escalation is a tool to ensure that risks that cannot be resolved at one level are relayed to the next level to ensure that every effort is made to mitigate the risk.
- Escalation needs to be timely. It is important that risks are escalated early and in good time to affect a resolution.
- Escalation should be documented. It is important that all risks are recorded, where appropriate, in risk registers. Any verbal escalation should be followed up with written or email documentation detailing the risk and retained.

5.2.3 Reasons for Risk escalation:

- The Probability and / or Impact scores of a risk when periodically assessed may increase significantly
- The probability and / or Impact scores of a risk when first identified is significant enough to warrant escalation immediately
- The scope of the risk may increase, (additional stakeholders included, range of causes and / or consequences increases)
- Existing controls not taking a positive effect
- Uncertainty as to what additional / amended controls to apply
- Budget / resources / staffing no longer sufficient to operate existing controls

5.2.4 Escalating risk does not always delegate the management of risk upwards. Risks can sometimes be de-escalated if risk owners feel there are appropriate resources to mitigate the risk at the lower level.

5.2.5 Once escalated, the next management level becomes alerted to the risk, reassesses the risk as to its impact on the achievement of objectives at that next level and takes appropriate action. This may mean:

- Accepting risk at the higher level
- Changing the activity, or
- Adjusting the level of risk, they judge suitable for the level below to manage

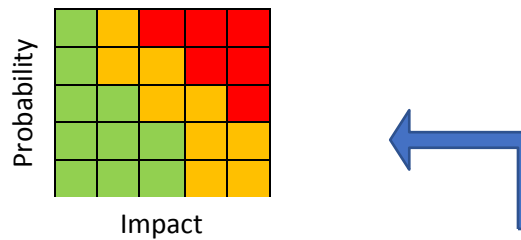
5.2.6 In order to ensure that only those risks which truly require consideration for additional support are escalated, the following guidelines should apply:

	Automatically		Exceptionally
Risk Score	Residual risk score of 20 or 25 And Score not expected to reduce without additional control actions being implemented	OR	Residual risk score of 15 or 16 And The risk owner does not have sufficient knowledge / resources to effectively manage the risk and do not expect the residual risk score to reduce without additional action

5.2.7 Risk escalation process

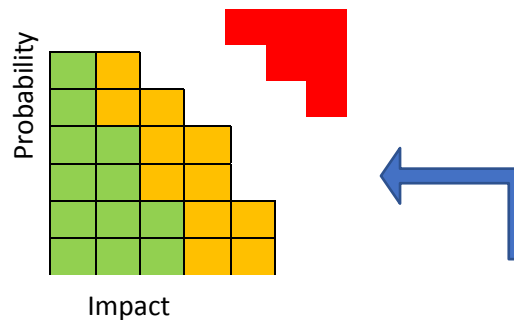
Level 0

Joint Committee
Welsh Cities & Growth
Deals Implementation
Board



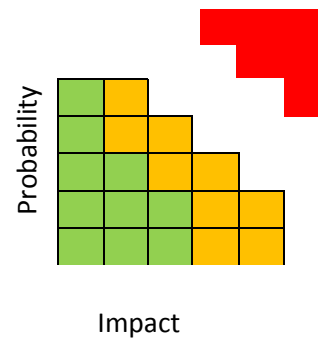
Level 1

Joint Scrutiny Committee
Programme Board
Economic Strategy Board
SBCD Portfolio



Level 2

Programme
Project



5.3 Responsibilities

The following section details the key staff and groups involved in the SBCD Risk Management Strategy and their associated roles and responsibilities.

All SBCD related employees

- Manage day to day risks and opportunities effectively and report risk management concerns to their line managers
- Participate fully in risk workshops and action planning as appropriate
- Attend training and awareness sessions as appropriate

Risk Owners

- Ensure risks are clearly defined to make explicit the risk the cause and the impact that may arise
- Provide assurance that the risks for which they are the risk owner are being effectively managed.
- Ensure the controls that are in place to manage the risk are proportionate to the context and level of risk
- Confirm the existence and effectiveness of existing actions and ensuring that any further actions are implemented

Portfolio Director

- Ensure that effective risk management arrangements are in place to ensure the SBCD exposure is at an acceptable level
- Promote and demonstrate the behaviours and values that support well-informed and considered risk taking, while maintaining accountability
- Establish and monitor that clear, effective and proportionate governance is in place for all programmes and projects, including risk management
- Evaluate the adequacy of the risk management strategy and supporting documentation to achieve SBCD objectives
- evidence provided or in the depth or scope of the reviews undertaken
- Encourage open and frank conversations about risks, ensuring appropriate reporting and escalation as required
- Report to Joint Committee on a quarterly basis
- Report to Programme Board on key risks via PoMO Highlight report on a monthly basis and Quarterly Monitoring reports
- Report to Joint Scrutiny Committee on a two-monthly basis

Portfolio Management Office

- Provide a full toolkit of guidance and documentation to the SBCD portfolio including a reporting template risk register template, risk assessment matrix, guidance on categorisation of risks, reporting schedule and frequency of reporting
- Has overall accountability for the SBCD risk management process
- Constructively review the risks held on the portfolio risk register and holds regular risk workshops to identify new risks
- Provide adequate information in a timely manner to primary stakeholders and third parties on the status of risks and controls
- Identify gaps in control and/or over control, and provide the opportunity for continuous improvement
- Provide direction and guidance to programme and project leads to ensure consistency of reporting and recording risks and ensure appropriate action is being taken to mitigate risks

Programme / Project Leads

- Identify, assess and monitor risk appropriately document significant project or programme risks
- Where risks remain intolerable, these will be formally reported to the Portfolio Director for resolution
- Clearly identify risk ownership
- Ensure timely reporting of risks to the PoMO on a quarterly basis
- Record risk via the standardised risk template
- Report risks via programme / project board and host organisation

SBCD & Programme / Project Senior Responsible Owner (SRO)

- This applies to both portfolio and programme / project SRO
- To understand how the objectives of the SBCD and project / programme SRO may be affected by risks to the portfolio
- To escalate risks and issues to the Joint Committee chair
- Oversee portfolio director / project lead to monitor and control risks and issues
- To identify, understand and drive the successful mitigations of portfolio risks

Section 151 Officer (Chief Finance Officer) & Monitoring Officer

- Active involvement in all business decisions to ensure immediate and longer-term implications, opportunities and risks are fully considered

Accountable Body

- Carmarthenshire County Council is the Accountable Body responsible for discharging City Deal obligations for the four Local Authorities
- The Accountable body is the primary interface for the City Deal with the Welsh Government and the UK Government

Joint Committee

- The Joint Committee comprises the four local authority Leaders of Carmarthenshire, Neath Port Talbot, Pembrokeshire and Swansea.
- The Joint Committee has ultimate responsibility and accountability for decisions taken in relation to the SBCD
- Have strategic responsibility for risk management as part of their responsibility for governing delivery of the SBCD
- To ensure that portfolio, programme and project risks are effectively identified and managed and that any impacts on SBCD portfolio that may follow implementation are reported and managed
- Report any risk impact to Joint Committee host organisations
- Continual review of portfolio risk register via quarterly updates by PoMO
- Understand that good risk management is a key part of the Member Authorities culture

Joint Scrutiny Committee

- The Joint Scrutiny Committee shall comprise of 12 members in total, 3 each from the 4 Constituent Authorities
- Provide a scrutiny function to ensure greater public accountability over decisions made by the Joint Committee and any of its sub-committees/related entities
- Provide advice, challenge and support to the Joint Committee on risk management
- Consider the implications of risks and provide relevant advice

Programme Board

- Programme Board will consist of the Chief Executives from each of the Councils or another officer nominated by the Chief Executive and accountable to the Joint Committee, the Programme Board prepare recommendations on the SBCD portfolio
- Support programme and project development
- To ensure that portfolio, programme and project risks are effectively identified and managed and that any impacts on SBCD portfolio that may follow implementation are reported and managed.
- consider the implications of risks and provide relevant advice
- Continual review of portfolio risk register via quarterly updates by PoMO
- Provide advice and guidance on key programme and project risks on a monthly basis via Highlight Report provided by the PoMO

Economic Strategy Board

- Reporting to the Joint Committee, the Economic Strategy Board is made up of representatives from the private sector in key City Deal themes including energy, life sciences, manufacturing and housing
- The Economic Strategy Board acts as the voice of business, providing strategic direction for the City Deal through advice including but not limited to risk management
- Monitor progress of SBCD portfolio risk register
- Provide independent assurance to the on the overall adequacy of the risk

Appendix 1 – Impact Criteria

Category	1 Insignificant	2 Minor	3 Moderate	4 Major	5 Fundamental
Contractual	Barely noticeable reduction in scope/ quality / schedule	Minor reduction in scope / quality / schedule	Reduction in scope or quality, project objectives or schedule.	Significant reduction in ability to meet project objectives or schedule	Poor contractor management results in inability to meet project objectives.
Environmental	Activities with hardly any environmental risk or impact that are site specific	Activities with little environmental risk or impact that are site specific	Activities with moderate environmental risk or impact that are site specific	Activities with high environmental risk or impact that are site specific	Major incident
Financial	Damage, loss, (£< 1k)	Damage, loss, (£1- 10k)	Damage, loss, (£10- 100k).	Damage, loss, (£100k- 1m).	Damage, loss, (£>1m).
Health & Safety	Trivial injury(ies)	Minor injury(ies)	Major injury	Major injuries	Death(s)
IT	Interruption not impacting service delivery	Short-term interruption to service delivery	Interruption with unacceptable impact on service delivery	Sustained interruption to service delivery	Permanent loss of service delivery leading to knock on effects
Objectives	Barely noticeable reduction in scope / quality / schedule	Minor reduction in scope / quality / schedule	Reduction in scope or quality, project objectives or schedule	Significant reduction in ability to meet project objectives or schedule.	Inability to meet project objectives.
People/Social	Complaints results in barely noticeable effect on scope / quality / schedule	Local media coverage with minor effect on scope / quality / schedule	Local media coverage with medium effect on scope / quality / schedule	National media coverage with significant reduction in scope / quality / schedule	International media coverage with inability to meet project objectives.
Physical / Assets	Damage, loss, theft (£< 1k)	Damage, loss, theft (£1-10k).	Damage, loss, theft (£10-100k)	Damage, loss, theft (£100k-1m).	Damage, loss, theft (£>1m).
Professional	Staffing / competence results in barely noticeable reduction in scope /quality / schedule	Staffing / competence results in minor reduction in scope / quality / schedule	Staffing / competence results in reduction in scope or quality, project objectives or schedule.	Staffing / competence results in significant reduction in ability to meet project objectives or schedule.	Staffing / competence results in inability to meet project objectives.
Projects	Minor internal threat to / from individual projects	Major internal threat to / from individual projects	Minor external threat to / from individual projects	Major external threat to / from individual projects	Stops work
Regulatory / Legal	Minor internal breach	Major internal breach	Minor external breach	Major external breach	Stops work
Reputation	Complaints	Local media	Regional media	National media	International media
Schedule / Timescales	<10% overrun	10% - 15% overrun	15% - 25% overrun	25% - 50% overrun	>50% overrun

Risk Theme	Risk / Opportunity	Ref	Title	Date Raised	Category	Owner	Risk Description	Inherent Probability	Inherent Impact	Original Control Actions	Review Update/Control Actions	Residual Probability	Residual Impact	Residual Rank	Reported Change	Next Review Date
Development	Risk	SBCD001	Competing priorities of partners	Mar-18	C6 C14	JC	There is a risk of competing priorities of partners causing City Deal issues not to be considered a priority and therefore sufficient resources are not dedicated resulting in potential otherwise unnecessary delays in delivery or achievement of outcomes.	4	3	12	08/04/21 Ensure partners are engaged fully from the outset and that the benefits and potential opportunities of the City Deal partnership, and their involvement are clearly articulated. Ensure opportunities for open and honest dialogue regarding competing pressures. Establish support mechanisms to assist partners with competing priorities to allow them to be as involved as possible. 01/07/21 Set up annual meeting schedule to enable effective time management for all partners. Provide regular electronic updates and briefings inbetween meetings on progress / key issues	2	3	6	↔	Mar-22
	Risk	SBCD005	Delay in approval of Programme / Project business cases	Mar-18	C11	PoMo JC / Gov	Risk of delay in approval of Business cases which depending on critical timescale could impact projects ability to deliver proposed outcomes, resulting in potential knock on affect for other projects ability to deliver and achieve outcomes.	3	4	12	08/04/21 Turnaround time for Governments to approve SBCD Business Cases has reduced from 6 months to 3-4 months. UK & WG have recently introduced a new process for approval. There have been teething issues with this, process in coordinating government official feedback in a timely manner and in seeking ministerial approval at UKG level. The PoMo is working closely with both governments to reduce the approval time even further by providing earlier briefing sessions and information relating to the final Business Case 01/07/21 Low Carbon and HAPS currently awaiting Ministerial approval. Skills & Talent and Campuses current progressing through regional approval process prior to submission to UKG/WG for Ministerial approval. Skills & Talent have received DCA rating of Green in the Stage Gate 0 Review. Campuses are scheduled for a PAR 11th August. Ministerial briefings and Policy Workshops have taken place for HAPS, Low Carbon, Campuses and Skills & Talent. PoMo currently responding to Ministerial questions and individual Government departments. 08/12/21 Low Carbon, HAPS and Skills and Talent Business Cases have all received Ministerial approval. Campuses has received a delivery confidence assessment rating of Amber / Green in the recent Gateway Review and the Business Case is awaiting Ministerial approval.	2	3	6	↓ (3,3)	Mar-22
Implementation	Risk	SBCD006	Portfolio / Programme / Project Business cases not approved	Mar-18	C3 C11	PoMo / Delivery Lead / W/LK Government	Risk of Business Cases not being approved due to lack of engagement / direction from authorities resulting in programme project failure	3	5	16	08/04/21 Ensure regional project authority lead is fully involved in the development of the business case and has early sight of relevant business cases. Provide Councils with project briefings where appropriate. 01/07/21 Consultants engaged to support sign off of the Economic approval for the outstanding Business Cases. Dedicated sessions held with the Minister to discuss Business Cases prior to approvals. PoMo guidance and support with Project Leads to align to Green Book and Better Business Case guidance. Robust regional approval process Gateway Reviews in place. 08/12/21 Low Carbon, HAPS and Skills and Talent Business Cases have all received Ministerial approval. Campuses has received a delivery confidence assessment rating of Amber / Green in the recent Gateway Review and the Business Case is awaiting Ministerial approval.	1	3	6	↔	Mar-22
	Risk	SBCD008	Changes to approved Business Cases and what they will deliver	Mar-18	C11 C6	Delivery Lead	Risk of changes to approved Business Cases due to no longer requiring same amount of funding or change of timescale, cost, quality, programme / project benefits and portfolio level benefits causing the programme / project to no longer achieve the necessary outcomes required for City Deal funding resulting in project not being approved and therefore unable to proceed as planned.	4	4	16	08/04/21 Continuous dialogue with delivery leads and PoMo post business case development to ensure consistency with original scope in terms of alignment to overarching aims and objectives of the deal. Iterative process of business case review by governments enabling early identification of concerns to be raised and rectified. Where changes in scope are identified close working with PoMo, regional project authority lead and delivery lead to ensure that changes do not compromise the proposed outcomes / outputs of the original project and that revised project scope still achieves overall programme aims and objectives 01/07/21 Change Control process approved by Governance Boards and implemented. 08/12/21 Swansea City Waterfront & Digital District - Innovation Matrix has been through the Change Control process via Governance Boards and approved. Lack of engagement from stakeholders with this process. PoMo to emphasise to Programme (Portfolio) Board and Joint Committee the importance of going through the Change Control process that all members have signed up to. This will form part of the Quarterly Monitoring Reports. PoMo are also progressing with putting an Assurance Framework in place.	4	3	6	↔	Mar-22
Implementation	Risk	SBCD010	Cancellation of meetings	Apr-19	C14 C11 C6	JC / PS ESB / PoMo	Risk of Board meetings being cancelled causing implications in signing off documentation including business cases, implementation of review recommendations and key underpinning tasks resulting in delays in delivery.	3	3	9	08/04/21 Forward planning for meeting schedule in place. No issues to report. Continue to monitor. 01/07/21 To note, Joint Scrutiny Committee has not been quorate on 2 occasions during 2021 resulting in cancellation of meetings. All other SBCD Governance Committees have taken place when required / scheduled. One Project Lead / PoMo Team meeting was cancelled due to lack of attendance, all other meetings pre and post have taken place. 08/12/21 During 2021 8 Joint Committee meetings have taken place where TOR sets out they are to take place quarterly so have more than adequately satisfied expectations. Programme (Portfolio) Board have met 9 times during 2021, Joint Scrutiny ... and ESB ... TOR for Joint Scrutiny currently with the Monitoring Officer to change quorate from 8 to 6 members.	2	2	4	↔	Nov-21
	Risk	SBCD012	Withdrawal of Partners	Mar-18	C3 C6 C11	JC	Risk of withdrawal of Partners due to reduction in funding for regional support structures, potential impact on ability to achieve broader outcomes of City Deal re: improve public service delivery and other strategic regional functions	3	4	12	08/04/21 Funding agreements are in the process of being developed with partners including Local Authorities and Lead deliverers and all form part of the JCA. 08/04/21 No issues to report. Continue to monitor. 01/07/21 As previous updates, no issues to report. 08/12/21 Commitment letters have been signed by all 4 partners as per Audit recommendation.	2	3	6	↔	Mar-22
Operational	Risk	SBCD013	Slippage in delivery of programmes / projects against key milestones	Mar-18	JC	JC	Risk that City Deal doesn't achieve the outcomes intended within the timescales agreed due to slippage in delivery of programme against key milestones resulting in borrowing and reoperation not accurately reflecting spend	3	4	12	08/04/21 Continuing to monitor timescales with programme / project leads. Government approval for Penre Awel and Digital Infrastructure were longer than anticipated. Development of Campuses and Skills have been delayed from original timescales but are now on track for refresh timescales. PoMo is working with Programme / Project Leads at early intervention to ensure aligned to Green Book and Better Business Case guidance. Swansea University have sought internal support to support the SRO to finalise development of the Business Case. Skills have appointed a consultant to help support the strategic and economic cases. 01/07/21 Working to get all Programmes / Projects Roadmaps and Plans, we have indication of when key milestones need to be delivered. Working towards having visibility of potential delays and their impact. PoMo and Project Leads currently assessing PPM Tooling to accommodate plans. Quarterly Monitoring templates in place for Leads to identify and report on slippage / change to time frames. 08/12/21 Due to numerous factors, there has been some slippage in the original forecast investment, there will likely be some delays in delivery across the Portfolio for various reasons, including COVID restrictions, postponements in business case submissions and approvals and other factors such as resource and material availability may need to be monitored and mitigated as infrastructure elements move further into delivery. The portfolio level benefits have now been forecast for the remaining duration of the portfolio, however regular review will be required in order to ensure risks do not become issues and appropriate mitigation measures are adopted by the programmes and projects to meet the delivery commitments of the wider portfolio. PoMo are now monitoring the Procurement Pipeline	3	5	16	↔	Mar-22
	Risk	SBCD015	Failing to adopt the SBCD Procurement Principles including Community Benefits	Mar-18	C6 C7 C13	All	Risk of programmes / projects failing to adopt programme management principles causing initial procurement exercises failing to benefit the local supply chain resulting in City Deal not achieving the anticipated long term change / outcomes. Lack of support / engagement with City Deal and related projects. Potential for negative publicity and loss of credibility.	3	5	16	08/04/21 SBCD Procurement Pipeline Event held March 2021. Continue to develop programme / project benefits reporting 01/07/21 Procedure in place to record Community Benefits, which is monitored via quarterly reports. Revised Benefits Realisation templates and reporting mechanisms are on going, which will support the implementation of the Procurement Principles. No issues have been identified. Business Engagement Manager is working with Programme / Project Leads to support. Exploratory conversations regarding the application of the Welsh TOMS. 13/12/21 PoMo to engage with Programme / Project Leads to ensure all are adhering to regulations set out in SBCD procurement principles. Quarterly monitoring of Community Benefits continues.	2	4	8	↔	Mar-22
Operational	Risk	SBCD016	Negative media coverage	Mar-18	C13	PoMo	Risk of City Deal image being portrayed negatively to all stakeholders and consequently the opportunities afforded by the City Deal are not realised at all levels. Resulting in disengagement of industry, business and social stakeholders alike. Potential for further negative coverage from other media, given damage to City Deal reputation and the opportunity for follow-up questions / diary matters to scrutinise City Deal progress / previous statements.	3	4	12	08/04/21 Dedicated communications officer in place to manage media enquiries, monitor all press releases, posts etc relating to City Deal and develop appropriate response where necessary. Ensure regular press releases on positive news and progress. Further develop relationships with key journalists across the region. Develop contacts with specialist publications and websites. Regular, proactive comms (press releases and social media) on City Deal milestones/updates/facts and good news stories. 01/07/21 Inclusion of video and audio content to accompany press releases and social media posts, when appropriate. Regular proactive comms updates to key identified stakeholders across the region. Approved statements to be sent in response to media queries on deadline, accompanied by discussions with the reporter asking the question(s). Discussions with news editors/editors to try to influence the tone of coverage. Approved press releases and statements to be sent to identified stakeholders in advance of online or offline publication. 08/04/21 There has been very little negative media coverage in 2021 to date, apart from some coverage of the Penre Awel Dock Infrastructure planning application, given heritage concerns. The SBCD Communications & Marketing Officer has been working with MHPA to raise awareness of the PDM Programme as a whole on social media and in the Penre Awel media. Media coverage for the Penre Awel's project approval has been overwhelmingly positive. Also positive media coverage on the Procurement Pipeline Event and further E36m draw down of City Deal funds. 01/07/21 Media coverage continues to be positive. Recruitment of the Communications & Marketing Officer underway which will allow us to manage the content of releases based on specific occurrences as the Portfolio develops. Coverage for the Digital Infrastructure Programme in the media has been extremely positive. 13/12/21 Due to the local elections soon to be held, probability of the risk happening slightly increased due to resulting actions being outside of the control of the PoMo. Impact slightly raised as there are several SBCD Projects moving into delivery which will attract media coverage.	3	3	9	↑ (1,2)	Mar-22
	Risk	SBCD017	Silo mentality / working	Mar-18	C13 C6	All	Risk of silo working due to programmes / projects not making the cross connections and the whole system opportunity for change is not realised. Ambitions of the City Deal are not embedded into organisational aims and the transformational potential of the deal is therefore not realised. Resulting in City Deal being viewed and delivered via status quo rather than challenging and positively transforming the delivery of industry and public services in the region	4	3	12	08/04/21 Regular project leads meetings to identify opportunities for cross project working. Digital Infrastructure and Skills and Talent projects to meet with other project leads on a 121 basis to ensure the cross cutting themes of skills and digital are incorporated into all project plans. 01/07/21 PoMo continue to engage with regional stakeholders and offer support for City Deal and wider initiatives. 13/12/21 As we move into a period of delivery, there is potential for missed opportunities for the programmes / projects to work together. Since Skills & Talent Programme receiving ministerial approval, a Skills solution working group has been set up to reduce silo working involving the other programmes and projects within the City Deal.	2	2	4	↔	Nov-21
Operational	Risk	SBCD018	Lack of alignment of communications between partners	Mar-18	C13 C6	PoMo	Risk of confused / inconsistent / unclear messages given out due to lack of alignment of communication between partners resulting potential negative media and social media coverage, undermining the City Deal brand and objectives	4	5	20	08/04/21 Employed dedicated communication and engagement officer to act as central point of contact for all City Deal related communications. Establish a communications group of key comms officers within all City Deal partner and project lead organisations to ensure consistency and up to date information. Provide regular updates to all partners or programme and project progress. Monitor tweets, press releases, articles etc relating to City Deal and ensure, where appropriate, a response is issued promptly. Develop and maintain a protocol which requires partners to send press releases and statements to the City Deal Communications officer for consistency and awareness. Develop online portal for partners to access shared logos, statements, quotations etc for us in all City Deal comms. 01/07/21 Recruitment of the Communications & Marketing Officer underway which will allow us to manage the content of releases based on specific occurrences as the Portfolio develops. Coverage for the Digital Infrastructure Programme in the media has been extremely positive. 13/12/21 Due to the local elections soon to be held, probability of the risk happening slightly increased due to resulting actions being outside of the control of the PoMo. Impact slightly raised as there are several SBCD Projects moving into delivery which will attract media coverage.	3	3	9	↑ (1,3)	Mar-22
	Risk	SBCD019	Change in project scope post Outline Business Case approval	Mar-18	C11 C6	Delivery lead	Risk that project no longer requires same amount of funding due to change in project scope post Outline Business Case approval. Project no longer achieves the necessary outcomes required for City Deal funding resulting in project not being approved and therefore unable to proceed / proceed as planned.	4	4	16	08/04/21 The Change control process has been approved by JC and will be utilised once a programme / project bring forward a proposed change. There are currently no proposed changes that affect heads of terms deliverables that the SBCD are held to. All lead authorities and lead deliverers are held to the delivery of outputs and outcomes that are documented in funding agreements. 01/07/21 Change Control process approved by Governance Boards and implemented. 13/12/21 Swansea City Waterfront & Digital District - Innovation Matrix has been through the Change Control process and approved by Governance Boards and UK & WG. PoMo continue to manage the process by engaging with Programme / Project Leads and report change to Governance Boards and scrutiny.	4	3	12	↔	Mar-22
Operational	Risk	SBCD021	Governance policies and legislation	Sep-20	C6		Lack of robust measures to monitor governance policies and legislation can lead to failure to protect the stakeholders, staff and public funds associated with the City Deal and result in legal challenges, reputational damage and threat to SBCD portfolio delivery	3	3	9	09/03/21 Declarations of Interest process and template now completed and now embedded. Awaiting feedback to finalise counterfraud and money laundering policy. 01/07/21 PoMo and Programme / Project Leads working closely with both Governments to ensure alignment with policy. 13/12/21 Since last reported several Policies and Guidelines have been approved by Governance Boards namely: Anti-Fraud and Anti-Corruption Strategy, Anti-theft Bribery and Corruption Policy, SBCD Meeting Protocol, SBCD Welsh Language Guidelines, Role of a Programme / Project SRO. Declarations of Interest (DOI) now implemented. Financial statements have been visually amended to ensure DOI compliant in terms of accessibility.	1	2	2	↓ (2,2)	Mar-22

Operational	Risk	SBCD022	Political Changes	Oct-20	C9	All	Changes in Local, Regional or National Government may impact the approach, development and delivery of the SBCD resulting in new ways of working which may impair the current portfolio	3	3	9	Periodic elections across both Governments and locally. SBCD stakeholders frequently engage with with and provide updates to political leaders and monitor election periods.	08/04/21 On going. 01/07/21 Vaughan Gathin is now responsible for City & Growth Deals across Wales. The establishment of coporate Joint Committees is underway for SBCR which could impact on the governance arrangements for the SBCD. 08/12/21 Acknowledgement that there potentially could be a change in political stakeholder across the Governance Boards. PoMO to consider putting training programmes in place for new members. Risk to be reviewed in June post elections.	3	3	9	↔	Mar-22
Financial	Risk	SBCD023	Failure to achieve full funding package	Mar-18	C3	All	Risk of failing to achieve the full funding package resulting in project potentially unable to deliver or to deliver full scale of anticipated project outcomes	3	5	15	Early engagement with all funders to develop strong relationships. Robust financial planning and clear outline of interdependencies of funding in the business case, ensuring that fundamental aspects of the project are funded through most secure funding sources. Timely review and approval of five case business plan. Effective and timely procurement activity. Establishment of robust contracts. Ongoing dialogue to resolve issues relating to revenue funding.	07/04/2021 This is being monitored on a quarterly basis with a forecast position estimated over the lifecycle of the programmes/projects. A business engagement strategy is being developed to support and engage private sector investment. 01/07/21 Awaiting approval of sign off of final Business Cases. Once achieved risk to be revisited and potentially closed 13/12/21 Awaiting approval of the Campuses Business Case. Despite all other SBCD Business Cases having been approved, there is a continued risk which is being mitigated through financial monitoring.	3	3	9	↔	Mar-22
Financial	Risk	SBCD024	Failure to identify / secure revenue funding	Mar-18	C3 C6 C11 C14	Accountable Body	Risk of failing to identify / secure revenue funding resulting in four projects, including one regional project, unable to proceed.	5	5	25	Ongoing dialogue with governments to identify potential solutions including discussions on Capitalisation Direction. Projects with revenue element encouraged to explore alternative funding streams to support revenue elements.	07/04/2021 Revenue funding requirements has been identified and will be actively managed going forward. Local Authorities will use the capital receipts directive where applicable to apply to City Deal and Public Sector investment components as agreed by the regional Section 151 Officers. Revenue investment from private sector will be managed at programme / project level as per their requirements. 01/07/21 Revenue funding requirements has been identified and will be actively managed going forward. Where constraints are identified, SEC 151 Officers will work closely to identify/mitigating actions where appropriate. 13/12/21 Ongoing. Section 151 Officers are due to have discussions with Government.	3	4	12	↔	Mar-22
Financial	Risk	SBCD025	Failure to agree NDR (rates retention) flexibility	Mar-18	C3	Accountable Body	Risk of failing to agree NDR (Rates Retention) flexibility resulting in Local authorities unable to borrow required amount for projects	4	5	20	Ongoing dialogue with government to explore opportunities for rate retention	07/04/2021 In-principle agreement with WG but further discussions delayed due to Covid-19. Report on apportionment methodology being submitted to May/June governance boards. 01/07/21 Report drafted. Intention to submit to Programme Board July / August. 13/12/21 NDR Report drafted. Due to be submitted to Programme Board in January 2022.	3	3	9	↔	Mar-22
Financial	Risk	SBCD026	Private sector funding contributions not realised in line with business case projections	Mar-18	C3	Deliver Lead	Risk that private sector funding is not realised as per portfolio business case projections that will impact on the deliverability of outputs and outcomes of the SBCD	5	5	25	Projects required to complete full five case business model including robust financial detail and commercial case identifying and confirming sources of income.	07/04/2021 A business engagement framework is being developed to support and engage private sector. At present limited private sector funding has been committed, however as the portfolio develops further investment will be stimulated as programmes / projects and supply chains mature. This will be monitored quarterly 01/07/21 At present limited private sector funding has been committed, however as the portfolio develops further investment will be stimulated as programmes / projects and supply chains mature. This will be monitored quarterly. 13/12/21	2	2	4	↓	Mar-22
Financial	Risk	SBCD028	Timeframe for end of current EU funding programmes EU funding is still committed in line with BC profiles	Mar-18	C3	All	Spend profile and delivery of programmes / projects needs to ensure it meets requirements for final date for EU funding, resulting in funding lost if it doesn't meet requirements	3	3	9	Early dialogue with all funders including Governments and WEFO. Project lead to accelerate business case development	07/04/2021 Programmes/projects will manage european funding inline with business case approved budgets. Two projects are in receipt of EU funding, PDM has been approved and SILCG has been incurring spend at risk. 01/07/21 As per financial monitoring £2m of European funding has currently been committed. Programmes/projects will manage european funding inline with business case approved budgets. Two projects are in receipt of EU funding, PDM has been approved and SILCG has been incurring spend at risk 13/12/21 Deadline set for end of December. Funding agreements for PDM signed and Programme Board now in place. Programme now in development and expected to spend European funding by the imposed deadline. Discussions being held with WEFO on the flexibility of the funding profiles in 2023.	3	3	9	↓ (4,4)	Mar-22
Financial	Risk	SBCD029	Project authority lead unable to borrow amount required to frontload all programmes / projects	Mar-18	C3 C6	LA's	Risk that Project authority lead unable to borrow amount required to frontload all programmes / projects unable to go ahead	3	5	15	Project lead authority's to factor anticipated CD borrowing and repayment costs into financial profiling. Regular dialogue between delivery lead and project lead authority to develop expenditure forecast as accurately as possible. Delivery lead to inform project lead authority of any changes to financial profile. Section 151 officer group to look at schedule of repayment of City Deal funding for consideration and agreement by Joint Committee.	07/04/2021 Regional S151 officers have agreed borrowing principles, UK government has indicated a reduction in the term of the grant award and as such ongoing work to review the impact of this is being undertaken. 01/07/21 Borrowing principles have been provisionally agreed. Will look to formalise July / August. Cashflow forecast monitoring has been undertaken, no indication that locally delivered prog / proj will fall short of any borrowing requirement. Principles around regional borrowing have been agreed provisionally, and will be formalised Q2. 13/12/21	2	3	6	↔	Mar-22
Financial	Risk	SBCD031	Increase in cost of construction	01/07/21	C2 C6	All	Risk that cost of construction may increase impacting on budgets set out in Programme / Project Businesses resulting in an overspend	5	3	15	The PoMO will work closely with programme / project leads to identify potential impact and determine whether it is managed locally or whether intervention at Portfolio level is required.	13/12/21 Construction Impact Assessment currently with Programme / Project Leads and SRO's for completion in readiness for the January Governance Boards.	5	3	15	↔	Mar-22
Financial	Opportunity	SBCD032	Advancement of SBCD grant from UK Government	01/07/21	C3	All	Advancement of SBCD grant from UK Government from 15-10 years. This will reduce the borrowing requirement for the Portfolio.				Awaiting SBCD grant profile to be formalised.	13/12/21 Discussions to be held with WG. Awaiting formal decision on their approach for advancement of grant.					Mar-22
Operational	Risk	SBCD033	Welsh Government 2021 update of Technical Advice Note (TAN) 15 development risk of flooding and coastal erosion and associated flood planning maps.	11/10/21	C2 C6	Accountable Body	Proposed updates to the TAN and maps have categorised the vulnerability of certain developments, increased the extent of the flood maps and the ability of land owners and local authorities to potentially achieve planning permission and ultimately develop land affected by the 2021 updates.	4	4	16	Welsh Government are monitoring effectiveness of Planning Policy Wales (PPW) and Technical Advice Note (TAN) 15 through a notification direction and sustainable development indicators. Coordinated challenge (Lead by WLGA) to Welsh Government to ensure the updating of TAN 15 does not have a negative impact on regeneration activity. Carry out additional Environmental Impact Assessments (EIA) Consultation with Lead Local Flood Authority and planning authorities Flood Map for planning embedded Strategic Flood Consequences Assessment (SFCA) to be undertaken to provide the evidence to inform policies and site selection processes for all strategic and local development plans. Flood consequences Assessment (FCA) to be carried out to assess the risk of development in a flood risk area. Progress as planned across the portfolio, being cautious that future planning applications might be affected and raise any concerns as early as possible Programmes and Projects to review the potential impact of the updated TAN and provide a statement indicating whether or not they believe their schemes could be affected and any other measures they are taking on top of those listed here.	25/01/22 NRW have issued a letter to local authorities stating their flood maps are still to be considered when contemplating planning applications between now and June 2023.	4	4	16		Mar-22
Operational	Risk	SBCD034	GVA Calculation / Measurement	08/12/21	C3 C6	PoMO Leads	There is a risk that the expectations of what GVA would be measured, monitored and reported on might not be achievable as originally anticipated.	3	3	9	GVA has been listed in the Heads of Terms and as a Portfolio Investment Objective as a measure which will provide a positive impact across SBCR, whilst this will be true, the SBCD PoMO have been unable to achieve a conclusive answer from numerous sources as to how this measurement can be achieved at a Portfolio level. Advice and guidance of what is expected in relation to the measurement of GVA is currently being sought from Colleagues in Welsh and UK government					Mar-22	
Operational	Risk	SBCD035	Ineffective engagement with and involvement of important stakeholders	08/12/21	C6 C13	PoMO Leads	Failure to effectively engage important stakeholders including industry, third and private sector across the portfolio resulting in missed opportunities or potential outputs and outcomes not being fully achieved. Programmes and Projects (P&Ps) will have their individual approach to stakeholder engagement throughout the lifetime of the projects. In some cases opportunities may exist for collaborative working across the portfolio to generate maximum regional benefit from stakeholder involvement. P&Ps should work together to ensure effective use of stakeholders. Note: A stakeholder is deemed to be important if a lack of effective engagement at any stage of planning or delivery could be detrimental to the Portfolio, Programme or Projects achieving their objectives or could lead to that stakeholder being reputationally disruptive.	3	3	9	P&Ps will report on engagement progress via the Portfolio governance and reporting system. The Economic Strategy Board is keen to assist P&Ps with engagement at all levels. Portfolio Business Engagement Manager will support P&Ps in this activity including being a point of contact for SBCD enquiries, supporting meet the buyer events during construction period, arranging and attending events and meetings etc. A Portfolio Engagement and Investment Framework has been drafted to aid the process (currently deferred until SQW Regional Plan is adopted by LAs)	3	3	9		Mar-22	
Operational	Risk	SBCD036	Turn over of Staff	08/12/21	C7	All	Risk of losing key strategic business partners due to high turn over of staff in the business sector resulting in possible change in priorities, having to rebuild working relationships and knowledge sharing.	3	3	9	PoMO to work with stakeholder to build relationships and support with delivery of projects.		3	3	9	Mar-22	
Operational	Risk	SBCD037	Assurance Framework	08/12/21	C6	JC	Risk of non acceptance and approval of the Assurance Framework causing the PoMO additional by having to carry out an unmanageable number of reviews per annum.	3	4	12	PoMO working with Welsh Government to draft the Framework along with gaining input / comments from key stakeholders.		3	4	12	Mar-22	
Financial	Opportunity	SBCD038	Unallocated £5.3m underspend	08/12/21	C2 C6	Accountable Body	Confirm £5.3m allocation of remaining £5.3m funding to be allocated.	3	3	9	Review on completion of quarter 3 financial monitoring.		3	3	9	Mar-22	
Operational	Risk	SBCD039	Ability to update the JCA	08/12/21	C6 C12	Legal	There is a risk that due to outside factors further delays in the updating of the JCA will prevent the audit recommendations being completely closed and may cause some functional restrictions in the requirements of the various boards and committees and the Portfolio Management Office in discharging their governance requirements for the City Deal	3	4	12	The JCA requires updating following audit recommendations. In order to ensure the agreement is fit for purpose following the bedding in period of the Portfolio Management team, coupled with the progress made across the Portfolio with Programmes and Projects moving past approval and into delivery.		3	4	12	Mar-22	
Financial	Risk	SBCD040	Operations of the SBCD PoMO	08/12/21	C3 C6	Accountable Body	Risk of having no funding available for the continuation of the SBCD PoMO post 7 years, resulting in no PoMO in place to continue with Governance arrangements and monitoring / reporting of the Portfolio	3	4	12	Options and requirement to be discussed at next S151 working group.		3	4	12	Mar-22	
Financial	Risk	SBCD041	In Year Underspend	08/12/21	C2 C6	Accountable Body	Having undertaken a reprofiling and baselining exercise across the Portfolio, there is a risk of an in year underspend of circa 10% of the portfolio value, however this has no effect on the overall investment of the Portfolio or the wider benefits and deliverables.	4	3	12	Review of investment components and timelines has been completed in conjunction with the Programme / Project Leads. These reviews have resulted in a more realistic investment forecast which will allow for Quarterly and Annual review and scrutiny to ensure continued progress towards this profile. This is the first reprofiling exercise that's been undertaken following the approval of all project/programme business cases and will be actively managed going forward to business case updates and the change management strategy.		4	3	12	Mar-22	

Swansea Bay City Deal Programme Risk Register - Categories

The Swansea Bay City Deal programme risk register captures and monitors key programme level risks to the delivery of the City Deal and achievement of its aims and objectives. It will be monitored by Joint Committee and Programme Board via circulation prior to each meeting and issues tabled for discussion as necessary.

Category	Ref. No	Description
Contractual	C1	Ineffective use or management of contacts leads to increased costs
Environmental	C2	Environmental incidents
Financial	C3	Financial risks facing the Councils
Health & Safety	C4	Harm to employees / public
IT	C5	Failure of systems / cyber attack
Objectives	C6	Threat to achieving programme objectives
People / Social	C7	Threat to / from society / groups / public
Physical / Assets	C8	Damage to organisational property
Political	C9	Adverse actions caused by changes in local, regional or national governments
Professional	C10	Lack or loss of qualified employees
Projects	C11	Threat to / from individual projects
Regulatory / Legal	C12	Changes to regulations / law
Reputation	C13	Negative publicity
Schedule / Timescales	C14	Threats to timelines / critical path(s)

Swansea Bay City Deal COVID-19 Economic Impact Assessment

Version control: V1.7

Assessment date: 12/03/21

Review date(s): 01/07/21

Completed by:

The Covid-19 impact assessment is the method used by the Swansea Bay City Deal to assess the potential impact that the Covid-19 crisis has on each of nine programmes / projects and overarching City Deal portfolio. Recognising that the national and regional economic recovery will rely upon City Deal programmes / projects to support and stimulate national and regional economic growth and attract inward investment during these times of uncertainty.

The assessment will assure the viability and successful delivery of the City Deal programmes / projects during the crisis and recovery stages of the Covid-19 pandemic. This assessment will compliment existing City Deal governance procedures and documentation and any Covid-19 recovery plans for all primary stakeholders. It is envisaged that risks impacting the programmes / project and mitigations to overcome them will be dealt with at programme / project level. Any risks deemed to place significant pressures on the programme / project or overarching portfolio such as significantly changing the programme / project scope, significant variance in the defined programme / project outputs, significant stage gate delays or continued commitment from key stakeholders, will be assessed by the SBCD Portfolio Management Office and escalated to Joint Committee for appropriate intervention and decision. In the event that a programme / project is exposed to have significant risk and impact, a task and finish group will be established to gather evidence, identify mitigations and determine an appropriate course of action.

The process to gather the required information, assess its impact and determine appropriate mitigations and decisions is outlined below:

1. Define assessment scope and areas of focus

2. Identify key risks in the Risk Assessment worksheet and assess the level of risk associated with each

3. Analyse the potential impact of these risks in the Impact assessment worksheet

4. Identify corrective action and level of intervention

5. Report to Joint Committee, Programme Board and Economic Strategy Board

6. Disseminate findings regionally and to Welsh and UK Government

ASSESSMENT CRITERIA	SCORING				Impact score October 2021								
	0	5	10	20	PDM	Yr Egin	Campuses	Digital	HaPS	SILCG	Pentre Awel	Swansea Waterfront	Skills
Scope and key objectives	No change to project	Limited and minor changes to project	Widespread and major changes to project	Significant change to project	5	10	0	0	5	5	0	0	10
Targets	No risk to achievement	Short-term, limited impact to achievement	Widespread, but relatively short term impact on achievement	Significant, long-lasting impact on achievement	10	10	5	5	5	5	5	5	5
Timescales	No foreseeable delays	Potentially minor delays (0-6 months)	Potentially major delays (6-12 months)	Potentially significant delays (1 year+)	5	5	5	0	5	5	5	5	5
Reputation if project fails to deliver	No negative impact	Local and limited negative impact	Regional and limited negative impact	Significant impact	5	5	10	10	10	10	10	10	5
Stakeholders/partnerships commitment	No issues	Limited and minor issues	Widespread and major issues	Significant issues	10	0	5	5	0	0	5	10	0
Project costs	No variance	0-10% variance	10-20% variance	20%+ variance	5	5	5	5	5	5	5	5	0
Procurement	No impact	Minor impact	Major impact	Significant impact	5	0	5	5	5	5	5	5	5
Staff resourcing	No impact	Limited impact	Widespread and major impact	Significant impact	0	5	5	5	5	5	5	5	5
					TOTAL	45	40	40	40	40	40	50	35
					C	C	C	C	C	C	C	B	C

	Number of Red Risks Identified by Impact Criteria								total Red Risks
	Scope and key objectives	Targets	Timescales	Reputation if project fails to deliver	Stakeholders/partnerships commitment	Project costs	Procurement	Staff resourcing	
Oct-21	4	4	4	4	2	6	2	1	27
Jan-22	3	4	4	4	2	6	2	1	26
Change	✔	-	-	-	-	-	-	-	✔

ASSESSMENT CRITERIA	Scoring guide				Impact score January 2022								
	0	5	10	20	PDM	Yr Egin	Campuses	Digital	HaPS	SILCG	Pentre Awel	Swansea Waterfront	Skills
Scope and key objectives	No change to project	Limited and minor changes to project	Widespread and major changes to project	Significant change to project	5	10	0	0	5	5	0	0	10
Targets	No risk to achievement	Short-term, limited impact to achievement	Widespread, but relatively short term impact on achievement	Significant, long-lasting impact on achievement	10	10	5	5	5	5	5	10	5
Timescales	No foreseeable delays	Potentially minor delays (0-6 months)	Potentially major delays (6-12 months)	Potentially significant delays (1 year+)	5	5	0	0	5	5	5	5	5
Reputation if project fails to deliver	No negative impact	Local and limited negative impact	Regional and limited negative impact	Significant impact	5	5	10	10	10	10	10	10	5
Stakeholders/partnerships commitment	No issues	Limited and minor issues	Widespread and major issues	Significant issues	10	0	5	5	0	0	5	5	0
Project costs	No variance	0-10% variance	10-20% variance	20%+ variance	5	5	5	5	5	5	5	5	0
Procurement	No impact	Minor impact	Major impact	Significant impact	5	0	5	5	5	5	5	0	5
Staff resourcing	No impact	Limited impact	Widespread and major impact	Significant impact	0	5	5	5	5	5	5	5	5
					TOTAL	45	40	35	35	40	40	40	35
					Intervention	C	C	C	C	C	C	C	C
					Movement	-	-	✔	-	-	-	✔	-

Suggested project categories relating to the risk and impact assessment score are as follows:

Project Risk and Impact Score	Suggested Project Category	Intervention
100+	A	Joint Committee commissioned task and intervention required.
50-99	B	Intervention required.
25-49	C	No intervention required. Continue to monitor.
0-24	D	No intervention required. Continue to monitor, at a

The context in which the project operates and an element of

Identify project risks associated with the Covid-19 in the table below and determine to what extent they affect the impact criterion (blue shaded section):
 Note: Once the above is complete, move to the impact assessment matrix worksheet before completing the corrective action section (red shaded section)

Ref No.	Risk	Scope and key objectives		Targets		Timescales		Impact Criteria			Risk mitigation(s)	Corrective action	Jan-22	Review Date	
		Scope	Key objectives	Targets	Timescales	Appropriateness of project	Appropriateness of delivery	Stakeholder/partnership commitment	Project costs	Procurement					Staff resourcing
Digital Infrastructure															
1	Project funding is reduced or removed as a result of Covid19 and it's economic impact.	High	High	High	High	High	High	High	High	High	High	High	High	High	Seek assurances from regional office, Welsh and UK Government regarding Project funding. Assurances remain with no reason to believe otherwise at this point. Apr-22
2	The Digital Project is no longer treated as a priority by the region and/or individual partners.	Low	Low	Medium	Medium	Medium	Medium	Low	Low	Medium	Low	Low	Medium	Medium	Continue to engage and build effective relationships with all partners and stakeholders, ensuring alignment with their priorities. Clear regional commitment to investment in Digital Infrastructure remains. Apr-22
3	Telecommunications providers reduce activity and investment in Digital Infrastructure as a result of the economic downturn.	Low	Low	Medium	Medium	Low	Medium	Medium	Medium	Low	Low	Low	Low	Low	Continue to engage with the Telecommunications industry, monitor the market and it's activity. Consistent or increased activity and investment from Telecommunications sector ongoing. Apr-22
4	Delay in the approval of the finalised business case through partner governance and regional office governance	Low	Low	Medium	Medium	Medium	Medium	Low	Medium	Medium	Low	Medium	Medium	Medium	Pathway mapping and scheduling to ensure approval at required governance meetings is being undertaken. Ongoing adherence to Governance structure, pathways and timelines. Apr-22
4	More people working flexibly / from home presents an opportunity risk. These people clearly require the types of infrastructural services that will be provided by Digital Infrastructure Programme.	Low	Low	Low	Medium	Medium	Medium	Low	Medium	Medium	Low	Medium	Medium	Medium	Programme to continue as planned. Programme continuing as planned. Apr-22
Pembroke Dock Marine															
Funded Outputs															
PDM_2	Risk of not completing the PDI slipway component by the end of the current ERDF period	Low	Low	Medium	Low	Low	Low	High	Low	Medium	Low	Medium	Medium	Medium	Could push completion of defects liability period outside December 2023 meaning any costs incurred outside this period would be ineligible for WEFO funding. MHPA quantifying the potential cost of this based on the current delivery profile. Potential to pay consultants acceleratory costs to pull timeline back into line. Potential to also modify slipway construction method to achieve result quicker, these measures will be best finalised once Principle Contractor is procured after detailed design at the end of 2020-Q1 2021. Apr-22
Investment Objectives															
PDM_3	Delay in progress from key industry stakeholders and inward investors	Medium	Low	Low	Low	Medium	Low	Low	Low	Low	Low	Low	Low	Low	Continue dialogue with project developers and public stakeholders (TCE, BEIS, Treasury) to maintain momentum. Concentrate on 'active' companies, such as grant-funded or equity-funded organisations. Apr-22
PDM_5	Supply chain companies go into 'hibernation' making it difficult for MEECE and META to engage in innovation-support activities.	Low	Medium	Low	Low	Low	Low	Low	Low	Low	Low	Low	Low	Low	Focus on innovation projects that require little direct input from target companies, but that can provide them with benefits when they leave 'hibernation'. Apr-22
PDM_7	Universities do not sign up to MEECE collaboration agreement because of uncertainty of, or late confirmation of SBCD funding.	Medium	Medium	Low	Medium	Medium	Low	Low	Low	Medium	Low	Low	Medium	Medium	ORE Catapult continues without university partners, with a smaller project, narrower scope and less likelihood of a long term legacy presence. Apr-22
PDM_8	Floating wind Project Developers delay or cancel potential projects in Welsh waters due to inability to make progress on technical aspects due to supply chain shutdown.	Low	Low	Low	Low	Low	Low	Low	Low	Low	Low	Low	Low	Low	Continue dialogue with project developers and public stakeholders (TCE, BEIS, Treasury) to maintain momentum. Apr-22
PDM_9	PDZ Objectives - with significant SBCD approval delay, floating offshore wind (FLOW) market leaves PDZ behind and public sector money impact is significantly diluted	Medium	Medium	High	High	Medium	Low	Low	Low	Medium	Low	Medium	Medium	Medium	Consider PDZ FLOW fit in light of delay, and be prepared to adjust project objectives and business plan, through Project Change Request (PCR). Apr-22
Consent & Consent Management															
PDM_10	Delay in consents due to the third party resource issues to review and respond within statutory time limits	Low	Medium	Medium	Low	Medium	High	Low	Low	Low	Low	Low	Low	Low	Maintain dialogue with key stakeholders throughout consent process & manage expectation and key messaging around need for timely determination. Apr-22
PDM_11	Inability to progress with submission of consents due to need for more survey work that can not be completed until restrictions are lifted	Low	Low	Medium	Low	Medium	Low	Low	Low	Low	Low	Low	Low	Low	Not currently an issue but potentially could be if the situation continues for more than 6 months. Apr-22
Costs															
PDM_12	Increase in cost due to having to pay for acceleration charges from consultants to maintain delivery timescales	Low	Low	Medium	Low	Medium	High	Medium	Medium	Medium	Medium	Medium	Medium	Medium	review project timescale to see if delay in project end date possible. if not, assess the pros and cons of paying acceleration and make case to stakeholders for additional intervention if required. Apr-22
PDM_13	Increase in cost for construction and service due to high demand of contractors and consultants during recovery phase as a result of market forces competing to regain control of project costs and programs	Low	Low	Medium	Low	Low	High	Medium	Medium	Medium	Medium	Medium	Medium	Medium	potential to delay construction works planning in the immediate term out beyond period of 'economic bounce' to allow for supply demand curve to settle. Apr-22
PDM_14	PDZ Consents - approval delay together with COVID-19 constraints critically prejudices PDZ consent programme	Medium	Medium	High	Low	Medium	Low	Low	Low	Low	Low	Low	Low	Low	Review PDZ Consent programme in the light of FLOW market analysis, and adjust programme to conform with ERDF funding timeline. Apr-22
Project Governance															
PDM_15	Delay in progress towards finalising terms and conditions and associated documentation (collaboration agreement etc)	Low	Low	Low	Low	Low	Low	Low	Low	Low	Low	Low	Low	Low	maintain regular dialogue within PDM partners and key stakeholders via Teams etc to maintain progress on project governance work during restrictions. Apr-22
PDM_16	Insurance costs	Low	Medium	Low	Low	Low	Medium	Low	Low	Medium	Low	Medium	Medium	Medium	insurance brokers inundated with COVID related enquiries leading to a delay in response. Could delay activity on site if timely insurance not in place. Also cost increase. Apr-22
Pentre Awel															
1	The Further and Higher Education programmes at Pentre Awel are not aligned with project objectives and local skills shortages	Medium	Medium	Low	Medium	Medium	Low	Low	Low	Medium	Low	Medium	Medium	Medium	The courses under development for Pentre Awel are in areas of targeted skills shortages and which have been critical to the COVID-19 effort. Courses to be included are amongst those targeted for growth. Subsequently, projected student numbers/throughput at the Village are likely to be maintained. We will engage with our academic partners to understand and manage any impact and to ensure that the project benefits from any linked growth in student numbers. Education, Skills and Training programmes can be apportioned across number of HE providers should the need arise. Draft Head of Terms issued to education partners detailing the course to be delivered on site. This has been matched against the education skills and training pipeline and the overall outcomes for Pentre Awel. Apr-22
2	Ability to secure institutional funding	Medium	Medium	Medium	High	Low	Low	Low	Low	Low	Low	Low	Low	Low	Prior to covid positive feedback received from selected funders. One of which has re-engaged and is currently preparing funding bid. The understanding is that this type of investment is likely to be more attractive going forward than for example office/retail investment. Financial consultant maintained to ensure a proactive approach to securing institutional investment. Conversations have been held with additional organisations to ensure that an optimal outcome can be achieved. Apr-22
3	Uncertainty in construction sector/costs	Low	Low	Medium	Low	Low	Medium	Medium	Medium	Low	Low	Medium	Medium	Medium	The construction of phase one will be procured through the South West Wales Contractors Framework, Lot 1. The companies have been assessed ahead of inclusion on the framework and there is no indication that this situation has changed. Suggestions are that price competition will be keen in the timescale proposed. Consultants Anup will be able to undertake informal pre-market engagement with contractors to ascertain their recovery period and ability to mobilise within the current project programme. Calculation of costs in progress. Apr-22
4	Delays in project programme	Low	Medium	Medium	Medium	Low	Low	Low	Low	Low	Low	Low	Low	Low	Momentum has been maintained. RIBA stage 3 work has been submitted, distribution of report has commenced to Directors and will be sent for specialist internal oversight as appropriate. Ecology work commissioned and assessed for social distancing, to ensure the requisite surveys and pre-commencement works can be undertaken over the summer months. This will avoid any delay in construction commencing on site. COVID-19 may have an impact on construction contractors ability to mobilise to current project programme. Internal resources identified to manage the construction contracts. Revised governance structure implemented. Programme developed. Apr-22
6	Changed partner priorities owing to COVID-19	Low	Low	Low	Low	Low	Low	Low	Low	Low	Low	Low	Low	Low	The areas of work under consideration are those focused on health research (e.g. respiratory). Design specification to be updated as appropriate throughout RIBA stage 4 to reflect partners' priorities. This will ensure Pentre Awel is fully optimised to meet the latest research, health and education requirements. Defined and managed - incorporated into draft Heads of Terms. Apr-22
Yr Egin															
1	Unpredictable/unknown economic impacts	Medium	Medium	Medium	Low	Low	Medium	Low	Low	Low	Low	Low	Low	Low	Monitoring/industry analysis. Revised scope being refined along with planned further stakeholder engagement. Economic recovery from COVID ongoing and will be monitored. Apr-22
2	Reduced occupier demand	High	High	Low	Medium	Medium	Medium	Low	Low	Low	Low	Low	Low	Low	Dialogue with industry/occupiers. Change of project delivery scale and scope potentially necessary. Ongoing refinement of scope in light of Creative Sector Demand Study to further align with occupier demand. Apr-22
3	Availability of external funding	Medium	Medium	Low	Low	Low	Low	Low	Low	Low	Low	Low	Low	Low	Limited impact but maintain dialogue with funders. Ongoing dialogue with potential external funders. Apr-22
4	Rise in construction costs	Medium	Medium	Low	Low	Low	Medium	Medium	Low	Low	Low	Low	Low	Low	Reduce scope to contain within budget. Construction cost increases still rising but appear to be levelling. Apr-22
5	Delays in project programme	Low	Low	Medium	Low	Low	Low	Low	Low	Low	Low	Low	Low	Low	Maintain current programme. Low risk event. Project programme overall not changed but anticipated. Apr-22
6	Ability to collaborate effectively with partners	Low	Low	Low	Medium	Medium	Low	Low	Low	Low	Low	Low	Low	Low	Maintain current effective dialogue with partners. Low risk. Ongoing dialogue with stakeholders proving fruitful. Apr-22
7	Skills and capacity issues in terms of project delivery	Low	Low	Medium	Medium	Low	Medium	Medium	Medium	Medium	Medium	Medium	Medium	Medium	Monitor project team capacity. Project team capacity seems to be good, will update. Apr-22
8	Changed industry requirements	High	High	Low	Medium	Low	Medium	Low	Low	Low	Low	Low	Low	Low	Dialogue with industry/users. Potentially change scope in line with new requirements. University continuing to adapt project scope to satisfy industry requirements. Apr-22
9	Reduction in service needs and commercial opportunities	Medium	Medium	Medium	Medium	Medium	Low	Low	Low	Low	Low	Low	Low	Low	Dialogue with industry/users. Potentially change scope in line with new requirements. University understands change in nature of demands. Apr-22
10	Delay in obtaining relevant approvals	Low	Low	Medium	Low	Low	Medium	Low	Low	Low	Low	Low	Low	Low	Maintain current project planning. Low risk likelihood. No change anticipated. Apr-22
Campuses															
RO01	There is a risk that project partners will be less engaged with the project development and governance due to competing priorities	Low	Low	Medium	Medium	Medium	Low	Low	Medium	Medium	Low	Medium	Medium	Medium	Project Board has been revised and work streams identified to align with the delivery phase. Project approval gained and Stakeholder mapping exercise complete along with new appointment of a Comms and Relationship Manager to the project to continue direct stakeholder engagement thus reducing the probability of the risk. A new Campuses project governance and working group structure has been established and we are working with our colleagues particularly in health to ensure continued engagement and participation is facilitated virtually at suitable and convenient times. Apr-22

R002	There is a risk that wider stakeholders including private sector will be less engaged with the project	Medium	Medium	Medium	Medium	Medium	Low	Medium	Low	An engagement strategy is being developed with regards to private sector supported by Life Science Hub Wales. This remains a priority.	Relationship Manager appointed and work packages and teams constructed to ensure engagement strategy is utilised to maximum effect.	Apr-22
R003	There is a risk of under demand of incubation space	Medium	Medium	Low	Medium	Medium	Low	Low	Low	Continued engagement of private sector demand for incubation space in line with the developing private sector engagement strategy. Modelling continues of required proportion of incubation space within developments	Additional market research to be commissioned along with additional stakeholder focus groups to interact with commercial clientele and ensure demand and desirability are priorities for the planned outputs.	Apr-22
R004	There is a risk that there will be a delay in the preparation of the business case	Low	Low	Low	Low	Low	Low	Low	Low	A new working group has been formed to bring together the efforts to support the ongoing work to develop a revised business case	Business case approval by U.K. and Welsh Government. Risk Now Closed.	Apr-22
R005	There is a risk that there will be a delay in the approval of the finalised business case through partner governance and regional office governance	Low	Low	Medium	Medium	Medium	Low	Low	Low	Continuous mapping and scheduling to ensure approval at required governance meetings is up to date and are being undertaken.	Business case approval by U.K. and Welsh Government. Risk Now Closed.	Apr-22
R006	There is a risk that there will be insufficient resourcing to progress the project including human resource	Low	Low	Low	Medium	Low	Low	Low	Medium	A review will be undertaken to ensure where possible there is sufficient resourcing to progress the project in line with plan	Additional resources allocated to the project, including appointment of a Communication and Relationship manager along with a restructured Project Board and delivery teams.	Apr-22
R007	There is a risk that there will be significant unmet requirements for digital connectivity of any development	Medium	Low	Low	Medium	Low	Medium	Medium	Low	Further engagement will be undertaken with the Digital theme to ensure that all requirements are captured. Link in with existing digitally led projects.	Discussions continue with digitally led project leads and delivery partners such as Vodafone and estates departments.	Apr-22
R008	There is a risk that cofinancing of later stages may be delayed/reduced due to weakened economy	Medium	Medium	Medium	Medium	Low	Low	Medium	Low	Continued engagement with key stakeholders and scope maximised to attract investment opportunities	Work streams identified in relation to commercial investment opportunities along with engagement with DTI, ES8, Business Wales and private sector investors.	Apr-22
Homes As Power Stations												
1	Economic downturn - housing market decline	Medium	Medium	Medium	Medium	Low	Medium	Low	Low	Close engagement with private and public sector	Close engagement with private and public sector	Apr-22
2	Economic downturn - affects the supply chain	Medium	Medium	Medium	Medium	Low	Medium	Low	Low	Close engagement with private and public sector - establish regional supply chain to ensure sustainability	Close engagement with private and public sector - establish regional supply chain to ensure sustainability	Apr-22
3	economic downturn - building cost increases / less able to afford technologies due to viability issues	Medium	Medium	Medium	Medium	Low	Medium	Low	Low	Flexible technology package - ensure affordability	Flexible technology package - ensure affordability	Apr-22
Supporting Innovation & Low Carbon Growth												
1	Economic downturn	Medium	Medium	Medium	Medium	Low	Medium	Low	Low	Low Carbon as C 19 recovery plan	No change	Apr-22
2	Reduced demand for business premises	Medium	Medium	Low	Medium	Low	Low	Low	Low	Evidence of demand. Private Sector engagement plan in place and regular review	Continuing demand for facilities	Apr-22
3	Availability of external funding	Medium	Medium	Medium	Medium	Low	Medium	Medium	Low	Policy alignment to ensure funding is available	No change	Apr-22
4	Rise in construction costs	Medium	Medium	Low	Medium	Low	Medium	Medium	Low	Ongoing engagement with contractors	Evidence of increase in costs	Apr-22
5	Delays to project programme	Medium	Medium	Medium	Medium	Low	Medium	Medium	Low	Project management	No change	Apr-22
6	Skills and capacity issues in terms of project delivery	Low	Low	Medium	Medium	Low	Low	Low	Medium	Project management	No change	Apr-22
7	revised industry requirements	Medium	Medium	Medium	Medium	Low	Medium	Medium	Low	ongoing engagement with industry stakeholder / private sector engagement plan	No change	Apr-22
8	reduction in service needs and commercial opportunities	Medium	Medium	Low	Medium	Low	Low	Low	Low	stakeholder / private sector engagement plan	No change	Apr-22
9	delay in obtaining relevant approvals	Medium	Medium	Medium	Medium	Low	Medium	Low	Low	policy alignment / decision making process	Need to review Economic Case in line with UKG meetings	Apr-22
10	technological advancements	Medium	Medium	Low	Low	Low	Low	Low	Low	ongoing engagement with industry	No change	Apr-22
Skills & Talent												
1	Ability of training providers to deliver necessary training with the new restrictions following on from Covid 19 restrictions.	Medium	Low	Medium	Medium	Medium	Low	Low	Medium	Identify new ways of delivering training	capital funding for equipment to allow for on line delivery of training.	Apr-22
2	shortage of teachers/lecturers qualified to teach the level of new technology training required by businesses	Medium	Medium	Medium	High	High	Low	Low	Medium	Develop training immediately for the teachers and lecturers utilising existing courses prepared in colleges and universities outside of Wales and work in partnership to upskill the staff	Funding and the willingness of teachers/lecturers to be upskilled.	Apr-22
Swansea City & Waterfront Digital District												
1	Construction Delays	Medium	Medium	Medium	Medium	Low	Medium	Low	Low	Work with contractor	Working practice	Apr-22
2	Contractor Failure	Low	Medium	High	Medium	Low	High	Low	Medium	Enter deed with Cont	Copy ASAP	Apr-22
3	Anchor failure	Medium	Medium	Medium	Medium	Medium	Medium	High	Medium	Meet regularly	Monitor	Apr-22
4	Other Tenants	Medium	Medium	Medium	Medium	Medium	Medium	Low	Medium	Marketing process	Lockdown released	Apr-22
5	Project Outputs	Medium	High	Medium	Medium	Medium	Medium	Low	Medium	Review and monitor	Economic recovery	Apr-22

50-99	B	Intervention required. Monitored and supported by the Regional Programme Office in conjunction with Project Team
25-49	C	No intervention required. Continue to monitor locally with support from the Regional Programme Office
0-24	D	No intervention required. Continue to monitor at a project level

The context in which the project operates and an element of common sense will be considered alongside the impact score to ensure that the right level of intervention and monitoring is in place for the successful delivery of the project.

Programme / Project Name				Portfolio Management Office							
Director / Programme / Project Lead Name				Jonathan Burnies							
Last Updated				Feb-22							
ID	Risk ID (if applicable)	Date Identified	Status	Priority	Issue Description	Owner	Escalation Needed (Y/N)?	Impact	Original Action	Follow-on actions & Final Resolution	
SBCD003		19/11/20	Work in progress	Medium	Attendance of Governance Board members and sending representations from their organisations that may not be as familiar with the SBCD.	Governance Boards	Y	Contributions may be limited from all key stakeholders and representatives from their organisations which may lead to less informed decisions and discussion. Ability to make a decision may be impacted if the correct level of representation is not in place.	19/11/20 - PoMO will work with Board / Committee members to produce a delegate list where only authorised personnel can attend meetings and have the same level of authority PoMO will share an annual meeting schedule and work with key stakeholder organisations to identify clashes in advance.	16/02/21 PoMO have now developed a delegate list for Governance Board members PoMO to include a communication to all attendees in the Chair's note, to confirm all members have provided the name of a delegate in their absence, and the expectation is for either the member or the representative to ensure they attend the full duration of the meeting. 12/01/22 Meeting attendees continue to be sporadic and don't always have the main contact present. Remains an issue and will be monitored now all the Programmes / Projects are in delivery.	
SBCD012		19/11/20	Open	Medium	Challenging to obtain robust and timely financial information from programme / projects	Finance	N	Impacts reporting timescales and delays in submitting reports	26/11/20 - Finance Manager is working with key stakeholders for them to provide timely and quality information.	16/02/21 Financial information received from all Programme / Project Leads. SBCD Finance Manger now holds monthly 1-1's with Leads. Quarterly Financial Report to be provided to Programme (Portfolio) Board and Joint Committee in March 2021.	
SBCD015		14/02/22	Open	Medium	Delay in ability to procure P3M Software impacting on ability to record and track programme / project plans, not having a live reporting process, inability to create streamlined dashboards	PoMO	N	Not able to record and track portfolio, programme / project plans via one mechanism, not having a live reporting process, inability to create streamlined dashboards	Procure a programme management software to roll out across the portfolio		
SBCD016		14/02/22	Open	Medium	No central administrative support role from 10th March within the PoMO	PoMO	N	Role will need to be covered by PoMO until replacement is recruited. Impacting on staff and deliverables. No central support to the PoMO Leads	Start recruitment process for like for like replacement Split existing roll amongst PoMO until vacancy is filled PoMO will work together to prioritise workload.		
SBCD017		14/02/22	Open	High	Approval of Governance Board documentation outside the timescales set out in the Meeting Protocol approved by IC	PoMO	N	PoMO spending unnecessary time chasing approval of documentation. Governance Board members receive papers later than anticipated allowing less time to digest. Also a chance of not being able to publish papers meaning they will slip to the following month due to the legal amount of time set to release documents	Request approvers set aside time in their diaries each month to review documentation Raise with Portfolio SRO PoMO to tweak Guidance document PoMO to meet with S151 and Monitoring Officer during the review period to discuss process for signing off documentation.		
SBCD018		14/02/22	Open		Business cases not being updated and progressed to FBC stage resulting in out of date business cases and lack of information particularly relating to procurement and cost details at project level. No SBCD consideration / approval prior to projects proceeding with delivery	PoMO / Project SROs	Y	Lack of information on current status of the programme/project business cases particularly relating to costs, funding and value for money.	One to one meetings held with project leads to request updated business cases. Arrangements for developing business cases to FBC stage outlined in Portfolio Business Case Schedule to be drafted to show FBC status and schedule.		
SBCD019		14/02/22	Open		Projects not meeting agreed timeframes for undertaking Integrated Assurance & Approval Plan (IAAP) activity	PoMO / Project SROs	Y	Independent assurance is not undertaken at key decision points for specific projects which could affect affordability and achievability. PoMO / SBCD Governance Boards unsighted on delivery status of projects at key milestones	Requests made to project leads to arrange assessment meetings with WG Integrated Assurance Hub to assess the need, timescale and scope of the next Gateway Review SRO training for all programmes and projects to take place. Assurance Framework developed and currently going through Governance Boards.		
SBCD020		14/02/22	Open		Lack of systematic independent assurance arrangements for the lower level projects as workstreams	PoMO / Project SROs	Y	No systematic independent assurance process for lower level projects and workstreams. Increased risk in projects not delivering specified benefits and meeting investment objectives	Development of SBCD Assurance Framework to ensure independent assurance arrangements with WG Integrated Assurance Hub across the whole of the portfolio.		
SBCD021		16/02/22	Open	High	Rising construction costs in the last few months - It has become common knowledge that the construction industry is experiencing rising costs and issues in relation to resource availability. The current issue for the PoMO is the unknown quantification of the impact of this issue at a Programme and Project Level for all SBCD schemes meaning a Portfolio level impact is unknown.	PoMO	Y	Potential delays to delivery, cost of delivery and quality of final product which in turn will likely affect the level of benefits realised at a Programme and Project Level, resulting in a reduction of Portfolio benefits during the Portfolio lifecycle.	Quarter 2/3 reporting schedule 21-22 the PoMO have devised a construction impact assessment, this document requests information from the Project Leads in order to provide a current and accurate picture of the Construction Industry Challenges faced by each Project. It has been confirmed that returns are required Feb 2022 to allow an initial position to be determined. Nil return will be highlighted as such.		
SBCD022		16/02/22	Open	High	Measuring of GVA at a programme and Project level - The PoMO has confirmed that currently GVA cannot be measured as an indicator. This is due to the nature of GVA and it being a Macro measure i.e. regional, an accurate measure at a micro level e.g. proj. or prog. is not achievable	W/JKG & PoMO	N	One of the HoT requirements is GVA contribution, whilst the Portfolio will deliver uplifts in GVA it's quantification method is still unknown	UKG/WG have been tasked with confirming with their economists how this can be calculated. If this is not an achievable metric, they are tasked with determining a suitable metric (if required)		
SBCD023		16/02/22	Open	Medium	SBCD Communications & Marketing Officer could be unaware of some key PR opportunities / planned activity for Programmes / Projects due to not having visibility of Communications & Marketing Plans in place at Programme / Project level.	PoMO	N	Missed PR opportunities, lack of visibility of key activity	Comms schedule to be standardised. Comms & Marketing Officer to work with Programme / Project Leads to develop all Comms & Marketing Plans. Once P3M Software procured, comms activity can be populated into the system.		
SBCD024		18/02/22	Open	Medium	Uncertainty as to when UK & WG government funding is to be received and award amount.	Finance	N	Impacts on dispersment to projects and cashflow monitoring. Potentially additional borrowing costs.	Ongoing dialogue with WG		
SBCD025		14/02/22	Open	Medium	Delay in funding agreements being approved	Finance	N	Impacts on dispersment of grant. Delay to delivery of projects. Knock on effect with ability to recruit. Potentially impacting on benefits realisation.	Ongoing liaison with legal officers and programmes/projects		
SBCD026		18/02/22	Open	High	SBCD Website no longer fit for purpose	PoMO	N	Information is inaccurate providing the reader with out of date information	Website to be reviewed and updated and made more accessible		

SBDC Portfolio Issues Log										
Programme / Project Name			Portfolio Management Office							
Director / Programme / Project Lead Name			Jonathan Burns							
Last Updated			Mar 21							
ID	Risk ID (if applicable)	Date Identified	Status	Priority	Issue Description	Owner	Escalated (Y/N)?	Impact	Original Action	Follow-on actions & Final Resolution
SBCD001		19/11/20	Closed	Medium	PoMo requires thorough knowledge of the programme / project progression. Expectations and requirements could result in difficulties for the project leads to provide reports at the frequency and quality required.	PoMo	N	Potentially seen as micromanagement, which could negatively impact the work culture	19/11/20 - Reporting schedule has been developed and sent to SBDC Portfolio giving a 6 month preview on what information is required and by when Seeking clarity for Welsh / UK Government on reporting requirements	16/02/21 PoMo held 1-1 meetings with programme / project leads to gather information that feeds into monthly reports / quarterly monitoring reports and review financials. A status update will be provided by PoMo in future quarterly reports to provide assurance on information provided by the programme / project leads A representative from the PoMo will sit on the programme / project boards PoMo will review current documentation / templates in place to ensure fit for purpose 12/01/22 All above in place. PoMo fully established and reporting process functioning with leads engaged with the processes. Closed
SBCD002		19/11/20	Closed	Medium	Resistance to adopt a common approach and standardisation of portfolio / programme management across SBDC portfolio	PoMo	N	Inconsistency of reporting, programme / project delivery and lack of co-ordination and joining up of opportunities and risks	19/11/20 - Risk Registers and Issues Log have been standardised and rolled out across SBDC Portfolio. Programme Development Manager in post to aid with a consistent approach to Business Case submission and updates via Governance Boards TOR template standardised and shared with prog / proj leads	16/02/21 PoMo have good working relationships with the programme / project leads Further templates / procedures have been developed and rolled out across the portfolio such as SAP, community benefits, change control. Status reduced from High to medium. Remains medium as here are further developments to be made PoMo will introduce a central document repository so access to templates / procedures is to hand 12/01/22 Further procedures have been developed by the PoMo and rolled out across the Portfolio such as construction impact assessment, benefits register, PAM Software being procured to ensure reporting is streamlined. No longer an issues Closed
SBCD007		19/11/20	Closed	Medium	Not utilising ESB to its full potential	PoMo	Y	Not maximising input and impact across the wider stakeholder network. Lack of visibility and engagement between ESB Board members and key regional stakeholders	19/11/20 - Governance Evaluation is currently underway looking at how all the Boards operate and how they could be improved	16/02/21 Governance Evaluation report presented at Programme Board and Joint Committee Business Engagement Manager supports the Chair of ESB who also sits on Joint Committee. Follow up engagement with ESB members on the test and challenge of Business Cases. PoMo to articulate to ESB members that the offer of support should be provided to / aimed at SRO level rather than PL ESB Chair has now been invited to future Programme (Portfolio) Boards and given the opportunity to set an agenda item to update members on ESB feedback 12/01/22 ESB Chair now attends Programme Board. Issue escalated to a Risk and will appear on the Portfolio Risk Register. Closed
SBCD008		19/11/20	Closed	Critical	Meeting Actia & Internal review recommendations - Not receiving a letter of Ministerial approval, outlining they've content and that: 1. Further funding will soon be released 2. Further project business cases can now be formally considered	Governance Boards	Y	Delay to delivery of SBCP	26/11/20 - WCGIB confirmation that the Actia recommendations have been finalised awaiting Ministerial sign off.	16/02/21 Received Government sign off. Complete. Closed
SBCD009		19/11/20	Closed	Medium	Lack of awareness and understanding of SBDC in terms of its organisation, prog / prog, governance arrangements and prog / proj status and updates.	PoMo	N	Internal Stakeholders may not cascade or share accurate and timely information which may lead to misunderstandings.	24/11/20 - SBDC Communications Manager to take this forward. Updating and embedding the communication plan. Regularly engaging with and presenting to key stakeholder senior management teams.	16/02/21 Portfolio BC currently being revised and will be submitted for ministerial approval. Quarterly monitoring reports to Governance Boards in place. Annual Report currently being drafted. Comms & marketing plan presented to endorsed by Programme/Portfolio Board on 26.11.20 Internal comms being strengthened and rolled out Comms and engagement schedule developed for 2021/2022 as part of the P&C With regards to turnover of stakeholders, the PoMo will meet with new Governance Board members to provide an overview of what the City Deal is and progression made. 12/01/22 PoMo fully resourced and is the point of contact for all stakeholders to share knowledge and information, longer deemed an issue Closed
SBCD010	SBCD004	19/11/20	Closed	Critical	Lack of resources to develop robust Business Cases at pace that are aligned to HM Treasury Greenbook and endorsed based Business Cases not aligned to HM Treasury Green book and Better Business Case guidance.	PoMo	N	Delays in approval could have the potential to delay implementation and inability to secure the benefits within set timescales	Prog / Proj have been subjected to Gateway Reviews. Upskilling staff through Better Business Case course Project Leads / PoMo have a better understanding of what guidance exists.	16/02/21 The PoMo are looking at arranging a Better Business Case course for staff in April to further support development of Programme / Project Business cases. SBDC PoMo / Programme & Project Leads are now utilising the Business Case guidance and aligning narrative within their individual Business Cases. Programme / Project Leads are utilising consultants particularly around Economic and Financial appraisals. WG have provided development and delivery flowcharts defining the process for programme / project approval. 12/01/22 Better Business Case course complete. All Business Cases have received Ministerial approval and Programmes / Projects are in delivery. No longer an issue. Closed
SBCD011	SBCD005	19/11/20	Closed	High	Uncertainties of process and time taken to receive Ministerial approval of Business Cases.	Governance Boards	N	Delays to programmes / projects moving into delivery and impact on Portfolio delivery as a whole	26/11/20 - Holding workshops with Welsh / UK Government during the development phase and submission of Business Cases. Host Ministerial visits and respond to queries.	16/02/21 WG have provided development and delivery flowcharts defining the process for programme / project approval. WG / UKG have confirmed streamlined process for WCGIB approval and ministerial sign off. Regular dialogue over timescales and process being held with WG/UKG. 12/01/22 All Programmes / Projects are now in delivery. No longer an issue. The Portfolio Risk Register covers this as a potential risk if there is significant change to the Business Cases. Closed
SBCD013		16/02/21	Closed	Medium	External stakeholders perception of City Deal maybe misunderstood due to having a lack of awareness and understanding in terms of its organisation, prog / prog, governance arrangements and prog / proj status and updates.	PoMo	N	Communications between stakeholders lead to mixed messaging	16/02/21 SBDC Website currently being updated to show current status of the SBDC Portfolio. 79 positive media mentions for SBDC from Nov 1 2020 to Feb 16 2021, along with continued positive reach on SBDC social media platforms Newsletters in place shared by Communications Officer	12/01/22 SBDC Website has been revamped. Standardised reports go through the Governance Boards and to Ministers on a monthly basis. Closed
SBCD014		25/03/21	Closed	High	Due to the Communications Manager leaving, the PoMo have not got a central person to pick up this role which could impact timings of information releases, delays to social media posts being published and not being able to provide support to programmes and projects	PoMo	N	Delays in information releases, delays to social media posts being published, not being able to provide support to programmes and projects, not having the expected level of communications in the public domain. No central point of contact for external bodies.	25/03/21 Job spec currently being finalised to start recruitment. Currently have restrictions in place on what communications can be released due to PIP which eases workload. Handover document written to ensure all areas of work are covered and what is required. Utilising current PoMo team to fill the gap with priority work until post is filled.	12/01/22 Communications & Marketing Officer now in place and embedded into the PoMo. Closed

Portfolio Communications and Marketing Plan



Heidi Harries,
Communications and Marketing Officer
Issue 5: January 2022

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1. Overview of the Swansea Bay City Deal

Signed by the Prime Minister Theresa May in March 2017, the Swansea Bay City Deal (SBCD) is an unprecedented investment of up to £1.3 billion in the Swansea Bay City Region, which encompasses Carmarthenshire, Neath Port Talbot, Pembrokeshire and Swansea.

The City Deal consists of a portfolio of 9 transformational programmes and projects that are funded by the UK Government, the Welsh Government, other public sector bodies and the private sector.

The 8 primary stakeholders that constitute the Swansea Bay City Deal are; Swansea County Council, Carmarthenshire County Council, Neath Port Talbot Council, Pembrokeshire County Council, Swansea University, University of Wales Trinity Saint David, Hywel Dda Health Board, Swansea Bay University Health Board.

Planned over a 15-year period, the City Deal will transform the City Region into a centre of excellence for several regional priority sectors, delivering the thematic benefits of Economic Acceleration, Life Science and Well-being, and Renewable Energy and Smart Manufacturing.

A regional economic boost of at least £1.8 billion is projected over the lifespan of the portfolio, with the creation of over 9,000 jobs.

City Deal programmes and projects include 6 localised ones: The Pentre Awel development in Llanelli, Carmarthenshire; a life science, well-being and sport campuses scheme in Swansea; a city and waterfront digital district in Swansea; a low carbon programme in Neath Port Talbot featuring a specialist facility to support the steel and metals industry; a creative digital cluster in Yr Egin, Carmarthen; and an off-shore testing area and associated facilities for marine energy technologies in Pembrokeshire

There is also 3 regional programmes and projects which will run across the whole of Carmarthenshire, Neath Port Talbot, Swansea and Pembrokeshire; A homes as power stations project; a major digital infrastructure improvements programme; and a skills and talent initiative that will give local people a pathway to access the employment opportunities being created.

The City Deal will help address persistent regional challenges including a lack of jobs and skills, poverty, inequality and rurality in a transformational and preventative way. It will also close the economic gap between the Swansea Bay City Region and other more affluent parts of the UK, helping act as a catalyst for further investment and jobs.

2. Objectives of Portfolio Plan

This SBCD Portfolio Communications and Marketing and Plan outlines key information and describes the City Deals' approach towards Communications and Marketing at a Portfolio level. It ensures that marketing and communications is co-ordinated and is delivered efficiently and effectively to SBCD governance groups, partner organisations and wider audiences. Our aim is to keep all stakeholders informed, engaged and to maximise opportunities arising from communications.

The plan also includes various protocols and tools to ensure co-ordination activity across the portfolio and region This plan will be updated on an annual basis.

The SCBD Communications and Engagement Schedule contains a forward plan of communications and marketing activity and is a live document.

3. Portfolio Key Messages

The key messages below refer to the SBCD Portfolio, and will be reference in all communications, wherever possible, to highlight the benefits and importance of the deal. For example, they will be used in the body of the text, in quotations, on social media, marketing collateral and on the website.

The key messages are:

The Swansea Bay City Deal – an investment of up to £1.3 billion – will;

- Accelerate the City Region’s post Covid-19 economic recovery
- Give the City Region an economic boost of at least £1.8 billion over the 15-year lifespan of the portfolio
- Deliver opportunities for regional businesses to benefit from major programme/project procurement
- Create over 9,000 jobs for local people
- Help retain regional talent
- Catalyse further investment
- Transform the City Region into a centre of excellence for sectors including life sciences, smart manufacturing and low carbon energy innovation
- Raise the City Region’s profile throughout the UK and beyond

4. Portfolio Facts and Figures

The following facts and figures should be quoted with all correspondence relating to the SBCD portfolio:

- Total investment: Up to £1.3 billion
- Funding breakdown: The total investment package currently estimated is made up of £235.7 million UK and Welsh Government funding, £330.2 million other public sector investment, and £591.79 million from the private sector.
- Economic impact across the region: At least £1.8 billion over the 15-year lifespan of the portfolio
- Jobs: More than 9,000 jobs over the 15-year lifespan of the portfolio

5. Summary of the Programmes and Projects

Below is a breakdown of the nine programmes and projects that make up the SBCD portfolio. SRO refers to Senior Responsible Owner, PM refers to the Project or Programme Manager.

5.1 Digital Infrastructure

With links to all the City Deal projects, the Digital Infrastructure project aims to support a thriving digital economy across the City Region that will stimulate private sector investment, improve public services, and generate well-paid job opportunities.

Working alongside the UK Government, the Welsh Government and internet service providers, the project will lead to high-quality, full fibre public and private digital services in urban areas.

Internet coverage in rural areas will also be considerably improved for the benefit of residents and businesses, and work is taking place alongside mobile operators to enable early, in-region access to future technology, including 5G.

Type: Regional

Budget: £55.3m

SRO: Jason Jones

Leading Delivery Organisation: Carmarthenshire County Council

Thematic Benefit: Economic Acceleration

PM: Gareth Jones

Partners: Neath Port Talbot Council, Swansea Council, Pembrokeshire County Council

5.2 Skills & Talent

The Skills and Talent project aims to deliver a regional solution for the identification and delivery of the skills and training requirements for all City Deal projects.

Working alongside partners from the private sector, higher and further education, schools and the third sector, the project team will map out gaps in current provision and establish the skills and training needed for students, teachers and lecturers both now and in future.

Bespoke education and training solutions will then be introduced, which align to the needs of industry and key City Deal themes. Investment will include funding for equipment and the development of courses to support the projects.

Type: Regional

Budget: £30m

SRO: Barry Liles

Leading Delivery Organisation: Regional Learning & Skills Partnership

Thematic Benefit: Economic Acceleration

PM: Sam Cutlan

Partners: Carmarthen County Council, Swansea Council, Neath Port Talbot Council, Pembrokeshire County Council

5.3 Homes as Power Stations (HAPS)

The Homes as Power Stations project aims to deliver smart, low carbon, energy-efficient homes through a co-ordinated approach across the City Region. The project will deliver a programme of new build developments, the retro-fitting of existing buildings and local supply chain development support. The aim of the project is to help tackle fuel poverty, cut carbon emissions, and meet the need for more housing. It will monitor the health and wellbeing aspects of warmer homes and the reduction in fuel poverty.

Type: Regional

Leading Delivery Organisation: Neath Port Talbot Council

Budget: £505.5m
SRO: Nicola Pearce

Thematic Benefit: Energy and Smart Manufacturing
PM: Oonagh Gavigan

Partners: Carmarthenshire County Council, City and County of Swansea Council, Pembrokeshire County Council

5.4 Swansea City & Waterfront Digital District

Swansea City and Waterfront Digital District project is made up of three elements - the 3,500-seater Swansea Arena in the city centre that will accommodate concerts, shows, exhibitions, conferences, gaming tournaments and other events.

A state-of-the-art office development in 71/72 Kingsway will provide space for technology and digital businesses, with conference and meeting facilities and act as a catalyst for further development on The Kingsway. The development will benefit from world class digital connectivity and integration with smart city technology.

An Innovation Matrix development at the University of Wales Trinity Saint David SA1 for start-up businesses, which will foster entrepreneurship through close links with academia.

Type: Local
Budget: £175.28m
SRO: Martin Nicholls

Leading Delivery Organisation: Swansea Council
Thematic Benefit: Economic Acceleration
PM: Huw Mowbray

Partners: University of Wales Trinity Saint David

5.5 Yr Egin

Canolfan S4C Yr Egin is a digital and creative cluster at the University of Wales Trinity Saint David in Carmarthen.

An iconic building with an auditorium, state-of-the-art office spaces and post production facilities, for professional and community activities. The first phase of the project is complete. Welsh language broadcaster S4C has relocated its headquarters to Yr Egin, with several other creative sector businesses taking residency.

A second phase will support the creative industry sector in the region, allowing for cross-sector engagement between new and established businesses in West Wales. It will cater for a range of 'new' technological services that will be made available for the region

Type: Local
Budget: £25.17m
SRO: Steve Baldwin

Leading Delivery Organisation: University of Wales
Trinity Saint David
Thematic Benefit: Economic Acceleration
PM: Geraint Flowers

Partners: Carmarthenshire County Council

5.6 Supporting Innovation and Low Carbon Growth

The Supporting Innovation and Low Carbon Growth programme will deliver sustainable jobs and growth to support a decarbonised and innovative economy. It includes:

The Baglan Technology Centre providing flexible office space for start-up companies and businesses, with a focus on the innovation, ICT and R&D sectors.

A specialist facility which will support the steel and metals industry in Port Talbot, Wales and the UK, while reducing carbon footprint.

An Industrial Futures project with a hybrid building providing production units and office space to support start-ups and businesses in the innovation and manufacturing sectors.

Decarbonisation projects including a low emission vehicle charging network, air quality monitoring and a hydrogen stimulus project.

Type: Local

Budget: £58.7

SRO: Nicola Pearce

Leading Delivery Organisation: Neath Port Talbot Council

Thematic Benefit: Economic Acceleration

PM: Lisa Willis

Partners: Swansea University, University of South Wales

5.7 Campuses

The Campuses project will deliver two complementary initiatives across two sites in two phases in Swansea, that add value to the regional life science, health and sport sectors.

Advanced research and development facilities will be created, building on the success of the Institute of Life Science at Swansea University's Medical School. Collaboration between Swansea University and its industry and NHS partners will place the Campuses project at the forefront of new technologies to improve healthcare, while creating new life science and sport-tech companies and well as highly skilled jobs.

Projects will include a facility at Swansea University's Singleton Campus, and Morriston Hospital where research will be undertaken alongside world-leading clinical delivery.

Type: Local

Budget: £130.43m

SRO: Keith Lloyd

Leading Delivery Organisation: Swansea University

Thematic Benefit: Life science and well-being

PM: Tony Harris

Partners: Swansea Council, Swansea Bay University Health Board, Hywel Dda University Health Board, ARCH Partnership

5.8 Pentre Awel

Combining advanced life science research and business development facilities with a state-of-the-art leisure centre, extra care housing and nursing care, Llanelli's Pentre Awel will be among the first developments of its kind.

Education and training facilities will be at the heart of the project and will focus on training the next generation of healthcare professionals, all set within landscaped green spaces for cycling, walking and other outdoor activities.

Located in an attractive lakeside setting, Pentre Awel is aimed at boosting the local economy, creating new, high-quality jobs and improving people's health and well-being, while also leaving a long-term legacy for local communities and beyond.

Type: Local
Budget: £199.19m
SRO: Chris Moore

Leading Delivery Organisation: Carmarthenshire County Council
Thematic Benefit: Life science and well-being
PM: Sharon Burford

Partners: Hywel Dda University Health Board, Swansea University, Cardiff University, University of Wales Trinity Saint David, Coleg Sir Gar, Pembrokeshire College, Gower College, Swansea University Health Board, ARCH Partnership

5.9 Pembroke Dock Marine (PDM)

Pembroke Dock Marine will create a world class marine engineering fabrication, test and deployment hub, delivering the support and infrastructure needed to further grow Wales' blue economy.

The project expands upon the Swansea Bay City Region's established facilities and extensive skill base, ensuring maximum operational efficiency and increased innovation opportunities, which will help drive down marine energy production costs.

Focusing on the growth of decarbonised energy production, the project includes dedicated early stage and commercial scale test sites, a CATAPULT innovation centre, and industry focused port infrastructure to ensure developers improve the effectiveness, cost efficiencies and installation of their innovative technology.

Type: Regional
Budget: £60.47
SRO: Steven Jones

Leading Delivery Organisation: Pembrokeshire County Council
Thematic Benefit: Economic Acceleration
PMO: Steven Edwards (Interim)

Project Partners: The Port of Milford Haven, Marine Energy Wales, Catapult Network, Wave Hub, Pembrokeshire Coastal Forum

6. Bilingual Guidance

All media releases and information, either printed or online, for the portfolio should be in Welsh and English to comply with the Welsh Language Standards, with the Welsh language positioned so that it may be read first. The Welsh language will not be treated less favorably than the English language, in terms of:

- presentation e.g., use of font, size, colour and format
- position and prominence
- when and how the material is published, made available or exhibited
- Promotion and availability

The SBCD Welsh Language Guidance document (September 2021) outlines the full bilingual guidance.

7. Official Spokespeople

Key people have been identified as official spokespeople for the SBCD Portfolio and should represent the City Deal in radio and TV interviews as well as in press releases and other media relations. The SBCD Communications and Marketing Officer will co-ordinate these requests:

- English language interviews are by Cllr Rob Stewart (Swansea Council Leader and Joint Committee Chairman)
- Welsh language interviews are by Cllr Emlyn Dole (Carmarthenshire Council Leader and Joint Committee Member)

8. Protocol for Media Communications

With multiple partners involved in the SBCD portfolio, a protocol is required for the clear management of press releases, media responses and statements, interview opportunities, social media posts, PR campaigns and events.

8.1 Portfolio Level Communications

The SBCD's Communications and Marketing Officer will lead on all media activity for the City Deal at a portfolio level and this content requires approval from:

1. SBCD Senior Responsible Owner
2. Chair of Joint Committee
3. SBCD Portfolio Director
4. Project/programme lead organisations (where relevant)
5. SBCD Project Senior Responsible Owner and project manager (where relevant)

The importance of the announcement/statement will dictate the seniority of the approval needed, will be determined by the SBCD Portfolio Director via the SBCD Communications and Marketing Officer.

Additionally, UK Government and Welsh Government approval of communications will also be needed in relation to major project/programme milestones and the release of funds to the City Deal portfolio. Opportunities for Ministerial quotes will be made available.

8.2 Regional Projects and Programme Communications

The SBCD's Communications and Marketing Officer will lead and co-ordinate all regional projects and programmes media communications and this content will also require approval from those outlined in **section 8.1**.

Working closely with the project/programme PM and SRO, all lead delivery organisations will be informed and engaged throughout the process. Roles and responsibilities will be outlined by the SBCD Communications and Marketing Officer from the outset and communicated to all relevant stakeholders.

The lead delivery organisations will be requested to display the press releases bilingually on their website and share / like social media posts using the following: Facebook - @SBCityDeal; Twitter - @SBCityDeal; Linked In - @Swansea Bay City Deal @Bargen Ddinesig Bae Abertawe #sbcitydeal

8.3 Location Specific Projects and Programme Communications

For projects and programmes that are location specific within the region, the lead deliver in conjunctions with partner organisations will lead on PR activities. The SBCD Portfolio Management Office (PoMO) must be made aware via the SBCD Communications and Marketing Officer during the planning of the activity and central support can be made available from the PoMO if required. Details of PR activity will be sent to the Joint Committee chairman and other relevant stakeholders for information or approval, as required.

Reference to the Swansea Bay City Deal must be included in the body of the text as a minimum. Further details about the SBCD should also be included in the body of the text or otherwise as a footnote/editor's note.

Suggested text to be used is:

The Swansea Bay City Deal is an investment of up to £1.3 billion in a portfolio of major programmes and projects across the Swansea Bay City Region, which is being funded by the UK Government, the Welsh Government, the public sector and the private sector. Over the 15-year lifespan of the portfolio, the City Deal will boost the regional economy by at least £1.8 billion, while generating over 9,000 jobs. The Swansea Bay City Deal is being led by the four regional local authorities - Carmarthenshire Council, Swansea Council, Neath Port Talbot Council and Pembrokeshire Council - together with the Swansea Bay University and Hywel Dda University Health Boards, Swansea University, the University of Wales Trinity Saint David, and private sector partners.

Partners should include bilingual story content on their websites and should also reference SBCD in social posts where possible: Facebook - @SBCityDeal; Twitter - @SBCityDeal; Linked In - @Swansea Bay City Deal @Bargen Ddinesig Bae Abertawe #sbcitydeal

8.4 Additional Media Communication Information

- All photograph opportunities will include members of relevant City Deal partners. The SBCD Communications and Marketing Officer work with the PM to determine the roles and responsibilities of individuals when photograph opportunities arise. The photographs will be made available for use in all PR related activities, including the website and social media.
- Representatives of all City Deal project and programme partners will have equal opportunity to give interviews to the media. Where only one person is required for interview, all partners should be informed prior to the interview. All interviews should, wherever possible, reference other City Deal partners and be done in Welsh and English.

9. Protocol for Official Visits

All portfolio level ministerial engagements, whether requested by the PoMO or by the ministers' teams will be led by the SBCD Communications and Marketing Officer. They will:

1. Liaise with the Government Officers that support the Minister to determine the purpose of the visit and the logistical requirements (e.g. timeframe, duration, mode of meeting, attendees, etc). Covid 19 meeting restrictions need to be followed if they apply at the time of the visit.
2. Seek approval from the most senior person(s) from the Lead Authority and Lead Deliverer for the visit and ask them to attend. For regional programmes and projects all four Leaders will be invited to attend. If a Leader is unable to attend an alternative date could be considered or suitable political substitute to represent their Local Authority.
3. Ensure that the Senior Responsible Owner is invited to take part and that the Project Manager supports the arrangements, is continually in the communication loop and is in attendance.
4. Raise awareness of the request with the Chairs of the governance boards: Programme Board, Joint Committee and Economic Strategy Board. The chairs will be invited to attend.
5. Raise awareness with the Welsh Government Regional Team and take a course of action if advised to do so. The Welsh Government may be asked to attend.
6. Keep all stakeholders updated with developments.
7. Follow up with Minister and supporting Officers to see if there's any follow-on actions or further information required.
8. Coordinate PR following visit and seek approval in the usual way.

All roles and responsibilities surrounding the visit will be determined by the SBCD Communications and Marketing Officer and Programme/Project Managers and partner organisations will be required to assist.

The PoMO periodically provides the UK Government and the Welsh Government with a list of key project and programme milestones that are identified by the project and programme leads. These will form the basis of a schedule for regional visits.

10. Protocol for Business Case Approvals

All nine SBCD Outline Business Cases have been approved by the Welsh Government and the UK Government. The protocol below was used during the approval process and will continue to be used in conjunction with the SBCD change management process when new business cases are created or when a significant change is presented to an existing business case.

10.1 Press Releases

Press Releases to be prepared by the SBCD Communications and Marketing officer and prior to distribution to the media, they must be approved by the following:

- SBCD Senior Responsible Owner
- Chair of Joint Committee

- SBCD Portfolio Director
- Project/programme lead organisations (where relevant)
- SBCD Project Senior Responsible Owner and project manager (where relevant)
- UK Government and Welsh Government
- Project partners (where appropriate)

Quotes are to be included from:

- The Chairman of Joint Committee
- The relevant senior Joint Committee members of the organisation(s) leading the project (e.g. Council Leaders, University, Health Board)
- UK Government and Welsh Government

Before distribution to the media, all approved press releases of this nature are to be sent for information to the Joint Committee and Economic Strategy Board members, the UK Government and Welsh Government and other key stakeholders relevant to the project or programme. Approved press releases sent to the media must be sent in both Welsh and English as outlined in **section 6**.

10.2 Photographs

The SBCD Communications and Marketing Officer will co-ordinate photograph opportunities and the following people will appear in the photographs

- The Chairman of Joint Committee
- The relevant senior members of the organisation(s) leading the project
- UK Government or Welsh Government Officials

Photographs are to be located, wherever possible, at project sites or at a location appropriate to the project or programme.

10.3 Interview Opportunities

Interviews should be provided bilingually, where possible, and at a SBCD portfolio level be made available to:

- SBCD Official Spokespeople outlined in **section 7** - The Chairman of Joint Committee (English) and Carmarthenshire Council's Leader (Welsh)
- The relevant senior members of the organisation(s) leading the project
- UK Government or Welsh Government Officials

11. Use of SBCD Logo

All PR activity and marketing materials, either printed or online, will contain the SBCD logo. Guidelines for use are follows:



Colours

CMYK

	100% cyan
	100% + 60% magenta
	70% cyan + 60% yellow
	30% cyan + 20% black

RGB

	0, 159, 227
	0, 92, 169
	69, 179, 132
	162, 195, 214

Web

	#009fe3
	#005ca9
	#45b384
	#a2c3d6

Pantone

	PMS - 801
	PMS - 300
	PMS - 339
	PMS - 644

Formats

The logo is available in the following formats:

JPEG for desktop publishing (MS Word, PowerPoint, etc.)

EPS or **TIFF** for high quality printing, **JPEG** or **PNG** for web.

Requests for the logo should be made to:

marketing@carmarthenshire.gov.uk



Font - 'Ubuntu'

Available from:

<http://font.ubuntu.com>

<https://fonts.google.com/specimen/Ubuntu>

To be used in web and print projects.

Can be downloaded and used freely. Is covered by an Ubuntu Font Licence.

Background colours



Try to avoid placing the logo on a coloured background where possible. If this is unavoidable then please use as above or use a white version of the logo on a dark background and a black version on a light background. For electronic usage the logo must appear on a white background.



Recommended minimum size



To ensure visibility, legibility and accessibility, the logo, wherever possible, should not be used at a width that is less than 40mm as shown left.

Clear space



Allow for clear space all around the logo equal to the height shown left.

The logo is bilingual. Regardless of the language of the materials it appears on, neither English or Welsh should be removed.

12. Use of Primary Stakeholder Logos

The SBCD regularly need to display primary stakeholder logos in marketing materials.

The 8 primary stakeholders are; Swansea County Council, Carmarthenshire County Council, Neath Port Talbot Council, Pembrokeshire County Council, Swansea University, University of Wales Trinity Saint David, Hywel Dda Health Board, Swansea Bay University Health Board.

When one stakeholder logo is required, they should be displayed as follows:



When all stakeholder logos are required, they should be displayed as follows:



When all stakeholder logos and UK Government and Welsh Government logos are required, they should be displayed as follows:



The UK Government and the Welsh Government must authorise the use of their logos on any content. Branding approval at the UK Government and Welsh Government should be made by:

- UK Government: Sarah Drew
- Welsh Government: Martyn Williams

13. Stakeholder Power & Interest Matrix

The following SBCD stakeholders have been identified and will have engagement throughout the portfolio lifecycle. Depending on the stakeholders' place in the matrix different communications approaches may be needed.

	Keep Satisfied (High Power & Low Interest)		Manage Closely (High Power and High Interest)	
High Power	Regional Local Authority Cabinet Members Regional Council Members (All) Regional AMs and MPs BBC Wales Today ITV Wales BBC Radio Wales BBC Radio Cymru BBC Newyddion	BBC Wales newsgathering UK national media Tata Steel Other major regional employers Milford Haven Port Authority Wales European Funding Office Farmers Union for Wales National Farmers Union	Joint Committee Members Programme Board Members Economic Strategy Board Members Joint Scrutiny Board Members SBCD Project Managers/teams Welsh Government SBCD officials UK Government SBCD officials UKG Secretary of State for Wales UKG Parliamentary Under Secretary of State for Wales	WG Ministers for Economy & Transport WG Minister for Finance Wales Online BBC Online South Wales Evening Post Western Mail Private sector project backers Regional business community Local Authority Ward Members
	Monitor (Low Interest and Low Power)		Keep Informed (High Interest and Low Power)	
Low Power	Regional bloggers Yr Egin tenants South Wales Guardian Towyside Advertiser Tenby Observer Carmarthenshire Times Llanelli Standard Swansea Civic Society Business Wales Carmarthenshire Tourism Association, Carmarthenshire Council economic development team Neath Port Talbot Council business development team	Swansea Council economic development team. Pembrokeshire Council business development team Antur Teifi Discover Carmarthenshire Pembrokeshire Tourism Institute of Welsh Affairs Tourism Swansea Bay Visit Swansea Bay Visit Wales Visit Neath Port Talbot Pembrokeshire Coastal Forum National Trust Regional MEPs Construction Futures Wales	Specialist media Business News Wales Wales 247 Swansea Bay Radio Wales Business Insider Carmarthen Journal Llanelli Star Swansea Bay Business Life Western Telegraph Milford Mercury The Wave & Swansea Sound Heart FM Radio Carmarthenshire Radio Pembrokeshire Herald newspapers 4 The Region Regional Business Improvement Districts	Chambers Wales Federation of Small Businesses Swansea Bay Business Club SA1 Waterfront Business Club Regional Learning and Skills Partnership Lions and Rotary Clubs across the region Marine Energy Wales Regional supply chain businesses Regional Town and Community Councils 3 other Welsh City and Growth Deals Regional Local Authorities (Staff) Regional universities (Staff/students) Regional health boards (Staff) Regional school pupils Oriel Science SWIC (South Wales Industrial Cluster) Welsh Government Energy Service
	Low Interest		High Interest	

14. Portfolio Communications and Marketing Activity

A wide variety of communications and marketing activity will be used by the SBCS Communications and Marketing Officer to raise awareness of the SBCD portfolio. These will include:

- **Press Releases and Feature Articles:** Regular press releases and articles will be written when key milestones are reached or when programmes and projects are topical.

News stories and trends will be monitored daily to establish opportunities to maximise exposure. Articles covering Joint Committee meetings/decisions will also be written, as well as articles on the work of the Economic Strategy Board. Pro-active articles will be written, whenever appropriate, to raise the profile of their work. Partner organisations and private sector companies will be included where appropriate.

Feature pieces that encompass key highlights at a regional level will also be written, by working in collaboration with the Cardiff Capital Region, Ambition North Wales and Growing Mid Wales.

A distribution list is shown in **section 21** of this plan.

All press releases and feature articles will be bilingual and will be featured on the City Deal website and those of relevant partner organisations. They will also be shared on social media. Where possible, videos and MP3 audio files will be created.

- **Social media:** Continue to grow the City Deal's Twitter and Facebook accounts by posting regularly with relevant and engaging content. City Deal hashtags must accompany each post - #SBCityDeal and #BargenDinesgigBA.

Businesses and other key organisations/influencers across the region are being followed and where relevant, their posts will be liked or shared.

A LinkedIn City Deal account has been set up which is monitored by the SBCD Business Engagement Manager, and the use of alternative social media platforms will be explored.

- **Website:** Continue to update and develop the website (which was launched in 2018). The website includes the City Deal video on the homepage, an interactive timeline of key milestones, a news section, a governance area, and links to City Deal social media accounts. A City Deal overview page is also included, as well as pages about each of the programmes and projects.
- **Newsletters:** A summary of key achievements and milestones will be sent to the SBCD database in the form of a newsletter. Partners will be asked to include articles from the newsletter on their versions.
- **Videos and Time Lapse Photography:** Opportunities will be explored for displaying the City Deal promotional video on screens across the region, including Swansea city centre's big screen, in Yr Egin in Carmarthen, and at colleges, universities and council buildings throughout South West Wales. Fly-through videos, drone footage and time lapse photography opportunities will also be explored.

- **Events:** Subject to Covid restrictions, suitable events will be organised by the PoMO, with approval from the Portfolio Director, the Portfolio's SRO and the Joint Committee Chairman.

The PoMO will organise details including sourcing venues, invitation lists and marketing materials. Partners will be kept informed and updated. Where possible, events will be held at different locations around the City Deal region, and dates will be chosen when the Portfolio SRO and Joint Committee Chairman can attend, and well as programme and project SRO's and PM's. Councilors from the four councils will be invited to attend, along with Welsh Government and UK Government Ministers.

The PoMO will also attend and co-ordinate events held by other organisations.

- **Brochures:** Informative booklets and brochures will be created for use at relevant opportunities such as events and meetings.
- **Infographics:** Develop a suite of infographics that can be used across many marketing activities that display portfolio, programme and project key information in a more pictorial format.
- **Case Studies:** Interviews will be conducted with individuals and companies who have benefited from the City Deal to build case studies. The information gained will be used in press releases, the City Deal website and in printed materials.
- **Billboard Sites:** Opportunities will be explored to showcase the City Deal video on digital billboard sites, along with poster opportunities on static billboard sites at key times and locations close to projects sites.
- **Competitions and Community Lead Campaigns:** Opportunities will be explored that will allow the City Deal to engage with a wider audience through competitions and campaigns. Ideas would include a 'name the building' competition like Pembroke Dock Marine project, or campaigns with local schools and universities.
- **Branding of empty units and hoardings:** Vacant premises in town and city centre locations across the City Region could potentially be used to carry branded City Deal content along with hoardings or large format posters on project sites.
- **Endorsement:** Endorsement for the City Deal will be sought from prominent regional businesspeople and well-known regional figures, to help further raise awareness.
- **Stationary:** Folders, pens and letterhead will be produced when required.
- **Presentations:** Visually appealing, PowerPoint presentations will be kept up to date and made available for use in events and meetings.
- **Awards:** Opportunities will be explored for awards that programmes and projects can apply for and take part in. For example, environmental awards, best building awards etc

- **Partnerships with Charities and Sponsorship Opportunities:** Establish a working relationship with relevant charities and promote the partnership where possible. Sponsorship opportunities will also be explored with organisations and projects relevant to City Deal.
- **Radio Advertising:** Explore 10s and 30second radio advertising on local radio stations when key milestones are reached and specific call to actions are required. For example, if the Technology Centre is looking for tenants.
- **Bios:** Written biographies on key people within the City Deal which can be used for information packs for events, added to the website and integrated into press releases.

Project and Programme level Communications and Marketing Plans will be developed that highlights key marketing activities around milestones, and follow-on from this Portfolio Communications and Marketing Plan.

15. Communications and Marketing Sub-Groups

Communications and Marketing sub-groups have previously existed for some projects and programmes. These will be re-introduced or created for all projects and programmes. The SBCD Communications and Marketing Officer will lead communications of these sub-groups and identify the key members, which including project leads and individuals from the partner organisations.

These sub-groups will assist in the development of the Project and Programme level Communications and Marketing Plans, and members will also be involved in carrying out the activities in the plans.

16. Internal Communications

Internal communications with key stakeholders are vital for several reasons, including; Keeping people informed, encouraging 'buy-in' for the City Deal and its purpose, raising further awareness of the SBCD, giving a more holistic view of the City Deal and to facilitate engagement and feedback.

The SBCD's key stakeholders include:

- Joint Committee members
- Programme Board members
- Economic Strategy Board members
- Joint Scrutiny Committee members
- Eight partner organisations (primary stakeholders)
- Regional Local Authority economic development directors
- UK Government (Relevant officials and politicians)
- Welsh Government (Relevant officials and politicians)
- Private sector partners

Along with other members of the PoMO, the SBCD Communications and Marketing Officer will share communications and marketing information to internal stakeholders by using a variety of methods including:

- Face-to-face or digital meetings with senior representatives at all partner organisations. This includes UK Government and Welsh Government Ministers and officials
- Presentations or speeches to key audiences
- SBCD formal governance reports, such as monthly highlight, quarterly monitoring and annual review reports outlining key achievements and milestones
- Video content highlighting progress and opportunities
- Internal newsletters to primary stakeholders
- Inclusion of content on the Intranets of partner organisations
- Team meetings with programme/project leads

17. Communications with Regional Businesses and Private Sector

The SBCD Business Engagement Manager is responsible for engagement with regional businesses the wider private sector and wider business-related networks. A complementary Business Engagement and Investment Framework is in development to support the Portfolio Communications and Marketing Plan.

The SBCD Business Engagement Manager uses a variety of methods to engage with the regional business community, including:

- **Liaising with Business Representative Organisations and Trade Bodies:** Maintaining regular contact and attending meetings with regional business organisations, including Chambers Wales, Federation of Small Businesses, Institute of Directors, Swansea Bay Business Club, SA1 business club, CITB, ECITB and local Chambers of Commerce, Business Improvement Districts (Swansea and Llanelli) and the CCP (Carmarthenshire, Ceredigion and Pembrokeshire) Business networking group.
- **SBCD regional events:**
 - **Procurement Pipeline Event:** The first one was held in March 2021, highlighting the opportunities coming to market over 2021/22 from City Deal funded procurements.
 - **Showcase Event:** A one-off event planned for March 2022 to celebrate the achievement that all business cases have been approved by the UK Government and Welsh Government and that all projects and programmes are all in delivery. Stakeholders and businesses will be invited order to see the progress, as well as looking into upcoming opportunities.
- **Other Business-related Events:** Participation and attendance in events including; The Welsh Business Shows and Welsh Construction shows, Introbiz networking conferences and 4theRegion Swansea City Centre conferences.

- **Partner Newsletters:** Regular progress updates in newsletters distributed by organisations including 4theRegion, the Regional Engagement Team, and the Regional Learning and Skills Partnership. Articles also appear in Chamber Chat magazine – a quarterly publication put together by the Chambers Wales.
- **Articles:** Appearing in publications, websites and e-newsletters including Business News Wales and Wales Business Insider. These e-newsletters are distributed to thousands of businesses throughout the City Region and beyond.
- **Online content:** A procurement page has been added to the City Deal website, which will highlight tendering/contract opportunities

Further approaches to keep the regional business community informed about the City Deal include:

- Direct communications in relation to relevant updates/news
- Further business-focussed communications with specialist business media
- Strengthening of a City Deal LinkedIn account, with regular posts
- Continuous updating of database for regional business contacts

18. Communications and Engagement Schedule

The SCBD Communications and Engagement Schedule complements this SBCD Communications and Marketing Plan and contains a forward plan of communications and marketing activity at a project and programme level. This is a live document and managed by the SBCD PoMO.

19. Key Communications and Marketing Contacts

A list of key SBCD Communications and Marketing contacts are shown below and up-to-date contact details can be requested through the SBCD Communications and Marketing Officer.

Organisation	Name	Job Title
Swansea Bay City Deal	Heidi Harries	Communications and Marketing Officer
Carmarthenshire County Council	Deina Hockenhull	Head of Marketing and Media
Carmarthenshire County Council	Laura Morris	Senior Communications Officer
Swansea County Council	Lee Wenham	Head of Communications
Swansea County Council	Patrick Fletcher	Head of News
Swansea County Council	Greg Jones	Senior Communications & Business Engagement Officer

Neath Port Talbot	Sylvia Griffiths	Strategic Communications and Marketing Adviser
Neath Port Talbot	Robin Turner	Senior Communications Officer
Pembrokeshire County Council	Abby Barton	Head of Communications
Pembrokeshire County Council	Anna Wilson	Communications Officer
UK Government in Wales	Sarah Drew	News and Digital Manager
UK Government in Wales	Sian Evans	Communications and Engagement Officer
UK Government in Wales	Chris Herdman	Head of News and Digital
Welsh Government	Chris Pascoe	Press Officer
Welsh Government	Martyn Williams	Chief Press Officer
Swansea University	Jacqui Bowen	Head of Public Relations
Swansea University	Delyth Purchase	Press Office Manager
Swansea University	Richard Lancaster	Communications and Relationship Manager
University of Wales Trinity Saint David	Eleri Beynon	Head of Corporate Communications & PR
University of Wales Trinity St David	Rebecca Davies	Executive Press and Media Relations Officer
University of Wales Trinity St David	Lowri Thomas	Principal Communications and PR Officer
Gower College	Marie Szymonski	Marketing and Admissions
Hywel Dda University Health Board	Sundeep Sehijpal	Communications Manager
Swansea Bay University Health Board	Susan Bailey	Head of Communications
Port of Milford Haven	Anna Malloy	Engagement and Communications Manager
Port of Milford Haven	Anna Mullarkey	Marketing and Communications Executive
Port of Milford Haven	Sara Aicken	PR and Communications Executive
Marine Energy Wales	Jess Hooper	Programme Manager

Cardiff Capital Region	Suzanne Cheserton	Head of Governance, Policy & Communications
Ambition North Wales	Erin Gwenlli Thomas	Communications and Engagement Officer
Growing Mid Wales	Cathy Martin	Portfolio Office Manager
Growing Mid Wales	Claire Miles	Engagement Manager

20. Monitoring and Evaluation

To monitor the effectiveness of our communications and marketing, we will use the following measurement methods, and adapt the approach when necessary.

20.1 Social Media Monitoring

The performance data below will be extracted from Crowd Control (the platform used to plan and publish social media).

- **Reach:** The number of people in the target audience who are exposed to the social post. This will be displayed separately for Facebook and Twitter.
- **Followers / Fans:** The number of people who follow (Twitter) or fans (Facebook).
- **Likes:** The number of people who have liked the posts.
- **Shares:** The number of people who have shared the posts.



20.2 Press Releases

Press coverage will be monitored and logged daily using google alerts, manually searching for the Swansea Bay City Deal online, and by looking in local newspaper titles.

They will be logged in a table as follows:

Date	Press Release	Project	Media Title	Type	Author
01/12/2021	Small Business Saturday	Egin	Wales 247	Online	Heidi Harries
01/12/2021	Small Business Saturday	Egin	Business News Wales	Online	Heidi Harries
01/12/2021	Small Business Saturday	Egin	UWTSD	Online	Heidi Harries
01/12/2021	Small Business Saturday	Egin	Swansea Bay News	Online	Heidi Harries
01/12/2021	Small Business Saturday	Egin	South Wales in Focus	Online	
03/12/2021	Fleet of electric vehicles for Port of Milford Haven	PDM	Business News Wales	Online	Sara Akin
05/12/2021	First Part of £60 Pembroke Dock Marine Project Begins	PDM	Western Telegraph	Online	Sara Akin
06/12/2021	Swansea Arena being lit up for Christmas	Swansea City & Waterfront	Wales Online	Online	Greg Jones
06/12/2021	Chance for Business to benefit from Kingsway Scheme	Swansea City & Waterfront	Swansea Council	Online	Greg Jones

Additional method could also be used including:

- Press coverage/equivalent advertising value
- Newspaper/online website/specialist media readership
- Booklets/e-marketing brochures distributed
- Website analytics
- Number of people engaged at events (both online and offline)
- Public exposure to marketing tactics
- Enquires through email and calls

21. South Wales based Newspapers and Radio Stations

The SBCD distribute press releases to several key newspapers and radio station in the South West Wales region. Below is the circulation figures/reach and geographical areas covered in the main titles which help give an understanding of how many people are exposed to the PR:

Organisation	Frequency	Circulation/Reach	Area	Source
South Wales Evening Post	Daily	10,464	Swansea, Neath Port Talbot and Carmarthenshire	ABC.org.uk
Western Mail	Daily	8,419	Wales	ABC.org.uk
Llanelli Star	Weekly	3,840	Llanelli and surrounding area	ABC.org.uk
Carmarthen Journal	Weekly	5,034	Carmarthen and surrounding area	ABC.org.uk
Western Telegraph	Weekly	unavailable	Pembrokeshire and West Wales	
Wales Online	24/7	2,478,000 unique monthly visitors and 27,275,011 monthly page views	Wales and beyond	Wales Online Media Pack
BBC Radio Wales	24/7	344,000	Wales-wide	RAJAR
BBC Radio Cymru	24/7	119,000	Wales-wide	RAJAR
The Wave	24/7	111,000	Swansea Bay area, including Carmarthenshire and Neath Port Talbot	media.info
Swansea Bay Radio	24/7	24,000	Swansea Bay area, including Carmarthenshire and Neath Port Talbot	RAJAR
Radio Carmarthenshire	24/7	38,700	Carmarthenshire	RAJAR
Radio Pembrokeshire	24/7	31,000	Pembrokeshire	media.info
Heart South Wales	24/7	395,000	South and West Wales	482,000 listeners a week

22. Regional/Wales-wide Media Contacts

A list of key SBCD Media contacts is shown below and contact details are able for each one by request through the SBCD Communications and Marketing Officer. Details will be updated on a quarterly basis.

Title	Name
Wales Online	Richard Youle
Wales Online	Robert Lloyd (News editor)
Wales Online & South Wales Evening Post	Jonathan Roberts
Wales Online	James Arnott (Content editor)
Wales Online & Llanelli Star	Christie Bannon
Wales Online & Carmarthen Journal	Rob Harries
Wales Online & Carmarthen Journal	Ian Lewis
Western Mail	Chris Pyke (Business reporter)
Western Mail	Sion Barry (Business editor)
BBC Online (Wales)	newsonline.wales@bbc.co.uk
BBC Wales newsgathering	newsgathering.wales@bbc.co.uk
BBC	Aled Scourfield
ITV Wales	Dean Thomas (West Wales reporter)
Newsdesk ITV Wales	news@itvwales.com
Western Telegraph & Milford Mercury	Bruce Sinclair (Chief reporter)
Western Telegraph & Milford Mercury	Fiona Phillips
Tenby Observer	editor@thetenbyobserver.co.uk
South Wales Guardian	dla@swguardian.co.uk
South Wales Guardian	Clare Snowdon (Reporter)
South Wales Guardian	news@southwalesguardian.co.uk
Guardian	Daniel Laurie
The Wave (Radio)	news@thewave.co.uk
The Wave (Radio)	Emma Grant (News Editor)
South Wales Radio	news@southwalesradio.com
Business News Wales	news@businessnewswales.com;
Business News Wales	Mark Powney
Wales Business Insider/Inside Media	Douglas Friedli
Wales Business Insider/Inside Media	Laurence Kilgannon
West Wales Chronicle	newsdesk@westwaleschronicle.co.uk
Wales 247	Rhys
Wales 247	requests@wales247.co.uk
Llanelli Online	Alan Evans
Cambrian News	Simon Middlehurst (editor)
Trinity Mirror	Gemma Parry (Evening Post)
Trinity Mirror (Star)	Oliver Roderick
Heart FM	Paula Hughes
The Herald	Jon Cole

The Herald	editor@herald.email
Swansea Bay	news@swanseabay.tv
Tivy-Side Advertiser	tivyside@gwent-wales.co.uk
Western Mail	newsdesk@mediawales.co.uk
Mail on Sunday	news@mailonsunday.co.uk
Radio Carmarthenshire	news@nationbroadcasting.wales
Daily Telegraph	dtnews@telegraph.co.uk
The Independent	newsdesk@independent.co.uk
News Wales Service	news@walesnews.com
The Times	home.news@thetimes.co.uk

Swansea Bay City Deal

Change Control Procedure

January 2021



Document Control
Note: this document may not be valid anymore. Please check for the latest approved version of the document
Date: 14/01/2021
Version: V1.0
Author: Phil Ryder
Owner: Portfolio Board

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1 - Purpose

Purpose is to provide an acceptable procedure for the delivery of change requirements for the duration of the Swansea Bay City Deal Portfolio.

2 – Background

The Swansea Bay City Deal is a Portfolio made up of 9 programmes / projects with delivery across South West Wales by 8 Key Stakeholders, Delivery Partners and Lead Authorities with a projected investment of between £1.15bn and £1.3bn.

Due to the nature of Projects and Programmes there will inevitably be a need for change thus providing the requirement for a change control process.

The Association for Project Management defines change control as *“the process through which all requests to change the approved baseline of a project, programme or portfolio are captured, evaluated and then approved, rejected or deferred.”*

The Change Control Process will detail the potential impacts and benefits for stakeholders, how stakeholders will be engaged to understand the impact (positive or negative) of the change and how the changes will be communicated, implemented and managed.

The change control strategy and plan will be owned by the Portfolio Board and will highlight the changes that result from projects and programmes at project, programme and portfolio level.

3 – Items to be considered

The process for change management is outlined below and covers all aspects of change that will have an impact to any deliverables, objectives and benefits agreed as part of the approval process undertaken for all aspects of the Projects, Programmes or the Portfolio.

The change is likely to affect at least one of the following categories:

- Impact the total cost or finance;
- Impact the completion of delivery of output(s)/ key milestones;
- Impact the quality outlined within the business case for the specified Project/Programme
- Impact the benefits outlined within the business case for the specified Project/Programme;
- Impact the GVA, jobs created or inward investment.

Any changes resulting in a variance in these areas must follow this change control process, it is important to note that changes can be both positive and negative.

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4 – Change log Management and collation

As part of the Portfolio Business Case and associated Monitoring and Evaluation Plan the Portfolio Management Office will keep a change log which will record all changes within the Portfolio. Change control reporting will take place for all SBCD Portfolio change and include full summarisation for significant change and notification only of minor change, reporting appropriately to the following levels of Governance at the prescribed frequency following the respective project, programme or portfolio board:

- Portfolio Board;
- Joint Committee;
- Welsh and UK Government;
- Economic Strategy Board
- Joint Scrutiny Committee

It is therefore a requirement of the individual project or programme to forward their respective change log following their reporting at their scheduled project or programme board. The Portfolio Management office will then collate this information into a Portfolio Change log for the purposes of reporting, monitoring, evaluating, and informing.

The minimum expected information will include:

- Change ref/ID
- Description of change
- Owner/originator/identifier
- Impact of change – cost, timeline, quality, benefits, portfolio objectives
- Approval status
- Approver/approval level required

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5 - Process

Ref #	Detail	Timeline	Owner
4.1a	Identification of a potential change within the respective project or programme		Project Leads (PLs)
4.1b	If the change identified is a Portfolio change not linked to a specific project or programme then the Portfolio Management Office (PoMO) will Identify the potential change		PoMO
4.2	<p>As soon as a change is identified the owner must complete a change identification notification (example contained within appendix) and forward to the Senior Responsible Office (SRO) and PoMO – this notice will include details of the outline areas that will be affected and a brief description of the change.</p> <p>In the event the change does not need to follow this process and is agreed solely at a project/programme level the lead will notify the PoMO of the relevant aspects of the change to record and report this accordingly in line with the overall portfolio governance arrangements.</p>	2 days	PoMO
4.3	<p>Review and determine whether the change is:</p> <ul style="list-style-type: none"> • Justifiable, acceptable and should proceed for approval. • Whether the change is significant enough to warrant scrutiny by a change advisory board or can this change be resolved at a project or programme level. • Agree a realistic timeline of when a decision is required. 	3 days	PoMO/PLs/SRO
4.4	Add the change to the relevant risk register or issue log and the respective change log, if not already included.	Immediately	PoMO/PLs
4.5	If the change is within the approval thresholds agreed for the project or programme and no change advisory board (CAB) is required this change can now be taken to the relevant Project / Programme board (PB) for approval.	Next PB	PLs
4.6	If the change does require scrutiny by a change advisory board then it is proposed a board should convene Monthly to review all change requirements or could be called on an ad hoc basis if the change request requires agreement sooner than the next scheduled board.	Max of 21 days from agreement to submit to CAB	PoMO
4.7	<p>The CAB convenes and:</p> <ul style="list-style-type: none"> • Ratifies the decision to proceed (if required) • Agrees an appropriate level of approval (if above PB) within the threshold levels agreed. <p>The CAB will consist of various stakeholders but will always include representation from the Economic Strategy Board if it is agreed that a CAB is required.</p>		CAB

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4.8	<p>If the Approval level for the change is the project / programme board then the following steps must be followed – if required an ad hoc PB can be called to agree change:</p> <ul style="list-style-type: none"> • PB determine suitability of resolution presented and approve change. • Once approved the SRO/PL/PoMO to final review the change and complete an impact assessment for submission to Portfolio Board and Joint Committee for information. • The project or programme team can now implement the change into their programme. • Update issue log and risk register as required and continually review change and impacts until complete. 	Within 7 days of CAB	PoMO/PLs
4.9	Convene a resolution meeting before escalating to compile all evidence and complete a change request notification		
4.10	<p>If the Approval level for the change is the portfolio board then the following steps must be followed – if required an ad hoc PB can be called to agree change:</p> <ul style="list-style-type: none"> • Review and amend resolution as required • Approve • If the change is not approved then either rejection or amendment must be considered. If amendment is required then review and amend as required. • If rejection follow the general point at the end of this process. • Advise Joint Committee / WG / UKG of the change • The project or programme team can now implement the change into their programme. • Update issue log and risk register as required and continually review change and impacts until complete. 	Within 7 days of CAB	Portfolio Board
4.11	<p>If the Approval level for the change is the Joint Committee then the following steps must be followed:</p> <ul style="list-style-type: none"> • Review and amend resolution as required • Approve • If the change is not approved then either rejection or amendment must be considered. If amendment is required then review and amend as required. • If rejection follow the general point at the end of this process. • Advise WG / UKG of the change • The project or programme team can now implement the change into their programme. • Update issue log and risk register as required and continually review change and impacts until complete. 	Within 7 days of Portfolio Board	Joint Committee

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5.8	<p>If the Approval level for the change is Welsh or UK Government then the following steps must be followed:</p> <ul style="list-style-type: none"> • Review and amend resolution as required • Approve • If the change is not approved then either rejection or amendment must be considered. If amendment is required then review and amend as required. • If rejection follow the general point at the end of this process. • The project or programme team can now implement the change into their programme. • Update issue log and risk register as required and continually review change and impacts until complete. 	Within 14 days of Joint Committee	WG / UKG
General	If at any point a decision to reject the change is agreed then a risk mitigation meeting is to be called immediately to determine the impact of rejection will have and formulate a strategy to reduce the potential impact.		All
General	It is envisaged that this process is suitable for the approval of the majority of change for the overall Portfolio projects and programmes, however in the event that approval of a change is time critical then amendments to this procedure and timelines associated can be agreed at the initial review meeting (4.3) with the agreement of all relevant parties.		

5 - Timeline

Item	Number of Days to action	Cumulative Total Days
Complete and submit Change Identification Template	2 Days	2 Days
Initial Review (SRO, PL, PoMO)	3 Days	5 Days
Change Advisory Board or Project / Programme Board if CAB not required	21 Days	26 Days
ADVISE WELSH/UK GOVERNMENT OF LIKELY CHANGE / REVIEW REQUIREMENTS		
Resolution Meeting to determine preferred solution post CAB	3 Days	29 Days
Portfolio/Programme/Project Board post CAB Review and/or approval	7 Days	36 Days
Joint Committee Review post relevant P3M board review and/or approval	7 Days	43 Days
Welsh/UK Government approval	14 Days	57 Days

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6 – Threshold limits

Threshold Limits for approval at the following levels require further consideration:

- Project/Programme
- Portfolio Board
- Joint Committee
- Welsh/ UK government

Until appropriate limits can be agreed it is anticipated that any significant change to the programme or project in the following areas are to be approved through the SBCD governance boards/committees

- Impact the total cost;
- Impact the completion of delivery of output(s)/ key milestones;
- Impact the quality outlined within the business case for the specified Project/Programme
- Impact the benefits outlined within the business case for the specified Project/Programme;

or any change to the Portfolio objectives will need to be approved through the SBCD governance and the respective governments.

- Impact the GVA, jobs created or inward investment.

All other minor changes that do not significantly affect the areas above continue to be approved by the Project/Programme until thresholds are agreed but the PoMO need to be informed of any changes.

All changes are subject to the terms and conditions set out in the respective funding awards and respective funding agreements.

Within the legal funding agreements there is potential for permissible change to the project scope or outputs providing the changes follow the approved change control procedure. This is detailed within clause **6.3 Project Agreed Outputs** of both primary and secondary funding agreements as outlined below:

“Any Party to this Agreement may propose a change to the Project Agreed Outputs by serving a Request for Change to the Project Agreed Outputs on the other Party. Such Request for Change to the Project Agreed Outputs on the other Party shall be in writing and shall identify the change proposed. The Project Authority Lead shall submit any Request for Change to the Project Agreed Outputs to the Accountable Body who may request the Joint Committee to seek approval from the Welsh Government. A Request for Change to the Project Agreed Outputs shall not come into effect until it is approved by either the Accountable Body or the Welsh Government”

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Appendix - Templates

Templates include:

- Change Identification Notice – This is to be completed in the event of a change requiring review and or approval by the PoMO/SRO/PL



Draft change notification.docx

- Change Request Notice – This is to be completed once a solution is proposed and all supporting documentation is available in order to allow approval of the proposed solution.



Draft change resolution - request for

- Change confirmation Notice – This is to be completed and submitted to the PoMO for confirmation of any project changes not following this process for reporting and information purposes – a template to be provided from the respective lead authorities internal processes.

Swansea Bay City Deal

Change Control Flow Diagram

January 2021

**Document Control**

Note: this document may not be valid anymore.
Please check for the latest approved version of the document

Date: 14/01/2021

Version: V1.0

Author: Phil Ryder

Owner: Portfolio Board

The delivery of preferred options for each project is summarised in the following gantt charts. The status of projects at 23.02.21 is as follows:

- | | | |
|---|-----|---|
| · Yr Egin: | FBC | Approved regionally and by WG and UKG and current |
| · Swansea City & Waterfront: | FBC | Approved regionally and by WG and UKG and current |
| · Pembroke Dock Marine: | FBC | Approved regionally and by WG and UKG and current |
| · Homes as Power Stations: | OBC | Awaiting Government approval |
| · Supporting Innovation and Low Carbon: | OBC | In review |
| · Pentre Awel: | OBC | Awaiting Government approval |
| · Campuses: | OBC | In final development |
| · Digital: | OBC | Awaiting Government approval |
| · Skills: | OBC | In development |

Joint Committee Work Plan October 2021

Category	Action	Timeframe	Responsibility
Governance & Assurance	Benefits Realisation - Profiles populated at Portfolio	November 2021	SBCD PoMO / JC
	Benefits Realisation - Profiles populated at Portfolio / Programme / Project	January 2022	SBCD PoMO / JC
	Benefits Register	November 2021	SBCD PoMO / JC
	Update of Portfolio Business Case and submission to Welsh and UK Gov	March 2022	SBCD PoMO
	Implementation of Portfolio Gateway Review recommendations	November 2021	SBCD PoMO
	Software agreed for Portfolio / Programme / Project Plans	December 2021	SBCD PoMO PB / JC
	Review SBCD Change Control Procedure	May 2022	SBCD PoMO / PB / JC
	Programme / Project Dashboard and Roadmaps created utilising software	January 2021	SBCD PoMO / PB / JC
	Role of Programme / Project SRO	November	SBCD PoMO / PB
	Review Joint Committee Terms of Reference	TBC (post CJC Implementation)	SBCD PoMO / JC
	Review Joint Committee Work Plan	November 2021	SBCD PoMO / JC
	Joint Committee meetings	Monthly	SBCD PoMO / Democratic Services
	Elect Joint Committee chair (annual basis)	Oct 2022	PoMO / JC
	Review Programme (Portfolio) Board Chair	November 2021	PoMO / PB / JC
	Review ESB Chair	Oct 2022	SBCD PoMO / ESB / JC
	Develop ESB forward work plan	Oct 2021	SBCD PoMO / ESB
	Establishment of Portfolio Gateway Assurance Framework	Nov 2021	SBCD PoMO / JC
SBCD Portfolio Gateway Review	July 2022	SCD PoMO / JC / UKG & WG	
SBCD Programme / Project Development	Ministerial approval of Skills & Talent Business Case	October 2021	SBCD PoMO / JC / UKG & WG
	Ministerial approval of Campuses Business Case	December 2021	SBCD PoMO / JC / UKG & WG

	Update Swansea Waterfront & Digital District Business Case	February 2022	SBCD PoMO / PB / JC / UK & WG
	Update Pentre Awel Business Case	December 2021	PoMO / PB / JC / UKG & WG
	Update Yr Egin Business Case	February 2022	PoMO / PB / JC / UKG & WG
	Updated SBCD Procurement Pipeline	December 2021	PoMO / PB / JC
Monitoring & Evaluation	SBCD Highlight Report	Monthly	SBCD PoMO / JC
	SBCD Quarterly Monitoring Report <ul style="list-style-type: none"> • Programme / Project activity planned / undertaken • Integrated Assurance & Approval Plan • Covid-19 Impact Assessment • Construction Impact Assessment • Portfolio Risk Register • Financial Monitoring • Benefits Realisation • Communications & Marketing 	Q1, Q2, Q3, Q4	SBCD PoMO / JC
	SBCD Ministerial Report	Monthly	SBCD PoMO / UKG & WG
	SBCD Annual Report approved	July 2022	SBCD PoMO / JC
	Annual SBCD Benefits Realisation Report	July 2022	SBCD PoMO / JC
	Revised Monitoring & Evaluation Plan	March 2022	SBCD PoMO / JC
Communications & Marketing	Updated Communications & Marketing Plan	January 2022	SBCD PoMO / JC
	Updated Communications & Engagement Schedule	December 2021	SBCD PoMO / JC
	Suite of Infographics	December 2021	SBCD PoMO / PB / JC
	SBCD Bi-Annual Event	January 2022	PoMO / PB / JC / ESB
	SBCD Programme / Project Communications Plans	March 2022	SBCD PoMO / JC
Legal	Joint Collaborative Agreement revised	TBC	JC
	Implementation of CJC's	April 2022	SBCD PoMO / PB / JC
Finance	Quarterly Monitoring	Q1, Q2, Q3, Q4`	SEC 151 Officer / JC

	Declarations of Interest	October 2021	Sec 151 Officer
	External Wales Audit Plan	April 2022	SEC 151 Officer / JC
	Business Engagement & Investment Framework	TBC	SBCD PoMO / JC
	New Portfolio Brochure / Prospectus	Q1 2022	SBCD PoMO
	Programme / Project Engagement Plan	November 2021	SBCD PoMO / JC
	SBCD Primary Stakeholder Engagement Event	2022	SBCD PoMO
	Community Benefits	On going	SBCD PoMO / JC