

Cyd-Bwyllgor Dinas-Ranbarth Bae Abertawe

Lleoliad: Cyfarfod Aml-Leoliad - Ystafell Gloucester, Neuadd y Ddinas / MS Teams

Dyddiad: Dydd Iau, 10 Tachwedd 2022

Amser: 10.30 am

Cadeirydd: Cynghorwyr Rob Stewart Cyngor Abertawe

Aelodaeth:

Councillor Steve Cyngor Castell-nedd Port Talbot
Hunt

Councillor Darren Cyngor Sir Gar
Price

Councillor David Cyngor Sir Benfro
Simpson

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 Prifysgol Abertawe

Emma Woollett Bwrdd Iechyd Prifysgol Bae Abertawe

Gwyllo ar-lein: <https://bit.ly/3yLni3Q>

Agenda

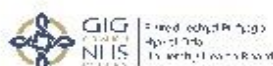
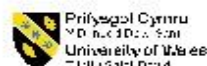
Rhif y Dudalen

1 Ethol Cadeirydd Cyd-bwyllgor Dinas Ranbarth Bae Abertawe.

2 Ymddiheuriadau am absenoldeb.

3 Datgeliadau o fuddiannau personol a rhagfarnol.

www.abertawe.gov.uk/DatgeluCysylltiadau



4	Cofnodion. Cymeradwyo a llofnodi, fel cofnod cywir, gofnodion y cyfarfod blaenorol.	1 - 4
5	Cyhoeddiad/Cyhoeddiadau'r Cadeirydd.	
6	Cwestiynau gan y Cyhoedd Gellir cyflwyno cwestiynau'n ysgrifenedig i'r Gwasanaethau Democritaidd Democratiaeth@abertawe.gov.uk hyd at ganol dydd y diwrnod cyn y cyfarfod. Bydd cwestiynau ysgrifenedig yn cael eu blaenoriaethu. Gall y cyhoedd ddod a gofyn cwestiynau'n uniongyrchol os bydd amser. Rhaid i gwestiynau fod yn berthnasol i'r eitemau ar ran agored yr agenda ac ymdrinnir â nhw o fewn cyfnod o 10 munud.	
7	Cylch Gorchwyl Archwilio Mewnol Bargen Ddinesig Bae Abertawe 2022-23.	5 - 8
8	Siarter Archwilio Mewnol Bargen Ddinesig Bae Abertawe.	9 - 17
9	Y Diweddaraf am Gartrefi fel Gorsafoedd Pwer. (Er gwybodaeth)	18 - 37
10	Adroddiad Monitro Ariannol 2022/23 - Sefyllfa Alldro Dros Dro ar gyfer Chwarter 2.	38 - 44
11	Adroddiad Monitro Chwarterol Bargen Ddinesig Bae Abertawe.	45 - 97
12	Proses Datblygu Achos Busnes Bargen Ddinesig Bae Abertawe.	98 - 105
13	Fframwaith Sicrwydd Bargen Ddinesig Bae Abertawe.	106 - 132
14	Trefniadau Sicrwydd Portffolio 'Gateway'.	133 - 155
15	Blaengynllun Gwaith y Cydbwyllgor.	156 - 159

Cyfarfod nesaf: Dydd Iau, 2 Chwefror 2023 am 10.30 am

Huw Evans

Huw Evans
Pennaeth y Gwasanaethau Democritaidd
Dydd Iau, 3 Tachwedd 2022

Cyswllt: Gwasanaethau Democritaidd (01792) 636923

Agenda Item 4

City and County of Swansea



Minutes of the Swansea Bay City Region Joint Committee

Multi-Location Meeting - Gloucester Room, Guildhall / MS Teams

Thursday, 28 July 2022 at 10.30 am

Present: Councillor Rob Stewart (Swansea Council) Presided

Councillors:

Steve Hunt Neath Port Talbot County Borough Council
Paul Miller Pembrokeshire Council

Officers:

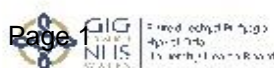
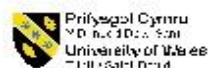
Richard Arnold Finance Manager (Swansea Bay City Region)
Jason Blewitt Audit Wales
William Bramble Chief Executive (Pembrokeshire Council)
Steve Edwards Commercial Director (Port of Milford Haven)
Randal Hemmingway Head of Financial Services (Carmarthenshire Council)
Karen Jones Chief Executive (Neath Port Talbot Council)
Steven Jones Director of Development (Pembrokeshire Council)
Tracey Meredith Joint Committee Monitoring Officer (Swansea Council)
Helen Morgan Economic Development Manager (Carmarthenshire Council)
Martin Nicholls Interim Chief Executive (Swansea Council)
Phil Ryder Swansea Bay City Deal Programme Office
Samantha Woon Democratic Services Officer (Swansea Council)

Apologies for Absence:

Councillor(s) Darren Price (Pembrokeshire Council)
Maria Battle (Hywel Dda University Health Board) and Medwin Hughes (University of Wales Trinity St Davids)
Jon Haswell (S151 Officer (Pembrokeshire Council)), Chris Moore (Joint S151 Officer (Carmarthenshire Council)) and Wendy Walters (Swansea Bay University Health Board)

13 Disclosures of Personal and Prejudicial Interests.

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



14 Minutes.

Resolved that the Minutes of the Swansea Bay City Region Joint Committee held on 23 June 2022 be approved and signed as a correct record.

15 Announcement(s) of the Chair.

None.

16 Public Questions

None.

17 Pembroke Dock Marine Update. (For Information)

Steve Edwards (Commercial Director, Port of Milford Haven) presented a 'for information' report to inform the Joint Committee of the progress made and status of the SBCD Pembroke Dock Marine Programme.

He detailed the activities completed, activities planned, risks and issues.

18 Swansea Bay City Deal Quarterly Portfolio Monitoring.

Phil Ryder (Swansea Bay City Region Portfolio Management Office Manager) presented an update of the Swansea Bay City Deal (SBCD) Quarterly Monitoring Report for the SBCD Portfolio and its constituent programmes / projects.

He specifically provided updates and progress relating to:

- Annex A: Dashboard Quarterly Monitoring.
 - Programme/Project RAG Status.
 - Portfolio Delivery Timetable.
 - Portfolio Risk Register.
 - Issues Log.
 - Covid Impact Assessment.
 - Benefits Realisation.
 - Financial Management.
 - Change Management
 - Assurance & Audit Reviews.
 - Communications & Engagement.
 - Procurement Pipeline Summary.
- Annex B: SBCD Quarterly Monitoring Report (made up of 2 levels with several components).
 - Portfolio –
 - Communications & Marketing.

- Programmes/Project –
 - Scorecard with status summary.
 - Previous quarter achievements and current quarter planned activities.
- Annex C: Portfolio Risk Register – Red and New Risks
 - 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.
- Annex D: Portfolio Issues Log – Red and New Issues
 - The SBCD Portfolio issues log captures and monitors key portfolio level issues to the delivery of the City Deal and achievement of its aims and objectives. RAG status now added to the Issues Log to show level of severity.
- Annex E: Benefits Realisation
 - The SBCD Benefits Register captures the annualisation of Portfolio benefits for Investment, GVA and Jobs that will be delivered up to 2032/33. Currently awaiting Supporting Innovation & Low Carbon Growth, Bay Technology Centre FTE's.
- Annex F: Portfolio Assurance
 - The SBCD has undertaken a portfolio and 3 project/programme Gateway reviews over the last 12 months. Gateway Review Delivery Confidence Assessment (DCA) Ratings for each programme/project are shown alongside the scheduled date for the next review.
- Annex G: Construction Impact Summary
 - The purpose of the combined risk/issues assessment and impact assessment is to highlight and quantify the specific risks/issues currently being experienced throughout the construction industry. SBCD Programme Board and Joint Committee have requested that all programmes and projects assess their current status and ongoing monitoring with regards the potential impact these construction challenges will have on the successful delivery of the portfolio and the constituent programmes and projects.

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

19 **Audit Wales Report.**

Jason Blewitt (Audit Wales) presented a summary of the findings from the Audit of Account Report – Swansea Bay City Deal Joint Committee.

Resolved that the Joint Committee receive the Audit Wales Audit of the 2021/2022 Statement of Accounts report for the Swansea Bay City Deal Joint Committee.

20 Statement of Accounts 2021/22.

Richard Arnold (Finance Manager, SBCD) presented a report which sought approval for the SBCD Programme's Annual Statement of Accounts for the 2021/2022 financial year.

Resolved that the Joint Committee approves the 2021/2022 post audited SBCD Statement of Accounts.

21 Letter of Representation.

Richard Arnold (Finance Manager, SBCD) presented a report which sought formal acknowledgement of the SBCD Section 151 Officer's Letter of Representation to Audit Wales.

Resolved that the Letter or Representation from the SBCD Section 151 Officer and the Chair of the Joint Committee to Audit Wales be acknowledged.

22 Swansea Bay City Deal Financial Monitoring 2022/23 - Provisional Outturn Position Quarter 1.

Richard Arnold (Finance Manager, SBCD) presented an update on the latest financial position of the Swansea Bay City Region.

Resolved that the Joint Committee review and approve the financial monitoring update report.

23 Swansea Bay City Deal Annual Report 2021-2022.

Phil Ryder (Swansea Bay City Region Portfolio Management Office Manager) presented a report which sought approval from the Joint Committee on the final draft of the Annual Report attached at Appendix A.

Resolved that the Joint Committee approves the final draft of the Annual Report attached at Appendix A.

The meeting ended at 11.32 am

Chair

Agenda Item 7



Swansea Bay City Region Joint Committee – 10 November 2022

Swansea Bay City Deal Internal Audit Terms of Reference 2022-23

Purpose:	To approve the Internal Audit Terms of Reference 2022-23
Policy Framework:	Internal Audit Governance Arrangements Internal Audit Charter
Recommendation(s):	It is recommended that the Joint Committee 1) Approves the Internal Audit Terms of Reference 2022-23 attached at Appendix A
Report Author:	Matthew Holder, Head of Internal Audit, SBCD
Finance Officer:	Chris Moore, Section 151 Officer, SBCD
Legal Officer:	Tracey Meredith, Monitoring Officer, SBCD

1. Introduction

- 1.1 The Internal Audit Terms of Reference 2022-23 sets out the arrangements for the 2022-23 Internal Audit review of the Swansea Bay City Deal.

2. Background

- 2.1 The report sets out the key objective, scope, approach and reporting arrangements in the attached Internal Audit Terms of Reference 2022-23. The scope includes governance, project management and monitoring, financial management and risk management.
- 2.2 Upon approval by Joint Committee, it is envisaged that the internal audit fieldwork will be conducted between January and March 2023. On conclusion of the internal audit fieldwork, an Internal Audit report will be issued to respective Officers for consideration. Once feedback has been provided to Internal Audit, the report will be presented to the Programme (Portfolio) Board, prior to being submitted for approval by Joint Committee in June 2023.

3. Financial Implications

- 3.1 Consideration and approval of the Internal Audit work programme for 2022-23, namely the financial issues included.

4. Legal Implications

- 4.1 The Joint Committee Agreement provides that the Accountable Body will ensure that the finances and discharge of functions relating to the Swansea Bay City Deal are audited.

Background papers: None

Appendices:

Appendix A Internal Audit Terms of Reference 2022-23

AUDIT TERMS OF REFERENCE

Swansea Bay City Deal

1. Introduction

As part of the annual internal audit plan, a review of the Swansea Bay City Deal will be undertaken.

2. Objectives

To provide assurance that the Swansea Bay City Deal has adequate governance, internal control, risk management and financial management arrangements in place, which are operating effectively and assisting it to achieve its objectives.

3. Scope

The review will cover the following key areas:

Governance

- Follow Up of Previous Recommendations
- Joint Committee Agreement, Governance Boards & Decision Making
- Assurance, Monitoring and Evaluation Arrangements

Project Management & Monitoring

- Project Management, Process and Monitoring
- Impact of Inflation and Construction Price Rises
- Project Outcomes and Benefit Realisation

Financial Management

- Budgetary Control
- Grant Claims Process

Risk Management

- Risk Management Arrangements

4. Audit Approach

The auditor undertaking this review will be Charlotte Hodges, Principal Auditor and will involve:

- Interviews with the relevant officers
- Examining relevant documents
- Recording the system in operation
- Evaluation of the adequacy of internal controls
- Compliance and substantive testing
- Reporting to management and making recommendations where appropriate

5. Reporting Arrangements

The draft report will be issued to the Swansea Bay City Deal Section 151 Officer, Portfolio Director, Finance Manager, and Monitoring Officer. Discussions will then take place to approve the report and agree action in respect of any recommendations for improvement that may be made. Upon approval of the draft report, the final report will be issued to the Swansea Bay City Deal Section 151 Officer, Portfolio Director, Finance Manager, and Monitoring Officer (and will be reported to the Programme Board and the Joint Committee).

Matthew Holder

Head of Internal Audit

Date: 11 October 2022

Agenda Item 8



Swansea Bay City Region Joint Committee – 10 November 2022

Swansea Bay City Deal Internal Audit Charter

Purpose:	For the Joint Committee to consider and approve the draft Internal Audit Charter for Swansea Bay City Deal.
Policy Framework:	Internal Audit Governance Arrangements Internal Audit Charter
Recommendation(s):	It is recommended that the Joint Committee: 1) Reviews and approves the draft Internal Audit Charter
Report Author:	Matthew Holder, Head of Internal Audit, SBCE
Finance Officer:	Chris Moore, Section 151 Officer, SBCE
Legal Officer:	Tracey Meredith, Monitoring Officer, SBCE

1. Introduction

- 1.1 The Internal Audit Charter defines the purpose, role and scope of Internal Audit, along with the authority to access information and personnel, as well as accountability and reporting lines. The Charter has been written in accordance with Standard 1000 of the Public Sector Internal Audit Standards (PSIAS) which came into force from April 2013, (which were updated in 2017).

2. Background

- 2.1 The PSIAS states the mission of Internal Audit is “to enhance and protect organisational value by providing risk-based and objective assurance, advice and insight”, and defines Internal Audit as “an independent, objective assurance and consulting activity designed to add value and improve an organisation’s operations. It helps an organisation accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes”.

- 2.2 A professional, independent and objective Internal Audit Service is one of the key elements of good governance. Internal Audit has specific responsibilities and rights of access to people and documents, which have been adopted by Swansea Bay City Deal, with Carmarthenshire County Council being the nominated lead for Finance, which are included within the Charter, along with its objectives, roles and responsibilities, the staff involved and how it demonstrates its organisational independence. The expectations and responsibilities of the Head of Internal Audit are also included within the Charter.
- 2.3 The Charter reinforces the point that Internal Audit provides assurance to Members and Senior Management and should not be involved with operational matters of service delivery. It includes an important reference to the Code of Ethics for those working within the team in that they need to conform to the principles of Integrity, Objectivity, Confidentiality and Competency when undertaking their duties.
- 2.4 The expectations of how Internal Auditors will approach their work in terms of due professional care, integrity, independence and impartiality is written into the Charter. The reporting and quality assurance processes are also included. The Internal Audit Service plays an important part in helping to deter and identify fraud and corruption in order to safeguard public money, and this aspect is included within the Charter.
- 2.5 The Internal Audit Charter will be periodically reviewed by the Head of Internal Audit and will be presented back to the Joint Committee should any revisions be required.

3. Financial Implications

- 3.1 None.

4. Legal Implications

- 4.1 The Joint Committee Agreement provides that the Accountable Body will ensure that the finances and discharge of functions relating to the Swansea Bay City Deal are audited.

Background Papers: None

Appendices:

Appendix A Draft Internal Audit Charter



INTERNAL AUDIT SERVICE

Internal Audit Charter

1. Purpose and Mission

- 1.1 The Internal Audit Service for the Swansea Bay City Deal Partnership will be provided by Pembrokeshire County Council's Internal Audit Service in accordance with the Joint Committee decision on 28 May 2019.
- 1.2 The purpose of the Internal Audit Service is to provide independent, objective assurance and consulting services designed to add value and improve Swansea Bay City Deal operations. The Internal Audit Service helps the Swansea Bay City Deal Partnership accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of governance, risk management, internal control and financial management arrangements. The provision of assurance services is the primary role for the Internal Audit Service. The mission of Internal Audit is to enhance and protect organisational value by providing risk based and objective assurance, advice and insight.

2. The Role of Internal Audit in Local Government

- 2.1 Section 151 of the Local Government Act 1972 states that every local authority in England and Wales should 'make arrangements for the proper administration of their financial affairs and shall secure that one of their officers has responsibility for the administration of those affairs'. The Director of Corporate Services for Carmarthenshire County Council is the designated Section 151 Officer for Swansea Bay City Deal and has statutory responsibility for ensuring an effective internal audit function is resourced and maintained.
- 2.2 The Accounts and Audit Regulations (Wales) 2014 (as amended) state that a local government body 'must maintain an adequate and effective internal audit of its accounting records and its system of internal control. Any officer or member of that body must, if the body requires:
 - a) Make available such documents of the body which relate to its accounting and other records as appear to that body to be necessary for the purpose of the audit, and;
 - b) Supply the body with such information and explanation as that body considers necessary for that purpose.
- 2.3 The Relevant Internal Audit Standards Setters¹ introduced a common set of Public Sector Internal Audit Standards (PSIAS) in April 2013, which were updated in 2016 and 2017. The

¹ CIPFA, Department of Health, Welsh Government, Department of Finance & Personnel, HM Treasury, The Scottish Government, in collaboration with the Chartered Institute of Internal Auditors.

PSIAS are mandatory for every internal audit service provider for the public sector, whether internal, shared service or external. There are defined as 'proper internal audit practices'.

3. Standards for the Professional Practice of Internal Auditing

- 3.1 The Internal Audit Service will govern itself by adherence to the Institute of Internal Auditors (IIA) mandatory Core Principles for the Professional Practice of Internal Auditing, Code of Ethics, Public Sector Internal Audit Standards and Definition of Internal Auditing.
- 3.2 The Head of Internal Audit for Swansea Bay City Deal will report periodically to the Section 151 Officer, Swansea Bay City Deal Lead Chief Executive, and the Joint Committee regarding the Internal Audit Service's conformance with the Public Sector Internal Audit Standards.
- 3.3 The IIA's Practice Advisories, Practice Guides, and Position Papers will also be adhered to as applicable to guide operations. In addition, the Internal Audit Service will adhere the relevant policies and procedures of Pembrokeshire County Council and Swansea Bay City Deal policies and procedures where defined.

4. Authority

- 4.1 The Head of Internal Audit will adhere to the CIPFA Statement on the Role of the Head of Internal Audit in Public Service Organisations 2019, and will report functionally to the Joint Committee and Section 151 Officer (as outlined below in 4.3) and administratively to the Swansea Bay City Deal Lead Chief Executive. To ensure that the Internal Audit Service has sufficient authority to fulfil its duties, the Joint Committee will:
 - Approve the Internal Audit Charter;
 - Approve the risk-based Internal Audit plan;
 - Receive communications from the Head of Internal Audit on the outcome of assurance and consulting activities;
 - Receive the annual Head of Internal Audit opinion and report, that can be used by Swansea Bay City Deal to inform its governance statement;
 - Make appropriate enquiries of management and the Head of Internal Audit to determine whether there are inappropriate scope or resource limitations.
- 4.2 The Internal Audit Service must be free from interference in determining the scope of internal auditing, performance work and communicating results. In order to ensure independence, the Head of Internal Audit will communicate and interact directly with the Joint Committee and will have a direct reporting line to the Chair of the Joint Committee.
- 4.3 In order to ensure that the Section 151 Officer can fulfil his statutory duty and comply with the CIPFA Statement on the Role of the Chief Financial Officer in Local Government (2016), the Head of Internal Audit will:
 - Consult with the Section 151 Officer when scoping the annual internal audit work plan to ensure sufficient assurance can be provided in line with CIPFA's Code of Practice on Local Authority Accounting in the UK;

- Inform the Section 151 Officer immediately of any significant governance issues, high risks, material inaccuracies and any suspicions of fraudulent or irregular activity (as appropriate);
- Inform the Section 151 Officer of any resource limitations that may impact on the delivery of the Internal Audit work plan;
- Provide assurance to the Section 151 Officer on delivery of the Quality Assurance and Improvement Programme; the outcome of the annual self-assessment of conformance with the PSIAS; and, the outcome of the 5-yearly external assessment. Any factors of material non-compliance with the PSIAS will be brought to the attention of the Section 151 Officer.

4.4 The Internal Audit Service, with strict accountability for confidentiality and safeguarding records and information, is authorised full, free, and unrestricted access to any and all of the Swansea Bay City Deal records, physical properties, and personnel pertinent to carrying out any engagement. All employees (either directly employed by Swansea Bay City Deal or employed in a Partner Organisation) are required to assist the internal audit activity in fulfilling its roles and responsibilities. The Internal Audit Service will also have free and unrestricted access to the Joint Committee.

5. Independence and Objectivity

- 5.1 The Head of Internal Audit will ensure that the Internal Audit Service remains free from all conditions that threaten the ability of Internal Auditors to carry out their responsibilities in an unbiased manner, including matters of audit selection, scope, procedures, frequency, timing and report content. If the Head of Internal Audit determines that independence or objectivity may be impaired in fact or appearance, the details of the impairment will be disclosed to appropriate parties.
- 5.2 Internal Auditors will maintain an unbiased mental attitude that allows them to perform engagements objectively and in such a manner that they believe in their work product, that no quality compromises are made, and that they do not subordinate their judgement on audit matters to others.
- 5.3 Internal Auditors will have no direct operational responsibility or authority over any of the activities audited. Accordingly, Internal Auditors will not implement internal controls, develop procedures, install systems, prepare records, or engage in any activity that may impair their judgement including;
- Assessing specific operations for which they had responsibility within the previous year;
 - Performing any operational duties for Swansea Bay City Deal or any operational duties for Pembrokeshire County Council that would conflict with the interests of Swansea Bay City Deal;
 - Directing the activities of any Swansea Bay City Deal employee, except to the extent that such employees have appropriately assigned to assist Internal Auditors.
- 5.4 Internal Auditors will;

- Disclose any impairment of independence or objectivity, in fact or appearance, to appropriate parties;
- Exhibit professional objectivity in gathering, evaluating, and communicating information about the activity or process being examined;
- Make balanced assessments of all available and relevant facts and circumstances;
- Take necessary precautions to avoid being unduly influenced by their own interests or by others in forming judgements.

5.5 The Head of Internal Audit will confirm to the Joint Committee, at least annually, the organisational independence of the Internal Audit Service.

5.6 All auditors are required to sign an annual declaration of interest to ensure that the allocation of audit work avoids a conflict of interest. Auditors who undertake any consultancy work will be prohibited from auditing those areas. Audits are rotated within the team to avoid over-familiarity and complacency.

6. Scope of Internal Audit Activities

6.1 The scope of internal auditing encompasses, but is not limited to, the examination and evaluation of the adequacy and effectiveness of Swansea Bay City Deal's governance, risk management, financial management and internal control arrangements in relation to defined objectives. Internal control objectives considered by Internal Audit include:

- Risks relating to the achievement of Swansea Bay City Deal's strategic objectives are appropriately identified and managed.
- Consistency of operations or programmes with established objectives and effective performance.
- Effectiveness and efficiency of operations and employment of resources;
- Compliance with policies, plans, procedures, laws and regulations;
- Reliability and integrity of management and financial information processes, including the means to identify, measure, classify, and report such information;
- Resources and assets are acquired economically, used efficiently and protected adequately.

6.2 Due to its detailed knowledge and understanding of risks and controls, Internal Audit is well placed to provide advice and support on emerging risks and issues. As a result, Internal Audit may perform consulting and advisory services related to governance, risk management, internal control and financial management as appropriate, subject to the availability of resources and full cost recovery.

6.3 The Head of Internal Audit will report periodically to the Section 151 Officer, Swansea Bay City Deal Lead Chief Executive and the Joint Committee regarding;

- The Internal Audit Service's purpose, authority and responsibility;

- The scope and outcome of the annual Internal Audit work plan;
- The Internal Audit Service's conformance with the IIA's Code of Ethics and Standards, and action plans to address any significant conformance issues;
- Significant risk exposures and control issues, including fraud risks, governance issues, and other matters requiring the attention of, or requested by, the Joint Committee;
- Resource requirements;
- Any response to risk by management that may be unacceptable to Swansea Bay City Deal.

6.4 The Head of Internal Audit has the responsibility to:

- Submit an annual risk-based work plan to the Joint Committee for approval, following consultation with the Section 151 Officer (as outlined in Section 4.3);
- Communicate to the Section 151 Officer, Swansea Bay City Deal Lead Chief Executive and the Joint Committee the impact of resource limitations on the internal audit plan;
- Review and adjust the internal audit plan, as necessary, in response to changes in Swansea Bay City Deal's business risks, operations, programmes, systems and controls;
- Ensure that the audit engagement process is undertaken in accordance with the Public Sector Internal Audit Standards (PSIAS);
- Follow-up on engagement findings and corrective actions, and report periodically to Senior Management and the Joint Committee any corrective actions not effectively implemented;
- Ensure the principles of integrity, objectivity, confidentiality and competency are applied and upheld;
- Ensure that the Internal Audit Service collectively possesses or obtains the knowledge, skills, and other competencies needed to meet the requirement of the Internal Audit Charter;
- Ensure trends and emerging issues that could impact on Swansea Bay City Deal are considered and communicated to Senior Management and the Joint Committee as appropriate;
- Ensure emerging trends and successful practices in Internal Auditing are considered and implemented where appropriate.

6.5 Provide a 'Head of Internal Audit Annual Opinion and Report' to the Joint Committee to provide assurance on the overall adequacy and effectiveness of Swansea Bay City Deal's governance, internal control, risk management and financial management arrangements in place.

7. Quality Assurance Improvement Programme

7.1 The Head of Internal Audit is responsible for documenting and continuously reviewing a Quality Assurance Improvement Programme. This will involve ensuring appropriate supervisory checks are in place within the service to monitor continued compliance with the Public Sector Internal Audit Standards on all audit engagements. Additionally, a skills gap analysis will be undertaken to ensure the existing skills base is sufficient to meet the demands of Swansea Bay City Deal. Where a skills gap is identified, this will be highlighted

to the Section 151 Officer who may also consider providing additional funding for training purposes or procuring specialist knowledge or skills where applicable.

8. Periodic Assessment

- 8.1 The Head of Internal Audit is responsible for periodically providing a self-assessment on the internal audit activity as regards its compliance with the Audit Charter (purpose, authority, responsibility) and performance relative to its annual plan. Results will be reported at least annually to the Section 151 Officer, Swansea Bay City Deal Lead Chief Executive and the Joint Committee.
- 8.2 In accordance with the requirements of the Public Sector Internal Audit Standards, an external assessment must be conducted at least once every five years by a qualified independent assessor or assessment team from outside Pembrokeshire County Council. Arrangements for an external assessment is undertaken as part of Pembrokeshire County Council's responsibility for Internal Audit, however, the results will be communicated to the Section 151 Officer and the Joint Committee.

9. Role in Counter Fraud

- 9.1 The internal audit plan is designed, in part, to help deter and identify fraud and corruption. Internal Audit bases its planning on regular risk assessment, and works with the Section 151 Officer (responsible for implemented appropriate measures to prevent and detect fraud and corruption) and the Lead Officer as well as the Joint Committee when determining its work programme.
- 9.2 The Section 151 Officer or Joint Committee may commission the Internal Audit service to undertake an investigation into purported fraud or irregularity, subject to the availability of resources and full cost recovery for additional work over and above the approved internal audit work plan and annual Head of Internal Audit Opinion and Report.

10. Assurance Mapping

- 10.1 In accordance with the PSIAS, the Head of Internal Audit will liaise with other assurance providers when scoping the internal audit work plan. To avoid duplication of effort, the Internal Audit service will place reliance on the work of other assurance providers where the scope and standards of work are sufficient to fulfil the assurance requirements of Swansea Bay City Deal.

Signatures:

Head of Internal Audit:

Date:

Swansea Bay City Deal Section 151 Officer:

Date:

Swansea Bay City Deal Lead Chief Executive:

Date:

Chair of the Joint Committee:

Agenda Item 9



Swansea Bay City Region Joint Committee - 10 November 2022

Homes as Power Stations (HAPS) Project Update

Purpose:	To inform Joint Committee of the Homes As Power Stations project progress and PAR review outcome as at Appendix A.
Policy Framework:	Swansea Bay City Deal (SBCD)
Report Author:	Oonagh Gavigan (HAPS Project Manager)
Finance Officer:	Chris Moore (SBCD S151 Officer)
Legal Officer:	Tracey Meredith (SBCD Monitoring Officer)
For Information	

1. Introduction

Homes as Power Stations (HAPS) is a 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.

It is a regional project led by Neath Port Talbot County Borough Council on behalf of the four local authority partners in the Swansea Bay City Region (SBCR): Neath Port Talbot County Borough Council, City and County of Swansea, Carmarthenshire County Council and Pembrokeshire County Council.

The project comprises a number of linked activities, including:

- Establishing a project team to coordinate activity across the region
- Facilitating the adoption of energy efficient design and renewable technologies in new-build homes and existing housing stock supported by a regional targeted financial incentives fund;
- Developing a sustainable, skilled regional supply chain for renewable technologies in homes supported by a regional supply chain development fund;
- Establishing a coordinated monitoring and evaluation of the technologies programme;

The HAPS project will add value to existing and pipeline energy efficiency programmes, through the provision of targeted 'additional' funding. It will aim to establish a sustainable, skilled regional supply chain with the potential to establish the region as a centre of excellence in renewable technologies in housing.

The aim of the project is to 'prove' the HAPS approach through a phased programme of activity, starting in the public and Registered Social Landlord (RSL) sectors, learning lessons from a comprehensive monitoring and evaluation of technologies process, developing a consistent 'standard' leading to the aggregation of the supply chain, disseminating the findings and encouraging the private sector to adopt the HAPS approach in subsequent phases.

Investment Objectives for the project are:

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:
 - 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

2. Background

The HAPS Business Case was endorsed by Joint Committee in March 2020 and gained Ministerial approval in July 2021.

3. Update

HAPS moved from strategic planning to implementation, following the approval of its City Deal Business Case in July 2021.

A PAR Review took place between 11-13th July 2022.

To date the following activities have taken place:

Staff

Project Manager (Oonagh Gavigan) took up post on 1st November 2021.

A Technical Co-ordinator has been appointed and is due to commence the role 17th October 2022.

The Supply Chain Lead post has been advertised on three occasions with no suitable applications received. Having advertised the post in every Local Authority area in the Swansea Bay region, as well as other platforms, an 'Options Appraisal' is now being carried out to consider other methods available to deliver the work. This may for example include consultancy work or a secondment from another organisation.

Legal

The Primary Funding Agreement between Carmarthenshire Council and Neath Port Talbot Council (as lead) is now in place.

Inter Authority Agreements between Neath Port Talbot Council (as lead) and the three Local Authorities have been drafted and final versions have been circulated to legal teams for comment.

Third Party Agreements, where individual Local Authorities will agree localised schemes and outcomes with Registered Social Landlords (RSLs) and private sector companies is currently being drafted and will follow the themes of the Primary and Inter Authority Agreements. This will be consistent across the region.

Regional Financial Incentives Fund (£5.75m)

This funding allocation will provide targeted funding to facilitate the installation of innovative technologies to determine the best combination of energy efficiency technologies in terms of performance and cost.

A prior notification of this fund will soon be shared to encourage potential applicants to consider how this funding will work alongside other funding streams and maximise the opportunity.

Welsh Government have announced the next phase of their Optimised Retrofit Programme where this will no longer be a competitive process and instead provide a three year allocation to housing organisations. This positive step provides a good opportunity to ensure the next phases of retrofitting homes are planned over a longer period to incorporate the use of HAPS funding, hence maximise impact through both funding streams.

The pending ECO4 Flex funding also presents an opportunity to add value to the HAPS funding through ensuring the funding streams are coordinated to ensure those most likely to experience fuel poverty and those vulnerable to the effects of a cold home could potentially benefit.

The funding application for 'HAPS Financial Incentives Fund' will be a two-step process where an initial submission of an 'Expression of Interest' will be followed by a full application.

Applications for new build proposals will be separate to schemes for existing homes, taking into consideration the different process each scheme will undergo.

A working group has been formed to finalise the scoping of the application criteria and scoring, this will be supported by representatives from the Technical Advisory Group who will provide input and direction from their area of expertise.

Regional Supply Chain Fund (£7m)

This funding allocation will support the development of a sustainable regional supply chain for renewable technologies in homes. The aim of the fund is to diversify the regional economy by supporting product development to create a regional centre of excellence for

renewable technologies. There is a need to develop a consistent approach and aggregate the supply chain in order to develop a skilled and sustainable regional supply chain to support energy efficient homes.

Work in this area will take direction in accordance with findings from the Monitoring and Evaluation of houses that have adopted the HAPS approach. Ensuring financial support is provided to technologies that are proven to perform is vital to build consumer confidence.

Work is ongoing to ensure this funding opportunity is complementary to the forthcoming UK Shared Prosperity Fund to support businesses within the region to diversify, expand and collaborate to meet the HAPS project aim of creating a regional supply chain.

As highlighted above, various options are being considered to take forward this specialist area of work to ensure the demand, supply and skills agenda is progressed simultaneously and collaboratively.

Procurement of Monitoring and Evaluation of technologies Plan (£1m)

Many of the technologies are relatively new and therefore the project will procure an independent organisation to evaluate the effectiveness of the design and technologies to ensure on-going learning and evaluation.

The evaluation budget is set at £1m and will therefore ensure comprehensive and accurate sets of data and results are available to inform the project as it progresses.

Areas that will be included in the evaluation of technologies include:

- Technology performance
- Environmental conditions
- Fuel costs / fuel poverty
- Energy savings
- Behaviour
- Health (improvements in health and well-being)

The specification of the contact has been finalised and is now in the final stages with Legal and Procurement Teams in readiness for publication via sell2wales.

Skills

Wyn Pritchard from Neath Port Talbot Group of Colleges represents the HAPS project on the regional Skills Solution Group. In addition, Wyn is the Chair of the Optimised Retrofit Group hence well placed to provide support and direction to address skills gaps that have been highlighted by both Welsh Government and the Regional Learning and Skills Partnerships.

Neath Port Talbot Council has met with NPTC Group of Colleges to discuss some of the strategic steps and opportunities that should be considered. This area of work again requires collaboration and alignment with other groups and discussions with regards to the wider topic of Skills for Net Zero.

Several funding options are available and are being considered to specifically address the competency levels of installers and maintainers of the technologies associated with HAPS, as well as future need. Without addressing and ensuring there is a process in place to

support skills development, there will inevitably be a hesitancy within the private sector (in particular) to adopt the HAPS approach.

PAR Review – Report included as a separate document.

A PAR Review Appendix A took place between 11th – 13th July 2022 where the project received an Amber / Red Delivery Confidence Assessment rating.

Since this PAR has returned a Delivery Confidence Assessment of Amber/Red, it is expected that an Assurance of Action Plan (**AAP**) be undertaken in early **Q4 CY2022**.

The Next Assurance Review **PAR** will take place in 12 months' time – **approx. July 2023**.

Nicola Pearce as SRO commented;

The PAR Review has further highlighted the complexities associated with the HAPS Project and was a useful process, particularly to highlight areas where further consideration is required. The team are making positive progress in recruiting additional staff and addressing the capacity issues which have been problematic. I also feel confident the 'under the surface work' carried out by the project manager has given the HAPS project the firm foundations on which to build and ensure the project is able to progress confidently at pace, incorporating the Review Team recommendations.

4. Financial Implications

Risks will be managed through monitoring and evaluation at both Project and Programme level and reported, via the Swansea Bay City Deal's Programme Management Office, to the Joint Committee, where appropriate.

Specific Programme financial risks are outlined within the strategic case component of the Homes As Power Stations Business Case (Part 3.3 & 4.9).

The procedures around the management of City Deal funding are detailed within the Joint Committee Agreement.

5. Legal Implications

There are no legal implications associated with this report.

6. 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.

Background Papers: None

Appendices:

Appendix A: Homes as Power Stations Project/Programme Assessment Review Report



Programme/Project Assessment Review (PAR)

Programme/project Title:	Homes As Power Stations
IAH ID number:	AH/22/071

Version number:	V1.0 FINAL
Senior Responsible Owner (SRO)	Nicola Pearce
Date of issue to SRO:	28/07/2022
Department/Organisation of the programme/Project	Swansea Bay City Region
Programme/Project Director (or equivalent)	Jonathan Burnes (Swansea Bay City Deal) Oonagh Gavigan (HAPS Project)
Business Case stage reached:	Outline Business Case
Review dates:	11/07/2022 to 13/07/2022
Review Team Leader:	David Wilkin
Review Team Member(s):	Neil Bradshaw Rachel Davies
Departmental Representative:	N/A
Previous Review:	N/A
Security Classification	

Contents

1. Delivery Confidence Assessment (DCA)	3
2. Summary of report recommendations	5
4. Comments from the SRO	6
5. Summary of the Programme/Project	6
6. Scope/Terms of Reference of the Review	7
7. Detailed Review Team findings	8
8. Next assurance review	14
ANNEX A - List of Interviewees	15

About this report

This report is an evidence-based snapshot of the programme's/project's status at the time of the review. It reflects the views of the independent review team, based on information evaluated over the review period, and is delivered to the SRO immediately at the conclusion of the review.

This assurance review was arranged and managed by:

Welsh Government Integrated Assurance Hub (IAH)

Cathays Park 2

Cathays

Cardiff

CF10 3NQ

IAH helpdesk: Assurance@gov.wales

1. Delivery Confidence Assessment (DCA)

<u>Delivery Confidence Assessment:</u>	AMBER/RED
<p>The Review Team finds that the HAPS Project remains well aligned with both UKG and WG Policy and is well supported by the Swansea Bay City Deal Portfolio. It is also well placed across the region with continued strong stakeholder support across all four Local Authorities and across the public, private and academic sectors.</p> <p>In the two years since the last PAR, there has been much ‘under the surface’ work undertaken, but ‘on the surface’ it appears to have made little progress. It is encouraging to note, however, that the Project has identified the importance of Monitoring and Evaluation of technologies installed in homes to ensure continued judicious investment.</p> <p>The Project has suffered, and continues to suffer, from a chronic lack of staffing in key posts that are currently subject to a recruitment exercise. The HAPS leadership and Project Manager are highly regarded and are seen to be doing a good job, albeit with significant overstretch and severe under-resourcing. Employment mechanisms (including pay scales) are acting as a barrier to successful recruitment in NPTBC; which is driving disproportionate risk into the Project.</p> <p>The Review Team sees a high degree of passion, subject fluency, and commitment to succeed, but Delivery Confidence is low owing to resourcing position. (A sports team can have some star players, but if they have only half a team, they are unlikely to win).</p> <p>Areas for development include:</p> <ul style="list-style-type: none"> • Benefit profiling; • SRO bandwidth; • Project staffing; • Project planning; • Supply Chain development; and • Funding criteria. 	

The Delivery Confidence assessment RAG status should use the definitions below:

<u>RAG</u>	<u>Criteria Description</u>
Green	Successful delivery of the project/programme to time, cost and quality appears highly likely and there are no major outstanding issues that at this stage appear to threaten delivery.
Amber/Green	Successful delivery appears probable. However, constant attention will be needed to ensure risks do not materialise into major issues threatening delivery.

Amber	Successful delivery appears feasible but significant issues already exist requiring management attention. These appear resolvable at this stage and, if addressed promptly, should not present a cost/schedule overrun.
Amber/Red	Successful delivery of the project/programme is in doubt with major risks or issues apparent in a number of key areas. Urgent action is needed to ensure these are addressed, and establish whether resolution is feasible.
Red	Successful delivery of the project/programme appears to be unachievable. There are major issues which, at this stage, do not appear to be manageable or resolvable. The project/programme may need re-base lining and/or overall viability re-assessed.

2. Summary of report recommendations

The Review Team makes the following recommendations which are prioritised using the definitions below:

Ref. No.	Recommendation	Urgency (C/E/R)	Target date for completion	Classification
1.	Further develop the benefit profiles for the project and ensure that the Monitoring and Evaluation contract for technologies installed helps to inform ongoing investments.	E- Essential	Oct 2022	5
2.	Ensure that SRO bandwidth is covered to facilitate delegation in the event of overstretch or unplanned absence.	C- Critical	Oct 2022	10.2
3.	Explore staffing opportunities with the SBCD to establish the potential for a networked project team throughout the region.	C- Critical	Oct 2022	10.2
4.	Accelerate the production of a clear project plan with milestones and key dependencies, linked to delivery of outcomes.	C- Critical	Oct 2022	5
5.	Develop the process and assessment criteria for the selection of the specific technologies that will be the focus of the Supply Chain Development Fund in year 2.	E- Essential	Oct 2022	5
6.	Develop the process and assessment criteria to focus funding to maximise realisation of benefits.	E- Essential	Oct 2022	5

Critical (Do Now) – To increase the likelihood of a successful outcome it is of the greatest importance that the programme/project should take action immediately

Essential (Do By) – To increase the likelihood of a successful outcome the programme/project should take action in the near future.

Recommended – The programme/project should benefit from the uptake of this recommendation.

3. Acknowledgement

The Review Team would like to thank all participants for their contribution to the review.

4. Comments from the SRO

The PAR Review has further highlighted the complexities associated with the HAPS Project and was a useful process, particularly to highlight areas where further consideration is required. The team are making positive progress in recruiting additional staff and addressing the capacity issues which have been problematic. I also feel confident the 'under the surface work' carried out by the project manager has given the HAPS project the firm foundations on which to build and ensure the project is able to progress confidently at pace, incorporating the Review Team recommendations.

5. Summary of the Programme/Project

Background and context:

The Project Business Case v4.0 states that:

The Swansea Bay City Region 'Internet Coast' deal will establish the Homes as Power Stations (HAPS) regional project, led by Neath Port Talbot County Borough Council, on behalf of the four local authority partners in the Swansea Bay City Region: Neath Port Talbot County Borough Council, City and County of Swansea, Carmarthenshire County Council and Pembrokeshire County Council.

The Homes as Power Stations project has been developed in response to a number of drivers:

- *UK and Welsh Government policy to tackle climate change and meeting carbon emission reduction targets;*
- *The need to deliver low carbon, energy efficient homes to reduce fuel poverty and its impact on health and wellbeing;*
- *Energy efficiency and demand side management is needed to reduce energy costs and provide affordable warmth for housing.*

The HAPS project is a pioneering project to facilitate the adoption of the HAPS approach i.e. energy efficient homes, to integrate energy efficient design and renewable technologies into the design of new build homes and retrofit programmes carried out by the public, private and third sectors. The project aims to encourage the HAPS approach to become mainstream in new build design and retrofit programmes.

The project will target both new build developments and the retrofit of existing buildings. The project aims to promote the benefits of energy positive homes, initially through the public-sector housing stock and after proving the process and financial measures, target rollout to private sector landlords and owner-occupiers. Energy retrofits will be linked to other housing improvement programmes to optimise efficiency of delivery. There will also be a focus on regional supply chain development, skills development, an education / dissemination programme and a financial incentive fund.

Aims and objectives:

The Project Business Case v4.0 states that:

The primary and overarching strategic driver for the HAPS project is the Swansea Bay City Deal 'Internet Coast' investment programme which was signed in March 2017 by the UK Government, Welsh Government, and the four local authorities of the Swansea Bay City Region. The 'Internet of Energy' is a key theme within the Swansea Bay City Deal Internet Coast Investment Programme. This commitment is underpinned by the availability of funding and a range of national, regional and local strategies which confirm the strength of strategic drive for action in this area, in particular:

- *The need to meet the UK's clean energy challenges with a focus on the need to address climate change and carbon emissions linked to housing to deliver the decarbonisation agenda*
- *The need for clean, affordable and secure energy*
- *Addressing climate change through delivering carbon neutral alternatives, in line with the decarbonisation agenda*
- *Improving health and well-being*
- *Tackling fuel poverty*
- *Ensuring people have the necessary skills which reflect the broad nature of the renewables sector*

In response to the above drivers, it is proposed that the HAPS project will:

- *Facilitate the adoption of the HAPS approach in new house build developments and housing retrofit programmes which integrates new technologies and design features to allow buildings to generate, store and potentially release energy;*
- *Develop and seek to attract new sector supply chains incorporating leading research and high value manufacturing and construction operations;*
- *Help to generate sustainable and affordable homes and address fuel poverty and improve health and wellbeing;*
- *Focus on smart technologies in relation to energy demand management.*

6. Scope/Terms of Reference of the Review

The Project Assessment Review (PAR) will provide assurance to the region and to the UK and Welsh Governments (the funding sponsors) that the HAPS project is viable and suitable to progress in terms of approval and draw down of City Deal funding. The PAR will engage with all key stakeholders to gather information and views to test and challenge the project and ensure that the HAPS project undergoes a Delivery Confidence Assessment that demonstrates that the business case is:

1. Aligned to UK and Welsh Government policy
2. Remains a regional priority for Swansea Bay City Region stakeholders
3. Is on-track to achieve project objectives and deliverables set out in the Benefits Realisation Plan.
4. Has suitable project management controls and measures in place to manage and mitigate project risks, achieve milestones and deliverables (branding / marketing, monitoring and evaluation, supply chain development, financial incentives fund, dissemination of lessons learned / informing future programmes)

7. Detailed Review Team findings

7.1 Policy Alignment

The 2020 PAR recorded that:

The Swansea Bay City Deal (SBCD) 'Portfolio' comprises of nine projects organised into four themes. The Homes as Power Stations (HAPS) 'Project' is the first regional project to get underway. The Review Team heard of many workshops conducted between the project team and UK Government (UKG) and Welsh Government (WG) officials and the Economic Strategy Board (ESB) for the Swansea Bay region (Carmarthenshire, Pembrokeshire, Neath Port Talbot, and Swansea). Currently, the SBCD is scoped for fifteen years and the HAPS project for five.

The Review Team observed strong alignment with UKG and WG overarching policy including Prosperity for All, Wellbeing of Future Generations Act, and supports the need to eradicate fuel poverty, the strategic desire to tackle environmentally conscious housing, affordable warmth, population health, regional regeneration, shifting regional education and labour market towards industries with a clear future.

Current evidence supports an ongoing alignment with both UKG and WG. The HAPS Project holds regular sessions with the WG to ensure continual policy confirmation and engagement. UKG is less frequently engaged, but there is confidence amongst interviewees that there is no divergence of expectation.

The HAPS Project is well aligned with the WG Innovative Housing Programme and, furthermore, maintains strategic fit with the driver to pursue a low carbon agenda, particularly in social housing.

The aspiration for HAPS is laudable and supports principles to address sustainability, climate agenda, economic re-generation, fuel poverty and housing-related health issues. Notwithstanding this sizeable aspiration, the passion and commitment to its achievement is clear to see: the challenge now is to ensure that it is shaped into things that are deliverable.

7.2 Stakeholder Priorities

Key stakeholders include Local Authorities, Registered Social Landlords (RSLs) in the region, two Universities, and private sector representatives (including the building trade and supply chain).

Whilst there have been some changes to the Political makeup of the Local Authorities, commitment to HAPS appears unaltered. Some interviewees expressed the view that HAPS ought to focus on being a NPT initiative, but by-and-large there remains strong belief that the Project is region-wide and that Project leaders maintain that 'greater good' principle.

Unsurprisingly, different stakeholders will have different drivers for engagement with the Project, and will derive different benefits from it. As the Project progresses, there will be an increasing need for the 'what's in it for me factor' to be well understood from the different perspectives and for the stakeholder communications to be tuned accordingly.

RSL commitment is solid, the wider Welsh industry perspective remains upbeat, academia is enthusiastic and there can be no doubting the general belief in pursuing outcomes that address low carbon, low running-cost and improved health outcomes. The Review Team notes the creation of a Retrofit Showhome by Cardiff University, available for general viewing to promote and encourage take-up of innovative technologies; this is an example of energetic commitment to the cause.

With such a broad set of stakeholders, it is to be expected that there is mixed interpretation of the purpose of the HAPS Project. It is questionable whether HAPS actually delivers anything itself, *per se*, or whether it facilitates delivery by others through information exchange and financial incentives. Individuals within the core Project appear to hold a clear and firm view, whilst those outside perhaps require increased communication to ensure a common understanding of its purpose and objectives. Considering the lack of staffing, until recently, in the Project Team, a good job has been done thus far in respect of stakeholder communication; but it is something that would be beneficial to reinforce as the Project gathers momentum.

In summary, HAPS remains a prominent feature in stakeholder priorities and there remains a solid regional view of the Project within the SBCD Portfolio.

7.3 Benefits Management

Benefits Management will be key to ensuring that the funding is targeted at those aspects of the project most likely to realise the highest value (in both financial and 'soft' outcome terms), most quickly derived, and most ensuring benefits.

As discussed, there appears to be some mismatch of understanding in relation to the objectives of the Project, but there will clearly be a need to map the achievements (e.g., technology installations, health benefits, installer skills development, energy consumption cost reductions).

The HAPS Project intends to go to tender to engage a partner to undertake Monitoring & Evaluation of the effectiveness of different types of technology. The contract will cover the HAPS Project and, potentially, the WG 'Optimised Retrofit Project' (not part of HAPS or SBCD – and subject to extensive discussions) with the intent that the bigger sample size will give better intelligence to the HAPS Project ongoing benefits tracking and iterative investment choices; aided by the setup of a knowledge hub by the Project.

The intent to enter into a Monitoring & Evaluation contract demonstrates an acknowledgement that the HAPS team does not possess the specialist resources to

undertake the work itself, and indicates a good appreciation of the importance of tracking the effectiveness of the technology investments.

At this time, an annualised benefits plan is in place and there is monthly reporting of the benefits to the PoMO, but owing to resourcing constraints much of the knowledge and understanding sits with the Project Manager. Notwithstanding the close working between the Project Manager and colleagues, this further highlights the Project Manager as a potential Single Point of Failure, and it would be prudent to develop the project documentation beyond that currently in place. This will not be easy given the extreme overstretch and under-resourcing of the Project Team.

Benefit profiling should bring clarity to the intended outcomes of the Project, its key deliverables and how progress will be measured through a set of meaningful indicators and expected lag.

Recommendation 1: Further develop the benefit profiles for the project and ensure that the Monitoring and Evaluation contract for technologies installed helps to inform ongoing investments. (Essential – Do By ITT for M&E)

7.4 Governance

The Review Team found that the SRO has a good understanding of the strategic fit of the Project and is committed to the successful delivery of objectives and projected benefits.

The challenges the SRO is faced with due to the size and magnitude of the current portfolio and the lack of skilled resource available within NPT, which is acknowledged throughout other organisations was heard. Whilst a restructure of the portfolio is underway and the issues of resource escalated, it may be necessary for the SRO to delegate in some instances, with a formalised agreement, to avoid overload and to ease the pressure, which would allow the SRO to make the best use of time whilst allowing the team to grow and develop.

There is evidence of good governance structures to allow for approvals and/or escalations and whereas the OBC has received approval by both UKG and WG in July 2021, it is unclear what elements of the OBC will be taken forward into the FBC. A 'discovery' piece of work would assist in finding out what is feasible for delivery within the allocated timescales of the project.

Whilst there are monthly highlight reports, quarterly reports and submissions by the Project Manager to the Project Board, the Review Team formed the view that they are somewhat light, most likely explained by the severe shortage of Project resources and the only-recent arrival of a Project Manager; these will need to be developed/integrated in order to keep track of performance/deliverables and to help facilitate the drawdown of funding. Reporting to all Boards within the SBCD to ensure the scale and complexity of the project is understood and to provide critical analysis and tracking in all areas of the project will be essential going forward.

Plans are in place to set up Technical Advisory Group to provide advice and steer the project; again, a clear Terms of Reference will be required, but the intent is encouraging.

In summary, Project Governance appears to be working satisfactorily and there are good linkages to the SBCD, with emergent intent to evolve the governance structure. Nonetheless, the Review Team remains concerned that the SRO may be overloaded and that there is a need to ensure measures are put in place to ensure project momentum in the event of unplanned absence or overstretch.

Recommendation 2: Ensure that SRO bandwidth is covered to facilitate delegation in the event of overstretch or unplanned absence. (Critical – Do Now)

7.5 Project Management Staffing & Controls

The Review Team heard that the Project Manager has been in role for seven months and has developed a good understanding of the OBC and the scale and complexity of the project requirements. Stakeholders recognised that she was a 'good fit' with sufficient project management skill/knowledge and that some traction had been gained since undertaking the role.

The Project Manager has identified two key roles; Supply Chain Lead and Technical coordinator which have been advertised but are proving difficult to find the right candidate.

The Review Team recognises that this is a challenge but due to the nature of this Project as a regional project, being delivered by NPT County Borough Council, in partnership with three other local authorities (LAs), the HAPS Team should not lose sight of this and ought to be able to call on the help of partners in the other LAs, or on the SBCD PoMO to pursue innovative staffing routes.

This could also mitigate for the delay that would be brought about by the timescales of the in-house recruitment process (minimum of 3 months) as well as reinforcing the Project as a regional project for which NPT is taking the lead; it is not an NPT Project. It was suggested to the Review Team that HAPS should leverage wherever possible other ways of securing resource given the Project's constraints of the 'pay & reward' offered by the NPT. i.e., other forums for recruitment (LinkedIn, specialist magazines which are massively important to industry), recruitment activities taken forward by partners who offer a more attractive pay scheme, recruitment of consultants to deliver specific elements of work, etc.

Recommendation 3: Explore staffing opportunities with the SBCD to establish the potential for a networked project team throughout the region. (Critical – Do Now)

The PM is aware of the activities that are required to be undertaken and is continually evolving their documentation, (project delivery plans, milestone plan, etc.) These are extremely important as they are required to track progress, reporting purposes and to ensure the approvals and draw down of funding to progress through each phase. Other

project artifacts are also required to be set up or where in place reviewed and updated regularly, i.e., RAID document set, Comms Plans, Status Reports etc. as it was not clear to stakeholders what phase the project was in or what progress is being made. Without adequate resourcing in the core Project Team, there will be an increasing risk exposure as the pace increases, and a likelihood that a lack of control places the Project in danger of failure.

Against this backdrop of inadequate staffing, the Project Manager has had to get up to speed quickly and focus on 'getting the job done'. In situations like this, there is always a hard choice between 'doing the job' and 'writing about it'; but at some point, you need to do both to maintain control. That point is now.

Along with Project Document sets, there is a requirement on this project to set up other products to facilitate workstreams of the project. This includes but not limited to requirements for monitoring and evaluating, templates, assessment criteria, etc; The setup of databases are also a requirement of the project and due to the lack of data insights from other programmes and projects delivered to help achieve the Net Zero agenda, there is an expectation from key stakeholders to mitigate the risk and impact of poor data quality and analysis, which will put up roadblocks to achieving goals and meaningless monitoring and evaluation.

Recommendation 4: Accelerate the production of a clear project plan with milestones and key dependencies, linked to delivery of outcomes. (Critical – Do Now)

7.6 Supply Chain Development

The Outline Business Case proposes the establishment of a Supply Chain Development fund to encourage the creation of a Regional Supply Chain to provide support for a range of measures including financial incentives, inward investment advice, accreditation of businesses etc. The objective is to encourage the manufacture, installation and servicing of energy technologies within the region and the creation of a skilled workforce to support the industry.

The Outline Business Case states that 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”*.

From the evidence available it appeared that that the specific proposed technologies have yet to be determined and that the proposed process and criteria for selecting bids are being developed for the fund based on lessons learnt from other regional programmes.

The Review Team heard that work has commenced to develop skills and competencies frameworks to support the development of the required workforce. During interview it was clear that some favoured an approach that focused upon establishing installation skills and

capacity in advance of developing a local manufacturing base. This did not seem to be a concept that was universally shared.

The project seeks to create demand for new technologies by establishing an initial “pool” of 10300 target homes. However, this demand is dependent on private house builders, Registered Social Landlords, Local Authority housing providers and homeowners and tenants engaging with the project. There is a clear interdependency between the proposed Financial Incentive Fund (to create an initial demand) and the Supply Chain development.

Given the ambitious five-year timeframe for the project, it is vital that the project determines the technologies that will be the focus of the Supply Chain Development Fund, the process for assessment and selection of bids and whether there will be any differentiation in relative priority of installation or manufacture. The Review Team was told that this is in progress and the technology M&E will inform the supply chain fund.

Recommendation 5: Develop the process and assessment criteria for the selection of the specific technologies that will be the focus of the Supply Chain Development Fund in year 2. (Essential – Do By Oct 2022)

7.7 Financial Incentives Fund

The Outline Business Case also proposes the establishment of a targeted Regional Financial Incentives fund to provide gap funding to facilitate the adoption of the HAPS approach in new build and retrofit developments. The funding is not intended to be a subsidy for every development rather, it will provide support at the start of a project to incentivise the adoption of additional technologies for a target number of properties. The intention is to initially establish 583 testbed homes (made up of 235 newbuild and 348 retrofit) to test a range of technologies within differing dwelling types. This first phase will then be followed by targeting a further 3,065 new builds and 6,652 retrofits. The fund is intended to test the benefits of “additional” technologies and therefore the target dwellings must already have adopted “green” technology.

The Review Team was told that the determination of the process and assessment of bids is in progress, though this was not highly visible. Given the comparatively modest funding available there appeared to be differing opinions as to whether the funding should focus on a limited number of “additional” technologies or support a broad range of initiatives.

The selection of initiatives is likely to require technical knowledge and expertise as well as due diligence and governance skills. Consideration should therefore be given to ensuring that a range of skills are available to assess the bids received.

Securing sufficient properties to enable the HAPs project to create a critical mass to provide the desired evaluation of “additional” technologies and the demand to support supply chain development is critical to the success of the HAPs project. The successful implementation of the Financial Incentives Fund is therefore a key element of the project. The process, criteria and assessment of bids must therefore be determined as a priority. It will be important to ensure that the assessment criteria are linked to the stated benefits of the project and to the Monitoring and Evaluation criteria.

Recommendation 6: Develop the process and assessment criteria to focus funding to maximise realisation of benefits. (Essential – Do By Oct 2022)

7.8 Lessons Learnt

The Review Team noted good practice in that the project team has sought to take the learning from of a number of past and present initiatives to shape the HAPs project.

The project has been described as a “learning project” in that it is looking to test technologies in an iterative way and adapt as the project progresses. It will therefore be important to ensure that the Monitoring and Evaluation is robust and timely to ensure regular feedback and to allow the project to evolve as desired and to inform the wider SBCD programme.

8. Next assurance review

The Next Assurance Review should a further **PAR** in 12 months’ time – **approx. July 2023**.

In the interim, since this PAR has returned a Delivery Confidence Assessment of Amber/Red, it is expected that an Assurance of Action Plan (**AAP**) be undertaken in early **Q4 CY2022**.

ANNEX A - List of Interviewees

The following stakeholders were interviewed during the review:

Name	Organisation and role
Nicola Pearce	Neath Port Talbot CBC: Director of Environment & Regeneration / SRO
Lisa Willis	Neath Port Talbot CBC: Strategic Funding Progress Manager / Business Case Developer / Interim Project Manager
Simon Brennan	Neath Port Talbot CBC: Head of Property & Regeneration
Chris Jones	Neath Port Talbot CBC: Energy Manager / Business Case Developer
Dr Jo Patterson	Welsh School of Architecture, Cardiff University: Senior Research Fellow
Amanda Davies	Pobl Group, Group Chief Executive
Prof Dave Worsley	Swansea University, member of HAPS Project Board
Richard Arnold	Swansea Bay City Deal: Finance Officer
Jonathan Burnes	Swansea Bay City Deal: Portfolio Director
Oonagh Gavigan	Neath Port Talbot CBC: HAPS Project Manager
Darren Hatton	WG: Head of Innovative Housing Programme
Wyn Pritchard	NPT College group, Director of Construction Skills and Strategy
Mike Gillard	Industry Wales, Development Fund link with Industry
James Davies	Industry Wales, Exec Chair, Economic Strategy Board Member
Carol Morgan*	Swansea City Council, Member of the HAPS Project Board

*Unable to attend

Agenda Item 10



Swansea Bay City Region Joint Committee - 10 November 2022

Financial Monitoring Report 2022/23 - Provisional Outturn Position Quarter 2

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

1. Introduction

1.1 This report details the forecasted year end 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.

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 £195k. 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.

The accrued interest in residual cash balances is invested inline with Carmarthenshire County Council's approved Treasury Management Strategy. Any interest accrued on such cash balances is dispersed back to projects on an appropriate apportionment methodology (JC – 11 June 2020). The accounting management of this has been amended to clearly demonstrate the interest accrued and paid out.

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 2023 the expenditure is estimated at £649k. The PoMO staffing cost is estimated at £497k, which includes an applied estimated inflationary adjustment. There is a small positive variance against budget, this is due to all posts being budgeted at the top of grade, savings due to in year temporary staffing vacancies and a small recharge in respect of the Finance Manager for work outside the SBCD.

Rents and service charges in respect of office space total £23k, fees including consultancy and gateway reviews have been forecast at £26k and conferences, marketing and advertising estimated at £39k including an SBCD annual event. ICT costs has been forecasted at £11k which includes project management software and associated training. Central Recharges of £26k 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 3/5th of an adjusted appointment (£99k) within the financial monitoring due to an accounting policy treatment.

2.6. Income

Total income for the year demonstrates £879k. This consists of partner contributions (£50k per partner) £400k, anticipated drawdown of 'Top Slice' of £449k from the dispersed grant awards and estimated interest derived from cash balances £30k.

2.7. Financial Monitoring - Statement of Balances

The prior year (2020/21) balance carried forward in reserve demonstrates £220k. Currently the estimated year end position of the City Deal accounts demonstrates a deficit of £84k, this is due to a timing effect attached to the grant dispersed to projects/programmes within the year. This concludes in an anticipated reserve of £136k at year end.

3. Portfolio Investment Fund – Forecast Outturn Position

Provisional Portfolio Investment Outturn Position

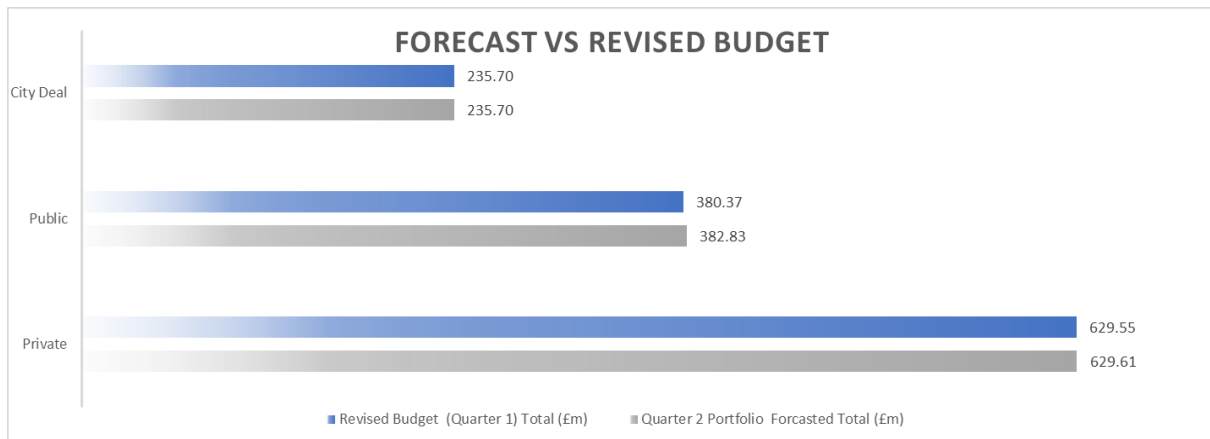
The overall estimated investment position is demonstrated at £1.248bn (Quarter 1 2021/22 - £1.239bn) over the fifteen-year life of the portfolio. The revised budget (Quarter 1 2022/23) comprised of a total investment of £1.246b, currently the City Deal is presenting a small over investment against the revised budget of £2m. Details of significant variances are outlined below:

Swansea Arena is currently demonstrating an underinvestment of £4m against budget due to the reappropriation of costs across the whole Copr Bay site. Work on final costs is still being undertaken and will be reported on in Quarter 2 in line with the amended programme being agreed with the contractor. The innovation matrix is currently demonstrating an over investment of £2m, which is being reviewed during quarter 3. A business case revision is currently being undertaken with a review of financials included.

Pentre Awel has commenced construction and is demonstrating £6m over investment against budget. Work is estimated to be completed during August 2024.

Prior Quarter Portfolio Forecasted Total (£m)	Investment Component	Revised Budget (Quarter 1) Total (£m)	Quarter 2 Portfolio Forecasted Total (£m)	Variance (£m)	Variance
235.70	City Deal	235.70	235.70	0.00	0.00%
373.50	Public	380.37	382.83	2.46	0.65%
629.61	Private	629.55	629.61	0.06	0.01%
1,238.81	Grand Total	1,245.61	1,248.14	2.53	0.20%

Prior Quarter Programme/Project Forecast Total (£m)	Programme/Projects	Quarter 2 Forecast				Revised Budget (Quarter 1) Total (£m)	Variance (£m)	Variance (%)
		City Deal Investment (£m)	Public Sector Investment (£m)	Private Sector Investment (£m)	Programme/Project Total (£m)			
55.00	Digital Infrastructure	25.00	13.50	16.50	55.00	55.00	0.00	0.00%
505.50	Homes as Power Stations	15.00	114.60	375.90	505.50	505.50	-	0.00%
135.01	LS&WB Campuses	15.00	58.58	62.01	135.59	134.95	0.64	0.47%
60.47	Pembroke Dock Marine	28.00	16.35	16.12	60.47	60.53	-0.06	-0.10%
200.18	Pentre Awel	40.00	57.99	108.19	206.18	200.48	5.69	2.84%
30.00	Skills & Talent	10.00	16.00	4.00	30.00	30.00	-	0.00%
59.08	Supporting Innovation and Low Carbon Growth	47.70	5.88	5.50	59.08	58.70	0.38	0.65%
168.40	Swansea Waterfront	50.00	81.25	39.90	171.15	175.28	-4.13	-2.36%
25.17	Yr Egin	5.00	18.67	1.50	25.17	25.17	-	0.00%
1,238.81	Grand Total	235.70	382.83	629.61	1,248.14	1,245.61	2.53	0.20%



Provisional Annual Investment Forecast 2022/23

The forecast estimated investment for the financial year ended 31st March 2023 is demonstrated at £80m. The annual investment forecast is currently demonstrating an annual under-investment of £88m, in respect of the following:

The PDM project is continuing to review spend profiles on their public and private sector investment which could potentially affect the current year estimates. Currently the forecast was based on quarter four estimates, with a small slippage into the current financial year causing a slight over-investment. This is not expected to have an impact on the total investment.

Swansea Waterfront is demonstrating an in-year underinvestment due to accelerated City Deal spend in the previous year in respect of the arena, slippage in respect of private sector investment (including the hotel development) and slippage in project delivery in respect of the Innovation Matrix. This this is not expected to have an impact on the total investment for the programme.

Pentre Awel's annual investment profile was estimated as at quarter three, currently construction has commenced and will be completed as at August 2024. Whilst slippage has occurred this financial year due to small spend in the preliminary stages, this will accelerate over the remaining 17-month period of construction. This is not expected to have an impact on the total investment for the project.

The Skills and Talent project is demonstrating slippage in delivery within the year. The project has currently awarded funding to six successful school, further and higher education pilot projects and will review the funding mechanism in the new year. This this is not expected to have an impact on the total investment for the project.

Campuses is demonstrating a slippage in delivery due to the delay in engaging a funding agreement. issues have now been resolved and a funding agreement will be enacted imminently.

The SWITCH project is currently demonstrating slippage due to the delay of construction procurement and tendering, caused particularly by the COVID-19 pandemic but also as this project involves a close working relationship and

agreement with the delivery partner namely Swansea University. Unfortunately, the Swansea University Project Manager recently and there is ongoing dialogue with the new interim PM to agree on building requirements and specifications which caused the process to be drawn out over an extended period of 18 months. This is not expected to have an impact on the total investment for the project.

Digital infrastructure is currently demonstrating slippage within its rural project due to a “pause and review” which has been instigated for up to 3 months on the rural in-fill procurement, which has a planned spend of £6 million on Superfast broadband. This is due to an ongoing Open Market Review (OMR) being conducted by the Welsh Government and UK Government. The time will be spent liaising with Welsh and UK Governments on the outcome of the OMR, assessing the data and trying to better understand how far known private and public sector interventions are likely to go. This will support decision making in regards to whether investment is required and if so where investment should be directed from a commercial perspective. This will help to mitigate the risk of premises receiving double subsidy. It will also help to ensure we spend our funding in the most cost-effective way with maximum impact. There is anticipated capital slippage on connected places due to complications and delays associated to our regional collaborative procurement and slippage on Next Generation Wireless due to the capacity of the programme and its partners to deliver within this financial year. We will continue to update the regions Digital Infrastructure board on the evolving situation with future decisions brought back for discussion and authorisation. This is not expected to have an impact on the total investment for the project.

Portfolio Summary							
Prior Quarter Forecast Total	Description	Revised Budget	Quarter 2 Provisional Outturn Position				Variance
			Actuals (to Date)	Commitments	Forecast Commitments	Total Annual Forecast	
(£)		(£)	(£)	(£)	(£)	(£)	(£)
	City Deal Investment						
60,111,136	Capital	77,556,688	5,591,929	-	27,795,465	33,387,394	- 44,169,294
2,761,583	Revenue Expenditure (where capital receipts directive applied)	3,389,281	191,331	45,024	1,888,072	2,124,427	- 1,264,854
62,872,719	City Deal Total	80,945,969	5,783,260	45,024	29,683,537	35,511,821	- 45,434,148
	Public Sector Investment						
39,231,245	Capital	32,206,441	-	383,000	27,038,104	27,421,104	- 4,785,337
2,761,798	Revenue	5,840,485	-	-	2,761,798	2,761,798	- 3,078,687
41,993,043	Public Sector Total	38,046,926	-	383,000	29,799,902	30,182,902	- 7,864,024
	Private Sector Investment						
32,450,157	Capital	46,920,379	-	-	12,660,110	12,660,110	- 34,260,269
1,306,650	Revenue	1,306,650	77,286	-	1,229,364	1,306,650	-
33,756,807	Private Sector Total	48,227,029	77,286	-	13,889,474	13,966,760	- 34,260,269
	Project Total						
131,792,538	Capital	156,683,508	5,591,929	383,000	67,493,679	73,468,608	- 83,214,900
6,830,031	Revenue	10,536,415	268,617	45,024	5,879,233	6,192,875	- 4,343,541
138,622,569	Project Total	167,219,924	5,860,546	428,024	73,372,913	79,661,483	- 87,558,441

Annual Programme Investment Breakdown 2021/22 (Estimated)							
Prior Quarter Forecast Total	Description	Revised Budget	Quarter 2 Provisional Outturn Position				Variance
			Actuals (to Date)	Commitments	Forecast Commitments	Total Annual Forecast	
(£)		(£)	(£)	(£)	(£)	(£)	(£)
15,602,392	Digital Infrastructure	17,602,392	108,450	45,024	9,352,734	9,506,208	- 8,096,184
7,465,000	Homes as Power Stations	7,465,000	-	-	7,465,000	7,465,000	-
5,577,312	LS&WB Campuses	5,377,312	77,286	-	110,026	187,312	- 5,190,000
30,659,565	Pembroke Dock Marine	28,525,579	-	-	30,659,565	30,659,565	- 2,133,986
58,067,866	Pentre Awel	58,067,866	1,788,927	-	8,757,811	10,546,738	- 47,521,128
795,596	Skills & Talent	5,366,667	17,986	-	823,835	841,821	- 4,524,846
4,545,702	Supporting Innovation and Low Carbon Growth	11,769,275	-	383,000	4,162,702	4,545,702	- 7,223,573
15,909,137	Swansea Waterfront*	33,045,833	3,867,897	-	12,041,240	15,909,137	- 17,136,696
-	Yr Egin	-	-	-	-	-	-
138,622,569	Total	167,219,924	5,860,546	428,024	73,372,913	79,661,483	- 87,558,441

*budget as per business case

Capital and Revenue Apportionment

There is currently an estimated revenue requirement of £63m (5%) to deliver the city deal projects. This will be supported through the use of the Local Authorities flexible capital receipts directive, and alternative public and private sector commitment. The revenue requirement demonstrates a small change compared with the prior period (Quarter 1 2022/23 - £63m), this is as a result of some small fluctuation across several projects.

Capital/Revenue Summary (Estimated)

Investment Component	Capital Forecast (£m)	Revenue Forecast (£m)	Total Forecast (£m)	Revenue Proportion
City Deal	214.94	20.76	235.70	8.81%
Public	353.75	29.07	382.83	7.59%
Private	616.74	12.88	629.61	2.05%
Grand Total	1,185.43	62.71	1,248.14	5.02%

4. Financial Implications

- 4.1 The forecasted Joint Committee year end out-turn position (as at 31st March 2022) indicates a deficit of £84k, which will be supported by the Swansea Bay City Deal ring-fenced reserve at the year end. Expenditure is forecasted at £963k, which is offset by income through partner contributions of £400k and the 'Top Slice' of dispersed Government grants of £449k and interest income of £30k.
- 4.2 The business cases of all nine SBCD Portfolio programmes and projects have now been formally approved, a revised budget was compiled in quarter one for the portfolio demonstrating £1.246billion. The estimated portfolio forecasted investment position (as at 31st March 2022) demonstrates over investment against the revised budget of £2m. Currently the portfolio is presenting a total investment over the fifteen-year life span of the Swansea Bay City Region Deal of £1.248billion. 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.


5. Legal Implications

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

Background papers: None

Appendices:

Appendix A – Provisional Outturn Position.

		Joint Committee - Provisional Outturn Position Financial Year 2022/23 <i>as at 30th September 2022</i>		
Description	Actuals 2021/22 (£)	Agreed Budget 2022/23 (£)	Forecast Outturn 2022/23 (£)	Variance (£)
Joint Committee and Accountable Body				
Room Hire	-	1,910	1,910	-
Subsistence & Meeting Expenses	-	3,496	-	3,496
Travel	-	-	-	-
Democratic Services - CCS	27,483	26,605	26,605	-
Monitoring Officer & Legal Services	35,659	36,640	36,640	-
External Legal Advisory Fees	-	25,000	-	25,000
Internal Audit Support	18,924	21,115	21,115	-
Staff Recruitment Expenses	-	-	-	-
External Audit Fees	14,971	25,000	21,830	3,170
Section 151 Officer	55,329	56,435	56,435	-
Interest paid over	39,575	-	30,000	(30,000)
Joint Committee and Accountable Body Total	191,942	196,201	194,535	1,666
Joint Scrutiny Committee				
Subsistence & Meeting Expenses	-	7,012	-	7,012
Travel	-	1,248	-	1,248
Democratic Services - NPT	21,332	21,226	21,226	-
Joint Scrutiny Committee Total	21,332	29,487	21,226	8,261
Portfolio Management Office				
Recharges - Employee Costs (direct)	461,842	552,056	496,990	55,065
Staff Recruitment Expenses	-	-	-	0
Training of Staff	1,220	26,530	5,000	21,530
Response Maintenance	-	-	-	0
Rents (The Beacon)	14,889	16,270	16,270	0
Rates (The Beacon)	6,688	7,184	7,184	0
Public Transport - Staff	-	2,081	1,300	781
Staff Travelling Expenses	76	16,646	5,493	11,153
Admin, Office & Operational Consumables	-	2,601	2,000	601
Furniture	-	1,000	1,000	0
Fees (including Gateway Reviews)	29,557	26,010	26,010	0
ICT Computer Hardware & Software	43	2,500	10,500	(8,000)
Subsistence & Meetings Expenses	10	8,323	3,000	5,323
Conferences, Marketing & Advertising	17,151	78,030	39,015	39,015
Projects & Activities Expenditure	-	14,566	-	14,566
Translation/Interpret Services	3,317	10,404	6,500	3,904
Printing & Copying	84	4,682	3,000	1,682
Photocopying Recharge	-	-	-	0
Central Recharge	-	-	25,512	(25,512)
Portfolio Management Office Total	534,876	768,883	648,775	120,108
Provision for Unwinding of PMO				
Redundancies	-	37,674	98,631	(60,957)
Provision for Unwinding Total	-	37,674	98,631	(60,957)
Total Expenditure	748,149	1,032,245	963,167	69,078
Funding Contributions				
Welsh Government - Revenue Grant	-	-	-	-
SBCD Grant Revenue Contribution	(314,119)	(723,000)	(449,196)	(273,804)
Partner Contributions	(400,000)	(400,000)	(400,000)	-
Interest Income	(39,575)	-	(30,000)	30,000
Total Income	(753,694)	(1,123,000)	(879,196)	(243,804)
Provision of Service - (Surplus) / Deficit	(5,545)	(90,755)	83,971	(174,726)
Movement to Reserves				
Description		2020/21 (£)	2021/22 (£)	
Balance Brought Forward from previous year - (Surplus) / Deficit		(214,816)	(220,361)	
Net Provision of Service - (Surplus) / Deficit		(5,545)	83,971	
Balance Carry Forward - (Surplus) / Deficit		(220,361)	(136,391)	



Swansea Bay City Region Joint Committee - 10 November 2022

Swansea Bay City Deal Quarterly Monitoring Report

Purpose:	To inform Joint Committee of the SBCD Quarterly Monitoring Report for both the SBCD Portfolio and its constituent programmes / projects
Policy Framework:	Swansea Bay City Deal (SBCD) Joint Committee Agreement (JCA)
Recommendation(s):	It is recommended that Joint Committee:
1)	Notes the Quarterly Monitoring Report for the SBCD Portfolio and its constituent programmes / projects
Report Author:	Amanda Halfhide (SBCD Senior Portfolio Support Officer)
Finance Officer:	Chris Moore (SBCD S151 Officer)
Legal Officer:	Tracey Meredith (SBCD Monitoring Officer)

1. Introduction

- 1.1 SBCD Quarterly Monitoring Report for the SBCD Portfolio and its constituent projects provides the Programme (Portfolio) Board with a summary of key activity for the last 3 months and current quarter planned activity.

2. Background

2.1 Annex A: Dashboard Quarterly Monitoring

Item	Theme	Update	Annex
1.	Programme / Project RAG Status	PDM Finance moved from Red to Amber. HAPS Resource moved from Amber to Red.	A / B
2.	Portfolio Delivery Timeline	Remains on track	-
3.	Portfolio Risk Register (Red and Amber rising)	Moved from 5 Red Risks to 6	C
4.	Issues Log (Red and Amber rising)	Portfolio Issues Log now includes a RAG status to show severity of Issue	D

5.	Benefits Realisation	Increase in number of jobs since last quarter by 18.	E
6.	Financial Management	More detailed information can be sought in the Quarterly Financial Monitoring Report	Agenda Item 9
7.	Change Management	2 Change Requests since last quarter. Waterfront – changes to BC and PDM - Change in delivery date for IP1 and IP6	-
8.	Assurance & Audit Reviews	Audit Action Plan will be included as part of the quarterly update and included in the Dashboard. This reporting round we are looking to approve the Gateway Review and Action Plan so is a separate Agenda item	
9.	Communications & Engagement	LinkedIn stats now included in Portfolio Dashboard	A/B
10.	Procurement Pipeline	Minimal change.	

2.2 Annex B: The SBCD Quarterly Monitoring Report is made up of 2 levels with several components

- Portfolio
 - Communications and Marketing
 - Business Engagement
- Programmes / Project
 - Scorecard with status summary
 - Previous quarter achievements and current quarter planned activities

2.3 Annex C: Portfolio Risk Register

The Swansea Bay City Deal portfolio risk register captures and monitors key portfolio level risks to the delivery of the City Deal and achievement of its aims and objectives. Red Risks and Amber rising attached.

2.4 Appendix D: Portfolio Issues Log

The Swansea Bay City Deal portfolio issues log captures and monitors key portfolio level issues to the delivery of the City Deal and achievement of its aims and objectives.

RAG status now added to the Issues Log to show level of severity. Red Issues and Amber rising attached

2.5 Appendix E: Benefits Realisation

The SBCD Benefits Register captures the annualisation of Portfolio benefits for Investment, GVA and Jobs that will be delivered up to 2032/33

2.6 Appendix F: Construction Impact Assessment Summary

The purpose of the combined risk/issues assessment and impact assessment is to highlight and quantify the specific risks/issues currently being experienced throughout the construction industry. SBCD Programme Board and Joint Committee have requested that all programmes and projects assess their current status and ongoing monitoring with regards the potential impact these construction challenges will have on the successful delivery of the portfolio and the constituent programmes and projects

3. Financial Implications

3.1 There are no financial implications associated with this report. Portfolio financial monitoring will be reported separately through the Accountable Body.

4. Legal Implications

4.1 There are no legal implications associated with this report.

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

5.1 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.

Background Papers: None

Appendices:

Appendix A: Dashboard Quarterly Monitoring
Appendix B: SBCD Quarterly Monitoring Report
Appendix C: Portfolio Risk Register (Red & Amber rising)
Appendix D: Portfolio Issues Log (Red & Amber rising)
Appendix E: Benefits Realisation
Appendix F: Construction Impact Assessment Summary

Swansea Bay City Deal Progress/Reporting Dashboard

Page 48

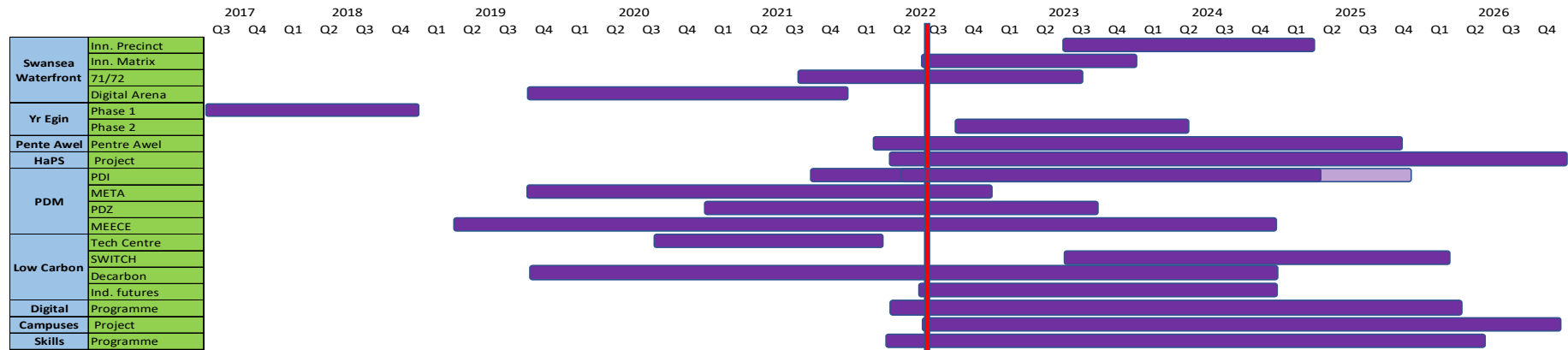


Drafted by:	Phil Ryder
Date:	14/10/2022

1. Project/Programme RAG status

Project/Programme	Delivery	Scope	Staffing Resource	Finance	Stakeholder Engagement	RAG Status
Pentre Awel	Green	Green	Green	Yellow	Green	Green
Campuses	Yellow	Green	Green	Yellow	Green	Yellow
Waterfront & Digital District	Yellow	Green	Green	Red	Green	Yellow
Yr Egin	Green	Yellow	Green	Yellow	Green	Yellow
Digital Infrastructure	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow
Skills and Talent	Green	Green	Yellow	Green	Green	Green
Pembroke Dock Marine	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow
Supporting Innovation & Low Carbon Growth	Yellow	Green	Green	Green	Green	Green
Homes as Power Stations	Yellow	Green	Red	Yellow	Yellow	Red

2. Portfolio Delivery Timeline



Key

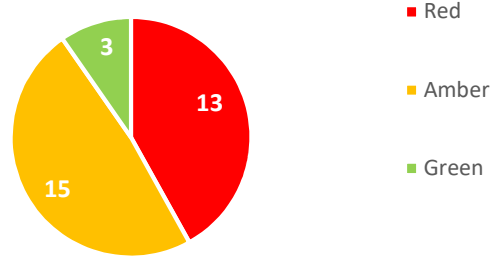
Delivery Period

Current date Line

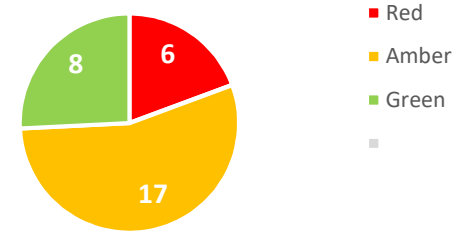
Please note these quarters are calendar quarters

3. Portfolio Risk & Issue Management

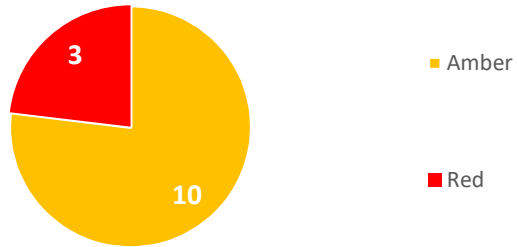
Original Risk Rating



Mitigated Risk Rating



Open Issues



4. Risk Management – Rising Amber Risks

REF.	Title	Description	Current Control Actions	Previous Score	Residual Probability	Residual Impact	Residual Rank
41	In Year Underspend	Early indications from financial reporting across Q1 and Q2 2022-2023 indicate a likely underspend for the current FY	12/10/22 Portfolio demonstrating underspend due to slippage in programme / project delivery, this will be highlighted to Programme Board through financial monitoring and mitigations to minimise potential underspend put in place where possible.	12	5	4	16

5. Risk Management – Top Red Risks

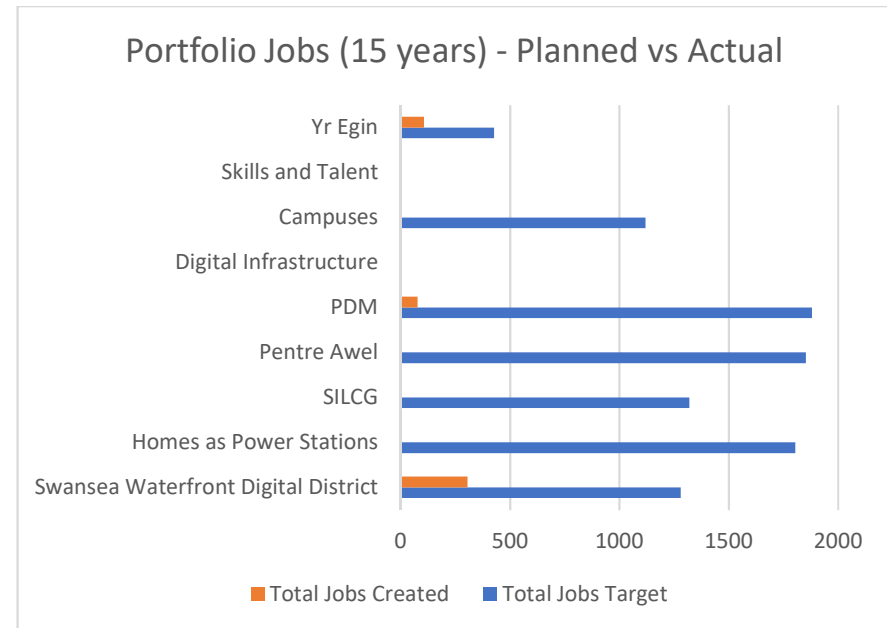
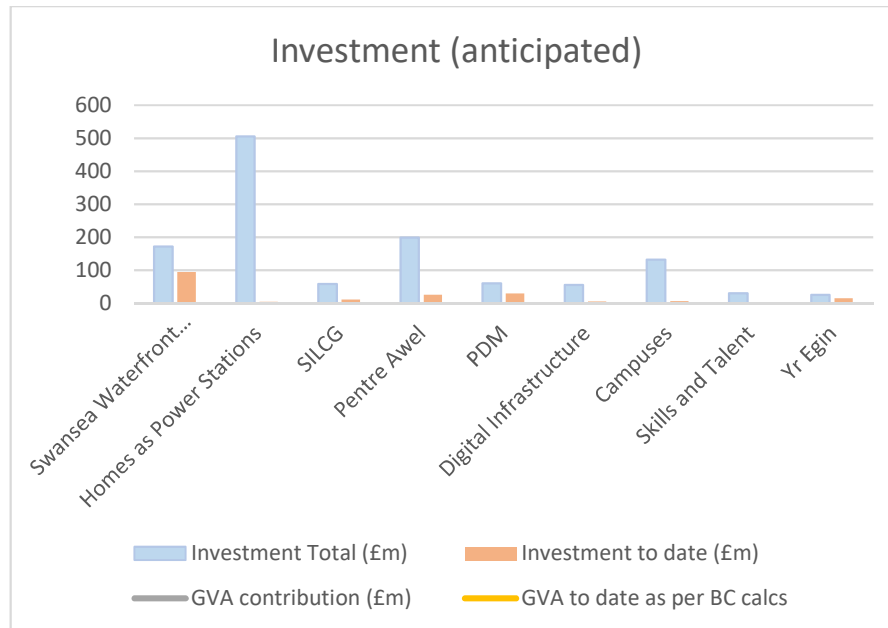
REF.	Title	Description	Current Control Actions	Residual Probability	Residual Impact	Residual Rank
26	Private sector funding contribution/s not realised in line with business case projections.	Risk that private sector funding is not realised as per portfolio business case projections that will impact on the deliverability of outputs and outcomes of the SBCD.	21/06/22 The Portfolio is on track to realise the Private Sector funding however it is acknowledged that the timescales have slipped marginally due to macroeconomic events, Business Case development and approval process.	4	4	16
31	Increase in cost of construction.	Risk that cost of construction may increase impacting on budgets set out in Programme / Project Businesses resulting in an overspend.	21/06/22 Construction Impact Assessment being reviewed on a monthly basis at the request of Programme (Portfolio) Board. Any change is being presented at the meeting.	5	3	15
33	Welsh Government 2021 update of Technical Advice Note (TAN) 15 development risk of flooding and coastal erosion and associated flood planning maps.	Proposed updates to the TAN and maps have recategorised 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.	24/06/22 Technical Advisory Note has been updated 10th March 2022. PoMO to engage with Cllr Stewart and Wendy Walters to gain clarity on latest position. To be raised at the next Programme / Project Leads meeting to enquire whether this still poses an issue locally and what plans are in place.	4	4	16
43	Slippage in delivery of programmes / projects against key milestones	As all City Deal Business Cases have now been approved the risk that City Deal doesn't achieve the outcomes intended within the timescales agree due to slippage in delivery of programme against key milestones resulting in borrowing and recouperation not accurately reflecting spend. Has been re-assessed following the closing of Risk ID SBCD013.	24/06/22 Agreement by Programme Board and Joint Committee of Governance documentation going forward to report progress and provide challenge on future slippage. Financial monitoring is now focussed on delivery investment and will continue to monitor going forward with any significant variance managed through the change management process.	4	4	16
47	Prog/Proj delivering all outputs and outcomes within the business case	Lack of alignment between Project/Programme Business Case deliverables and funding agreement outputs, outcomes and impact leads to potential confusion and non-delivery of anticipated benefits, resulting in the portfolio not achieving its objectives.	08/07/2022 Discussions have taken place with CCOS legal. Finance Manager is reviewing all funding agreement documentation and CCOS legal will support any amends/updates required in order to ensure alignment between BC and funding agreements.	3	5	15

6. Issues Management – Red Issues

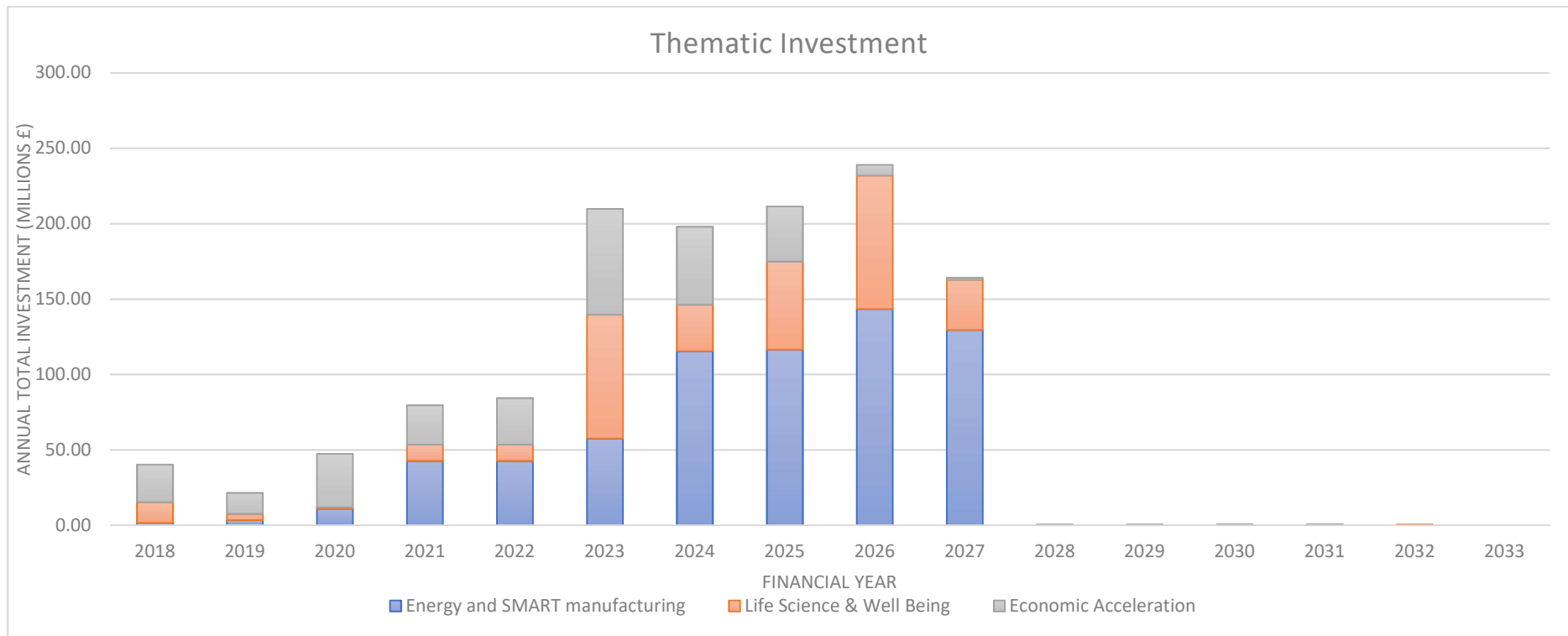
REF.	Title	Potential Impact	Current Update	Priority
17	Approval of Governance Board documentation outside the timescales set out in the Meeting Protocol approved by JC	Officers spending time chasing approval of documentation. Governance Board members receive papers later than anticipated allowing less time to digest. Also a chance of not being able to publish JC papers meaning they will slip to the following month due to the legal amount of time set to release documents.	30/09/22 The PoMO continue to send documentation for Programme Board later than agreed due to late sign off of documents. JSC papers coordinated by NPT sent to members outside of set timescales even though received on time. PoMO to set deadline for Agenda's to be agreed and shared.	Red
22	Measuring of GVA at a programme and Project level.	One if the HoT requirements is GVA contribution, whilst the Portfolio will deliver uplifts in GVA it's quantification method is still unknown and as a result the PoMO are unable to report GVA as a holistic Portfolio Metric.	30/09/22 Paper submitted to the WCGIB on 13th June and accepted in principle. Further consultation required and currently with DLUC for decision. In the interim, UK / WG City Deal contacts have accepted that we will not report quarterly on GVA.	Red
25	Delay in funding agreements being approved and signed	Impacts on disbursement of grant. Delay to delivery of projects. Knock on effect with ability to recruit. Potentially impacting on benefits realisation.	30/09/22 8 out of 9 programmes / projects have now committed to the primary funding agreements Campuses currently being worked on with legal officers / partners with a view of being entered imminently. Secondary agreements currently being developed for Campuses, HAPS, Skills & Talent and Digital Infrastructure between Lead Authority and Lead Deliverer.	Red

7. Benefits Realisation

Project/Programme	Total Investment Target (£m)	Total Investment to date (£m)	Total Jobs Target	Total Jobs Created
Swansea Waterfront Digital District	171.54	94.12	1281	306
Homes as Power Stations	505.50	3.73	1804	5
SILCG	58.70	10.88	1320	1
Pentre Awel	199.19	25.18	1853	2
PDM	60.47	29.56	1881	77
Digital Infrastructure	55.30	5.32	0	6
Campuses	131.98	5.88	1120	2
Skills and Talent	30.00	0.60	0	2
Yr Egin	25.17	14.87	427	107
	1237.85	190.13	9686	508
% of target		15.36%		5.24%



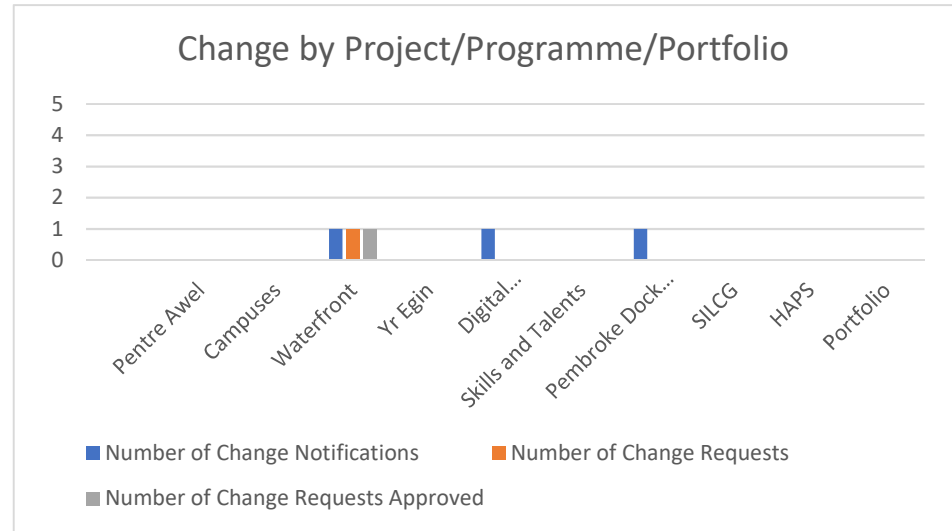
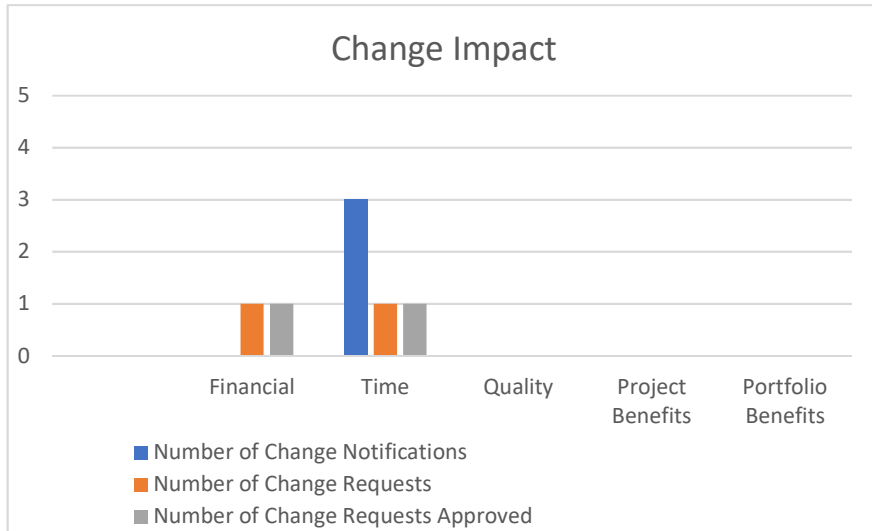
8. Financial Management



Page 55

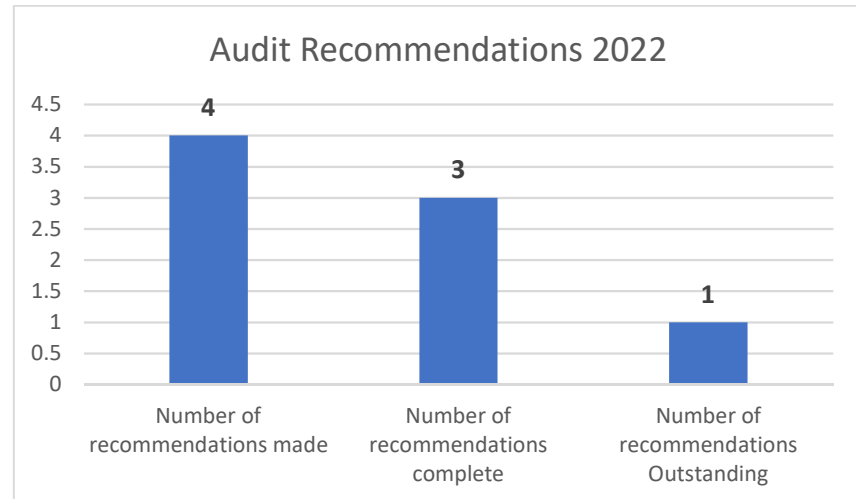
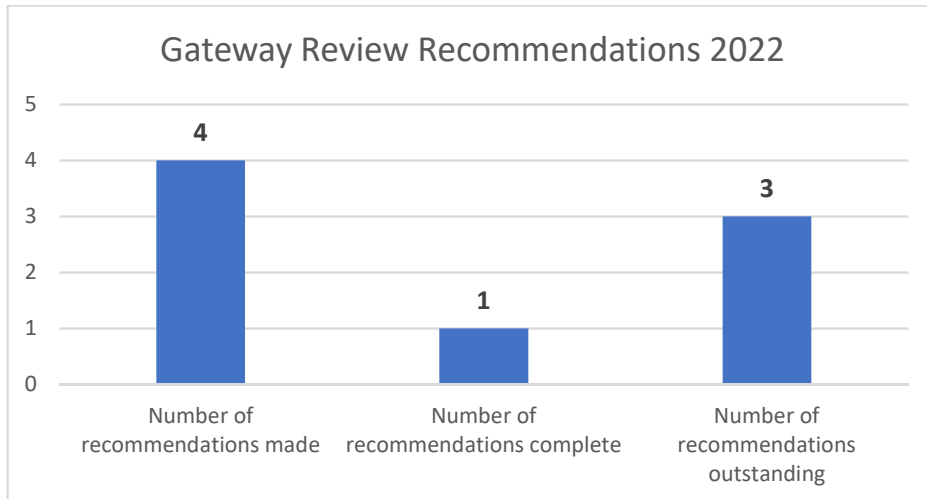
	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
Difference since Q4 2021-22	0.00	0.00	0.00	0.00	-67.70	33.11	1.58	-5.80	40.53	17.24	0.54	0.55	0.56	0.67	0.48	0.00

9. Change Management

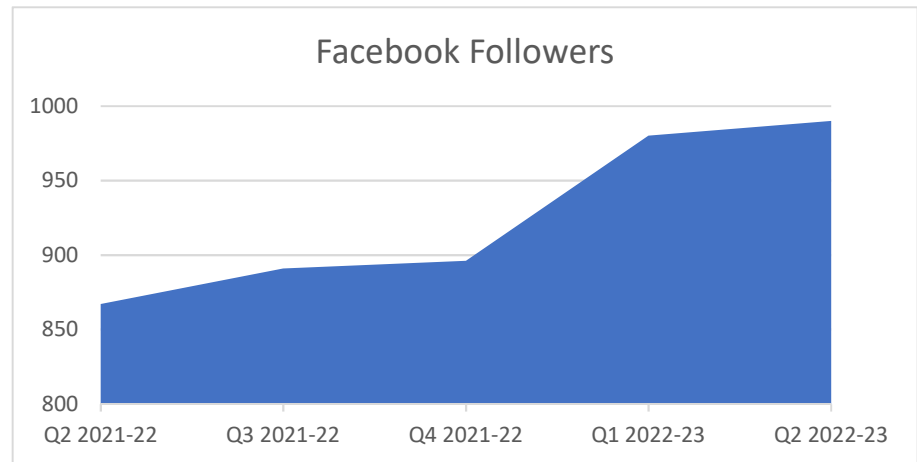
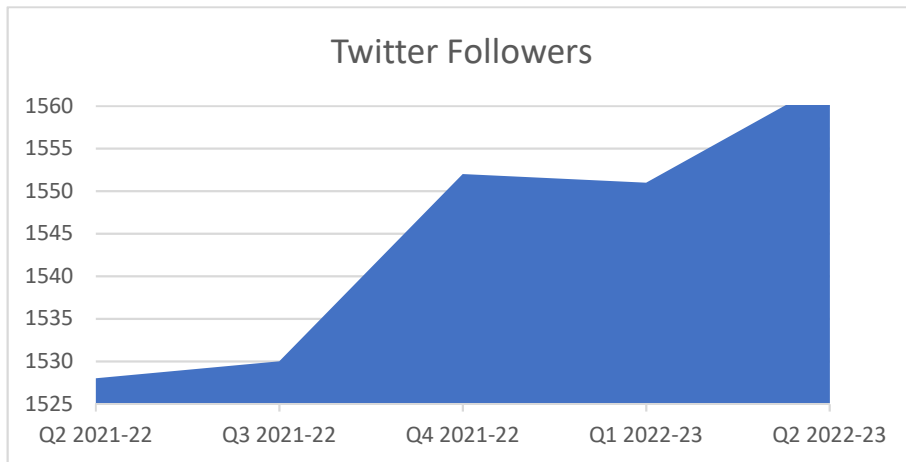
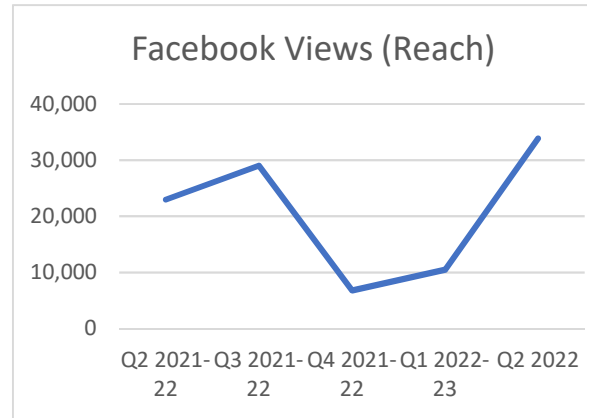
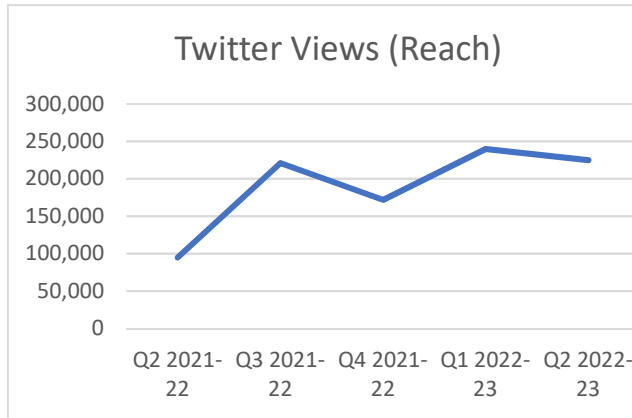
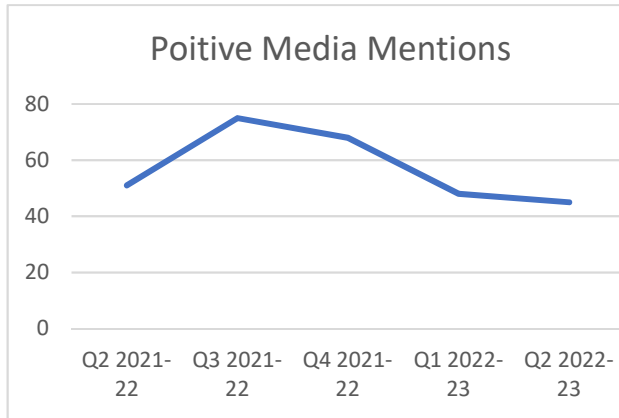


Page 56

10. Assurance & Audit Reviews



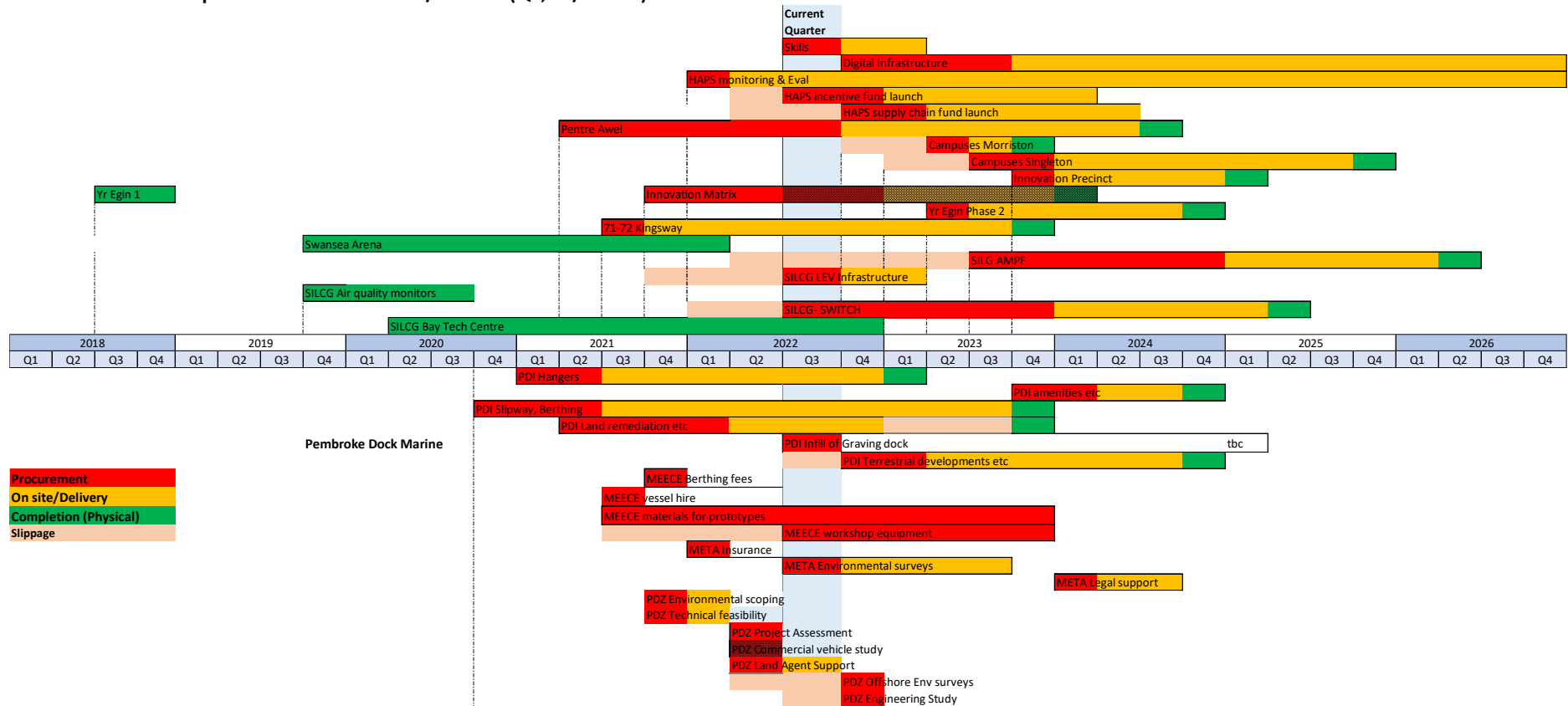
11. Communications and Engagement



12. Procurement Pipeline

Below is a pictorial representation of key procurement activity across the Programmes and Projects making up the Portfolio.

SBCD Procurement Pipeline Version 4: 14/10 2022 (Q3, 22/23 F.Y.)



13. Future inclusions

There are several additional aspects of reporting that the PoMO will look to include in coming iterations, initially, these will include:

- Resource (people) management – this is the resources required by each deliverer, identified within the respective business cases to deliver the SBCD schemes and the current levels of staffing against this commitment.
- Further breakdowns of financials as recently requested at JC.
- Quarterly updates on forecasted benefits, do the actual vs planed show progress being ahead, behind or as forecast.
- LinkedIn reach/stats
- Visits and Event info

Swansea Bay City Deal Portfolio Quarterly Monitoring Report Quarter 2 (July - September 2022)

Programme / Project Scorecard							
Prog / Proj	Status Update	Delivery	Scope	Staffing Resource	Finance	Stakeholder Engagement	Overall (change)
Digital Infrastructure	The programme has been assessed as Amber / Green via a thorough external peer stage gate review.						↔
Pembroke Dock Marine	Overall and Finance Reduced to Amber, Cost increase has been included in Program Board papers. MHPA have concluded discussions with WEFO and are further along contract process. Given the uncertainty, there is still potential for cost uncertainty to impact project / program deliverables but will be updated and managed through project / program governance.				↓		↓
Pentre Awel	<u>Delivery</u> – Unchanged from Green following the RMA and SAB approval over the summer period, disengagement of pre-commencement conditions and completion of Stage 4a design. <u>Finance</u> – lease agreements with proposed tenants for Zone 1 are progressing. Risks relating to build costs, inflation and materials are being managed by Bouygues and Gleeds. Work packages are out to the market for pricing with a view to agreeing a final construct sum for the Zone 1 works in November 2022.				↑		↔
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). Internal team putting in place process to identify required revisions to scheme to meet requirements of industry post-COVID. Project team now moving forward with Change Identification Notice for Egin Phase 2.						↔
Campuses	Delays with the funding agreement have started to affect the timeline of the project. Work is currently being carried out to define an appropriate formal change request. Scope of the project remains unchanged as per the Business case however particular focus is on the affordability of the Phase 1 Singleton development and Morriston Management Centre. Mitigating actions formulated and pending project board approval. Delivery and finance amber due to funding agreement not being signed. Funding agreement meeting taken place between, city deal, Swansea Uni and Swansea Council. SU taking paper to internal finance and strategy board for reasonable endeavours sign off this month.						↔
Homes As Power Stations	Scope agreed and fund guidance in development. Additional Project staff member appointed (Technical Co-ordinator) awaiting start. Without success on the recruitment of a Supply Chain Lead. Ongoing stakeholder mapping and engagement to support the development of HAPS Financial Incentives Fund. Technical M & E procurement complete for publication. Bi-Monthly HAPS project board meetings in place, update provided at Joint Scrutiny (Nov 21) Programme Board (Jan 22 & Sept 22), PAR Review July 2022. – Amber/Red rating			↑			↑
Supporting Innovation & Low Carbon Growth	Multiple projects in delivery namely BTC, SWITCH, AQMP, LEV,PDF Programme implementation and delivery plan live SILCG Programme Board meets quarterly PAR planning underway. Delivery Amber due to pandemic delays etc but also learning from BTC construction has informed a revised timeline for construction. Lessons learned from BTC construction has helped inform future projects						↔
Skills & Talent	Awaiting HR approval for recruitment of Programme Office team members, which is currently posing a resource challenge.						↔
Swansea City & Waterfront Digital District	71-72 Kingsway (Digital Village) in construction phase. Swansea Waterfront Business Case completed and being finalised in Better Business case formatting. Change notifications submitted to PMO team. Gateway Review zero scheduled for November 2022 on the Digital Arena and Digital Village projects. Discussions ongoing between Swansea Council & UWTSB about the delivery of the Innovation Precinct. Trinity projects – funding on red				↑		↔

Title	Portfolio Management Office (Communications & Marketing)	Reporting Period	Q2 2022
Officer	Heidi Harries (SBCD Communications & Marketing Officer) Hollie Ryan (SBCD Portfolio Management Office Assistant)		

Summary of last 3 months – July, August and September

- Continuation of City Deal communications and marketing via press releases, website content, social media content, and media/stakeholder liaison
- Appointment of Communications and Marketing Officer
- Business Case approval for Supporting Innovation and Low Carbon Growth and Homes and Power Stations

Key achievements

- 51 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 Supporting Innovation and Low Carbon Growth and Homes as Power Stations projects; Swansea Arena updates; Appointment of contractor for Pentre Awel; Name a Historic Building in Pembroke Dock.
- Twitter - From July 1st to September 30th 'reach' was 95.1k – this is the number of people that saw the posts, engaged, clicked on, re-tweeted, commented or liked. Number of followers is 1,528
- Facebook - From July 1st to September 30th 'reach' was 23.1k – this is the number of people that saw the posts, engaged, clicked on, re-tweeted, commented or liked. Number of followers is 867.
- Attendance at the Wales Start-Up of the Year awards with sponsorship of the Swansea Bay Region Start-Up. Follow up interview and PR with Dean Ward from DCW Insights

Key Activities planned – October, November & December

- Update the Communications and Marketing Plan
- Update and monitor the Communications and Engagement Schedule
- Communications to support the business case approval of Skills (Oct TBC) and Campuses (Dec TBC)
- Potential Ministerial visit for Skills and launch of project
- Communications to support the next Drawdown of Funds; New appointments for Digital, Skills and HAPS: All programmes & Projects now approved;
- Create a suite of Infographics to be used across the portfolio
- Continued updates of the website and social media

Title	Portfolio Management Office (Business Engagement)	Reporting Period	Q2 2022/23
Officer	Peter Austin (SBCD Business Engagement Manager)		

Key achievements over the last 3 months – July, August and September,

Support Programmes and Projects

UWTSD at MADE CYMRU event
PDM at Pembroke Port networking

UWTSD at Innovation hub launch
 Skills & Talent at Pembroke college pilot launch
 RLSP skills planning event Parc y Scarlets
 Pentre Awel Community Benefits Steering Group
 Visit to PDM with UKG and WG Officials

Support stakeholder groups

Princes Trust Digital Skills Pathway steering group
 SW Wales SPF Consultation event
 WRAP Cymru Low Carbon in Procurement workshop
 Introduction meeting with Victoria Camp new WG Energy Service lead
 Attendance at CEIC steering group meetings
 Liaise with Business Wales / Antur Cymru
 Attend APSE conference Swansea
 Meetings with WG Relationship Management Team

Business Engagement

SMILE Plastics – Introduced to Bouygues as potential supplier
 COAST Services – introduced to Bouygues and Kier as potential supplier
 Simon Barnes – Bouygues, input to Construction cost report
 Ed Evans – CECA, input to Construction cost report
 Mott MacDonald - input to Construction cost report
 Choose2Reuse Llanelli in support of Cwmpass
 TIMET Swansea – re expansion plans, support and introductions to Swansea Council and Welsh Gov
 MacAvoy Group - modular construction company introduction to projects
 Pixafusion, marketing company re regional contacts.

Economic Strategy Board

Secretariat role for ESB
 Coordinating ESB meetings with Chair
 ESB meet with Digital Infrastructure Programme & SQW
 Planning future work programme for Board
 Liaising with CJC team re role of external advisors

Other Activity

Researching and drafting report on Construction Cost Impact
 Researching and drafting report on Carbon Reduction Impact of portfolio
 Researching and drafting private sector investment report
 Planning regional showcase events

Ongoing Activity

Monitoring Portfolio procurement pipeline
 Responding to enquiries received via the City Deal email inbox
 Managing SBCD LinkedIn account
 Support Comms & Marketing officer in promotion of SBCD

Key Activities planned – Oct,Nov,Dec

Continue to support stakeholders, programmes and projects.
 Continue to engage with businesses
 Continue support for ESB, noting next meeting scheduled for February '23
 Attendance at Welsh Business Show and Welsh Construction Show Oct 22
 Finalise reports for Prog Board Construction Cost Impact / Carbon Reduction Impact of portfolio / private sector investment report
 Continue planning for regional showcase events
 Support Comms & Marketing officer in promotion of SBCD

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	Q2 2022/23
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"> • Continued close monitoring of projected costs due to inflation/global supply issues following COVID and the current war in Ukraine. • All Planning Reserved Matters submissions approved. • Both Marine Licenses activated with notifications to NRW issued, acknowledged and approved. • Prestart ecological works completed. • Demolitions of all buildings at head of slipway complete. • Construction of temporary stank in progress • Demolition of Slipway 2 underway and initial formation of new slipway on east side. • Workboat pontoon piles are now arriving onsite. Crane barge has arrived with piling barge and rig expected week commencing 10th Oct. Piling to commence prior to end Oct. • Drainage works to timber pond underway. • Services diversions underway. • Preparation of protective base layer to timber pond underway. • Additional extension to the slipway has been reviewed/approved. Detailed design in progress, works expected to commence November and run in parallel to main slipway works utilising a separate team to avoid resource/delay issue to main package. • Notifications underway to update stakeholders/tenants impacted by works. • Lot 2 (land remediation – clearance, levelling, concrete) main contractor mobilised to site, clearance and sample testing underway, demolition existing buildings planned. • Hangar Annexes: Annex 1 joist install underway, Annex 2 new roof formed & remedial brick work prepared for lime render, Annex 3 first fix M & E ongoing and preparation for lime render. Annex 4 link building critical screen in place, 2nd fix M & E ongoing, kitchen delivered, and 2nd coat of lime render on.
--

PDZ update

- Technical Concept Study that considers coordinating designs for a 1GW (single platform) and 2.4GW on two 1.2GW platforms and a platform have been completed.
- Grid Application for 2.5GW of offshore wind into south Pembrokeshire has been drafted with pre-application meeting conducted on 29th Sept 2022.
- Scoping review is completed and revised scoping opinion requested from NRW.
- Key stakeholder meetings have been undertaken with PCC and NPT CEO's, Pembs Coast National Park Authority CEO, National Trust and the Ministry of Defence.
- Sam Kurtz local AM visited 30th of September.
- Bruton Knowles have been procured as the project team's land agent to support the identification and engagement with landowners along potential routes.
- Animation provider has been procured (Carmarthenshire based PICMO)
- CSP have led a workshop with multiple stakeholder groups to understand the SWOTs on potential co-ordinated grid technical solutions.
- CSP will deliver their Destination Renewables Lecture on the 18th of October, have sponsored two Pembrokeshire Schools to participate in upcoming Lego League competitions and are co-delivering a Girls into STEM event on the 14th October.

META update

- Marine Energy Wales hosted visit from the First Minister of Wales for a marine renewable energy update in Aug with all the PDM partners invited to the meeting. **(OP16)**
- Marine Energy Wales members working group meeting held online **(IP5a, IP5b, OP16)**
- Procurement completed for benthic habitat mapping surveys at META test areas Warrior Way and Dale Roads **(IP5a, IP5b)**
- First stage of MEECE buoy deployment complete and buoy recovered to prepare for second stage **(IP5a, IP5b)**
- Release of Marine Energy Wales State of the Sector Report **(OP11)**

MEECE update

- Recruitment of a Funding Accountant
- Successfully retrieved our Research Buoy from the Dale Roads META test site, to the quayside at Mainstay. Hexigone and Grafmarine panels have been installed, as well as a new camera.
- Continued to support the development of a Celtic Sea Cluster Showcase event, to be delivered as the first day of the Future Energy Wales conference in November.
- STEM activities with EESW, Pembrokeshire College and Welsh Valleys Engineering Project
- Attended TCE Floating Offshore Wind in the Celtic Sea Webinar
- Supported UK and Welsh Governments visit to PDM

Key Activities planned

PDI

- Lot 1:
 - Continue demolition of slipways and construction new slab for east side
 - Commence piling for workboat pontoons
 - Commence demolition T Head structure
 - Orders placed for T Head gang/walkaways and associated fabrication items
 - Commence filling timber pond
 - Complete timber pond drainage diversions
- Lot 2
 - Commence works.
- Hangar annexes
 - Change over from old to new switchgear
 - Completion of Annex 4 and handover
 - Annex 1 to be made watertight and internal works to start

- Lime render Annex 2 & 3

PDZ

- The continued investment case for the PDZ project taking account of emerging regulatory policy, TCE leasing round clarity and other emerging market trends is being reviewed.
- Value adding activity that could support partnering with commercial FLOW lease winners; the test and demonstration projects and re-establishing the evidence base for continued research and development activity in the zone for wave, floating wind and hybrid are all still in the project envelope.
- External factors specifically, The Crown Estate leasing round timings and the output of the Electricity System Operators holistic network design are pushing the time horizons for project development milestones and for key procurements beyond the current June 23 deadline.
- Key OJEU level technical and environmental procurements are being developed for issue in November 22, meaning cashflow certainty to June 23' will be achieved in January 22.
- The current project schedule and budget is predicting an underspend team will work with WEFO to mitigate any WEFO de-commitment and inform any potential SBCD budget re-profile.
- Deliverables post Jun 23 will be dependent on PCC and the SBCR's appetite to support CSP to continue to focus partner effort to drive activity that underpins strategic approach to enabling infrastructure (including coordinating grid infrastructure in the PDZ), workforce & the development of sustainable regional industry.

META

- Re-deployment of the MEECE buoy.
- Determination of Marine Licence Variation from Natural Resources Wales.
- Attending IntWaTERS, test center network meeting.
- Attending and presenting PDM project at Ocean Energy Europe conference.
- Deployment of RRES tidal turbine at Warrior Way site.
- Undertake benthic habitat mapping surveys at Warrior Way and Dale Roads.

MEECE

- Installation of Intelligent Mooring system on to buoy, buoy to be deployed at the end of October.
- Promotion of MEECE Buoy – Video with interviews.
- Attendance Floating Offshore Wind, Renewables UK, 12th & 13th October in Aberdeen.
- Attendance at International Conference on Ocean Energy, Ocean Energy System, 18th – 20th October 2022, San Sebastian, Spain, also presenting a poster.
- Continued to support the development of a Celtic Sea Cluster Showcase event, to be delivered as the first day of the Future Energy Wales, Renewables UK 9th & 10th November ICC, Newport.

Project Title	SBCD Campuses Project	Programme / Project Lead	Clare Henson
Local Authority Lead	City and County of Swansea		
Project Delivery Lead	Swansea University	Reporting Period	Q2 2022/23
SRO	Keith Lloyd		

Budget	
Total Budget	£130.44m
City Deal	£15.00m
Public	£58.01m
Private	£57.43m
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 completed by M.P. David T.C. Davies to mark project approval. • Ministerial visit by Vaughan Gethin • Project Manager appointed (Clare Henson) • Recruiting 2 further team members (project support officer, business engagement and communications manager) • Project support officer appointed (Sara Merrells) • Draft funding agreement received and currently under review. • Sketty lane - Ecological assessment conducted, revised cost estimate received. • Sketty Lane – tendering for 3 consultancy services to support project. Architect -led multidisciplinary design team, project management, cost management.
Key Activities planned
<ul style="list-style-type: none"> • Design team appointments “Morrison Management Centre” • Private sector engagement and work streams commence with Industry Wales, E.S.B, and Department of International Trade. • Formal change request submitted. • Funding agreement completed • Singleton phase 1 design agreed. • Morrison Management centre design signed off. • Procurement stage starts for “Morrison management centre”

	Supporting Innovation and Low Carbon Growth		
Local Authority Lead	Neath Port Talbot County Borough Council	Programme / Project Lead	Brett Suddell
Project Delivery Lead	Neath Port Talbot County Borough Council	Reporting Period	Q1 2022/23
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
<p>Project Development</p> <ul style="list-style-type: none"> • Meeting between SRO, WG, SBCD and NPT staff to discuss PAR – new approach to be adopted to review all SILCG projects within 5 days. Expectation PAR to take place mid-February with a pre-PAR review workshop to discuss projects and answer key questions held 2 weeks prior to main PAR review • Supported Richard Arnold with analysis of construction cost increases since 2017 • Established position in relation to net zero building requirements on SBCD projects • Regular monthly comms and marketing meetings held with SBCD • Programme Manager successfully completed employment probationary period with NPTCBC – post now confirmed • Preparation for internal audit in October <p>Bay Technology Centre</p> <ul style="list-style-type: none"> • Building Handover to NPTCBC in July • Final project evaluation undertaken by Wavehill in September • First two tenants welcomed to BTC

- Recorded promotional material to promote BTC as part of wider NPT business innovation activities

SWITCH

- Working group meet fortnightly to develop building specification and finalise tender documentation
- Tender documentation prepared to include list of legacy and new equipment to be housed in facility
- Obtained relevant council committee board sign off to allow tender process to be commenced
- Tender documentation uploaded to etender on 16th September, deadline for responses 11th November
- Working group will reconvene in person post 11th November to review tenders and decide on preferred contractor subject to sign off by Programme Board
- Obtained subsidy control advice from external solicitors to ensure compliance
- Draft Heads of Terms document developed and subject to further internal review

Advanced Manufacturing Production Facility

- Identifying key centres of excellence for programme board presentations to hear from other centres of excellence

Property Development Fund

- Greater response to EoI deadline than expected, 13 responses received, 12 taken forward to Stage 1 proposal stage
- Deadline for Stage 1 proposals 4th November

Hydrogen Stimulus Project

- Funding agreement between NPTCBC and USW currently being discussed between both organisations
- USW working up breakdown of budget costs to include with funding agreement based on internal cost categories

Air Quality Monitoring Project

- Meeting held between NPTCBC, Vortex and Ricardo to discuss end of Year 1 report
- Working on developments for Year 2 scheme of work

Low Emission Vehicle Charging Infrastructure

- Developed format approach for the Strategy Document – style, content, infographics. Deliver strategy framework document ASAP, identify future work areas and develop them in parallel or as priority/project/funding opportunities dictate
- Further development of the Infrastructure Strategy and Delivery Plan specification consulting with various external stakeholders
- Developing engagement strategy with:
 - Equivalent peers at Carmarthen, Swansea, Cardiff and Newport
 - Other regional colleagues with respect to Low and Zero Emission Vehicle Infrastructure
 - Other public and private sector organisations Low and Zero Emission Vehicle Infrastructure

Key Activities planned next Quarter

Project Development

- Attend Better Business Case foundation course start of October
- NPTCBC Internal audit to be undertaken w/c 10th October
- Meet to discuss regional events with SBCD
- Introduce new SILCG Programme Board format for December meeting (see AMPF activity below)

Bay Technology Centre

- Further tenants to be signed up
- Continued promotion to attract tenants

SWITCH

- Open day on 19th October at SU Bay campus and SAMI (Singleton Campus) for prospective contractors to see facilities and equipment to gain better understanding of requirements. Questions to be submitted in advance.

- Sign Funding & operating agreement, Heads of Terms and lease documentation prior to appointing contractor

Advanced Manufacturing Production Facility

- Establish ToR for working group
- Working group to meet to discuss requirements with involvement of UK/WG, academia and industry input
- Pre-market engagement event with end users/operators
- Presentations from key UK centres of excellence to programme board (early December) to help inform decision making process in September

Property Development Fund

- PDF Team to continue to meet to review Stage 1 applications from 4th November, company financial documentation to be reviewed when received ahead of stage 1 application deadline

Hydrogen Stimulus Project

- Funding agreement between NPT and USW to be signed off
- Procurement of electrolyser equipment process commenced

Air Quality Monitoring Project

- Appointment of Ricardo consultants to review Year 2 data and activities
- Meeting with Vortex, NPT, NRW and WG
- Presentation of project results to WG

Low Emission Vehicle Charging Infrastructure

- Develop and release consultant tender to advise on EV strategy for NPTCBC
- Hold discussions with local stakeholders

Outputs

Project component	Expected Outputs
Technology Centre	Construction of an energy positive hybrid commercial building (2500 m2) completed
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	Homes as Power Stations (HAPS)	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	Q2 2022/23
SRO	Nicola Pearce		

Budget	
Total Budget	£505.5m
City Deal	£15m
Public	£114.6m
Private	£375.9m
Description	
<p>HAPS is a regional pioneering project to facilitate the adoption of houses with energy efficient design and renewable technologies in both new build and existing housing stock in the public, RSL and private sector across the City Region. The project will support the implementation of renewable technology by facilitating collaboration across the region and creating a platform to share lessons learned. The Technical Monitoring and Evaluating contract will provide data and the ability to realise many of the projects benefits. HAPS will support a regional supply chain of proven technology to enable the wider benefits associated with the project.</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 a regional supply chain of proven technologies. • Establish an open access knowledge sharing hub to share the project findings with all sectors across the region and wider • Tackle fuel poverty • Further decarbonise the regional economy • Improve residents’ health and well-being 	

Key achievements
<p>Project Development</p> <ul style="list-style-type: none"> • Established formal governance in place - HAPS Project Board (meet bi-monthly) • Primary Funding Agreement in place (Between PoMO and NPTCBC) • Inter Authority and Third Party Funding agreements in progress • Formalised stakeholder engagement plan (live document) • Formalised project delivery / implementation plan (live document) • Project underwent a Peer Assessment Review (PAR) in July 22 – Amber/Red rating • Staff – HAPS Technical Co-ordinator appointed, will commence role October 22. • Technical Monitoring & Evaluation specification (£1m) complete for advertisement on Sell2Wales. • Ongoing discussions with stakeholders to formulate the Financial Incentives Fund criteria. • Risk Register updated with partner input. • Options Appraisal complete to consider delivery options for Supply Chain area of project delivery • Progressed discussions to plan support required for HAPS skills development
Key Activities planned
<p>Project Development</p> <ul style="list-style-type: none"> • Promote a pre-call notification in readiness to launching the Financial Incentives Fund • Continue to work closely with UK & Welsh Government to ensure the Optimised Retrofit Programme and ECO 4 Flex opportunities are maximised alongside HAPS funding.

- Complete procurement exercise of the HAPS Technical Monitoring & Evaluation contractor – contract commencement due December.
- Consider next steps to commence Supply Chain area of work.
- Submit Change Notification to PoMO, as discussed at Project Board, showing Private Sector Investment up to 2028 presenting a more accurate projection.
- AAP subsequent to the PAR Review taking place November 2022
- Progress Stakeholder Engagement plan including communication strategies relevant to the interest.
- Revise Marketing Plan to complement communication plan
- Convene the Technical Advisory Group to finalise Terms of Reference
- Continue to collate and monitor up to date statistics applicable to the HAPS Business Case. Fuel poverty in the region was highlighted in the Business Case as 24% of households in the Swansea Bay City Region area being in fuel poverty, subsequent Welsh Government stats released in April 22 highlighted the Wales Figure to now be 45%.

Outputs

Project Outcomes

- Facilitate the adoption of renewable technologies in 10,300 properties
- Develop a regional supply chain of HAPS related renewable technologies
- Technical 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	Pentre Awel	Programme / Project Lead	Sharon Burford
Local Authority Lead	Carmarthenshire County Council		
Project Delivery Lead	Carmarthenshire County Council	Reporting Period	Q2 2022/23
SRO	Chris Moore		

Budget

Total Budget	£199.19m
City Deal	£40m
Public	£51
Private	£108.19

Description

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.

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.

Pentre Awel will include state-of-the-art leisure centre funded by Carmarthenshire County Council.

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.

Assisted living accommodation will also feature, along with a nursing home, expansion space for businesses, elements of both open market and social and affordable housing, and a hotel.

Key achievements in Q1 2022/23

Project development

- Minister's visit 28th July – The visit set the context of Pentre Awel within the Authority Strategic development plans. Key partners present all of whom gave endorsement of their support for Pentre Awel including recorded soundbites from Cardiff University Vice Chancellor.
- Completion of key pre-construction activities including vegetation clearance and reptile translocation
- All work packages out to market for pricing. Returns are being assessed.
- Site hoarding erected, incorporating Pentre Awel messaging/branding to promote the scheme.
- SAB application approved 4th August 2022
- S.73 application submitted to extend outline planning consent for the whole site.
- BYUK has delivered community benefits activities in the period, including circulation of first community newsletter, promotion of community ambassador scheme and schools engagement (700+ pupil interactions and 24 hours of STEM engagement with local schools).
- Reporting framework established with BYUK to optimise and monitor community benefits.
- Research and Innovation workshop held this has set the parameters for the development of the research and innovation development on site.
- First research project under way – partnership with a local pharmacy and the Scarlets. Pilot for future working protocols.
- Outdoor space working group convened – looking at longlist of options for outdoor initiatives for further analysis
- EST mapping exercise completed – baseline of current course/programme provision across the region in relevant subject areas
- Catering planning commenced. Workshop held with independent facilitation.
- Education – Teach and Treat proposals with Cardiff University.

Key Activities planned Q3 2022/23

- Commence enabling works for Zone 1
- Enter into NEC 3 construction contract with BYUK - Progress from pre construction to construction phase for Zone 1
- Agree TR&T deliverables with BYUK
- Hold community open evening / meet the contractor and groundbreaking events
- Complete mapping for research and innovation pathway detailing entry and referral points to optimise development opportunities.
- Finalise whole site operating model. This describes the operating context for Pentre Awel and maps within the Authority structure.
- Confirmation of Hydrotherapy Pool charity funding Complete Lease Agreements with partners.
- Complete RIBA Stage 2 design for zone 3 and the construction strategy
- Progress scoping/modelling work for Zone 2.
- Confirm the details business case for all Teach and Treat options.
- Confirm Education Skills and Training mapping to ensure skills needs are addressed.
-

Outputs

Output measurement will commence during the 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	Digital Infrastructure Programme	Programme / Project Lead	Gareth Jones
Local Authority Lead	Carmarthenshire County Council		
Project Delivery Lead	Carmarthenshire County Council	Reporting Period	Q2 2022/23
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"> • Confirmed trunk road fibre network timescales • Realigned rural capital spending plan to align with UK Government timelines and OMR review findings • Drafted collaboration agreements and shared with partners • Submitted initial paperwork to DCMS Gigahubs programme to seek additional funding for hub-site procurement • Issued PIN for Connected Places Hub Site Procurement • Received signed memorandums of understanding for hub site procurements from all eight City Deal partners • Finalised site list data for hub site procurements • Completed formal Market Engagement re: Hub-Site procurement including a well attended stakeholder webinar and 121 sessions with potential bidders within the fibre market. • Launched consultation to identify current and future digital opportunities for the region •

Key Activities planned
<ul style="list-style-type: none"> • Launch Invitation for Tender (ITT) for circa £12m Connected Places Hub Site Procurement • Complete A/B gateway assessment for DCMS Gigahubs funding • Establish secondary funding agreements for Connected Places Hub Site procurement • Recruitment of local resources to support delivery of revenue elements of the programme • Recruitment of co-ordinator to central DI Team • Signatory of collaboration agreements between LA partners • Complete and launch Digital Portfolio of Opportunities • Supporting Local Authorities with ongoing Digital Infrastructure interventions and investment. • Programme risk mitigation ongoing. • Market engagement with operators and suppliers ongoing.

- Additional lobbying for, facilitating, and supporting of private sector investment.
- Establish a baseline of benefits measures for the programme and collate performance figures
- Quantify investment for 21/22 financial year, including baselining of metrics
- Hold launch event for Regional Digital Innovation Network
-

Outputs

- More public sector assets with gigabit capable FFTP connections
- Increased, future proofed DUCT / asset infrastructure
- Regional Innovation Network established
- 5G Testbed(s) deployed
- More mobile infrastructure
- Community based interventions delivered

Project Title	Swansea City & Waterfront Digital District	Programme / Project Lead	Huw Mowbray
Local Authority Lead	Swansea Council		
Project Delivery Lead	Swansea Council	Reporting Period	Q2 2022/23
SRO	Martin Nicholls		

Budget

Total Budget	£175.35m
City Deal	£50m
Public	£85.38m
Private	£39.97m

Description

- 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

Digital Arena

- Arena open and 100,000 tickets have been sold to date. SC project team continuing with final snagging works.
- Swansea Council Beyond Bricks and Mortar team working with Buckingham on final community benefit data.
- Hotel: Consultants JLL reported the offer from Cairns which is the best reasonable obtainable in the market. Funding support discussions ongoing with WG.

71/72 Kingsway:

- Base slab levels completed – pouring has commenced.. Programme on track for completion October 2023.
- BYUK citing inflationary pressures Discussions ongoing to consider cost implications and discuss alternative design proposals. (Reviewing design whilst maintaining quality and maintenance).
- **Commercials** – Flex tenant HoT's advanced/final location in building agreed

- Lettings Strategy - planned Building Management Strategy/Service Charge in progress.
- Innovation Matrix planning approval was received on 5th July 2022. Stage 4 design is substantially complete.
- After concluding a comprehensive market testing exercise at RIBA Stage 4, the University now estimates that the Innovation Matrix Project is approx. £1,995,000 over the current agreed budget. This viability gap is the direct result of global inflationary factors that have prompted unprecedented cost pressures far beyond industry BCIS inflationary estimates made in previous budget iterations.
- This situation has been reported to SBCD Project Leads Meeting and to SBCD Programme Board who advised that the University should report the viability gap to its own internal committees to determine a formal University position on the funding shortfall. The first step in this reporting process has now been completed. The University Estates Committee has now discussed the IM viability gap in detail in detail and has determined that 1) the project process will be paused while consideration is given to how the viability gap may be bridged, 2) that the Innovation business model will be reviewed and updated to fully inform any decision on overall viability, 3) that alternative funding streams will be sought to reduce the viability gap
- The outcome of these discussions will be taken to University Council on 24th November for a final decision on the future of the project. In the meantime there will be a corresponding delay in the project programme

Key Activities planned

Arena

- Continue to explore Hotel delivery options.

71/72 Kingsway

- Construction continues on programme.
- Further detailed letting/operator discussions continue for 71/72 The Kingsway

Innovation Matrix

- Identification of additional sources of funding to cover the cost increase identified above

Innovation Precinct

- Following ongoing discussions with Swansea Council, the project is likely to be subject to a change request notification later in the year

Outputs

Physical delivery of arena (circa 80,000 square feet with a 3,500-capacity), along with digital square is on track.

Physical delivery of 71/72 The Kingsway, which will comprise circa 115,000 square feet of office space.

Discussions on-going with UWTSO about their element of the project (Innovation Matrix).

Caveat: Covid 19 could have an impact on jobs and GVA.

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	Q2 2022/23
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"> University conducted sector demand study (completed August 2021) and has reported findings back to SBCD Change Identification process now formally started with PoMo (SBCD) University internal team has met initially to refine scope
Key Activities planned
<ul style="list-style-type: none"> University continues to refine scope to accommodate new requirements from industry. Project team has now undertaken Change Identification Notice process to formalise changes to the Egin Phase 2 project and is working in conjunction with PoMo to develop new scheme. University now undertaking formal internal process in conjunction with INSPIRE to establish new project requirements in light of anticipated industry needs going forward.

Project Title	Skills and Talent	Programme / Project Lead	Samantha Cutlan
Local Authority Lead	Carmarthenshire County Council		
Project Delivery Lead	South West Wales Regional & Skills Partnership	Reporting Period	Q2 2022/23
SRO	Barry Liles		

Budget	
Total Budget	£30m
City Deal	£10m
Public	£16m
Private	£4m
Description	
<p>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.</p>	

Key achievements

Business Case Development

- 6 Pilot project applications have now been approved by RLSP board
- Remainder of 3 Skills team members now recruited and in post.

Key Activities planned

- Receive and review further pilot project applications.
- Second Gateway Review October 2023
- Barometer being revisited and updated. Claims process set up, and first claim cycle due to commence shortly.
- Marketing strategy completed, with a view of increased marketing activity to raise awareness of Programme and stimulate further pilot applications.

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.
- 2,200 additional skills
- 20 new course frameworks updated/created
- 2 Centres of excellence
- Create a clear career pathway through school, FE, HE and apprenticeship and into the world of work.

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>

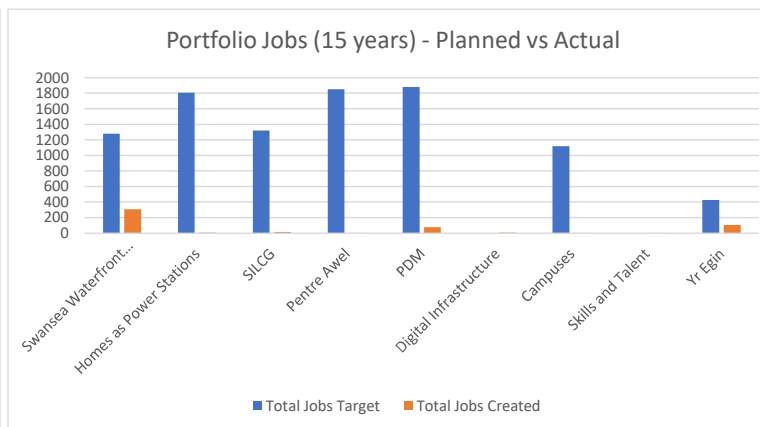
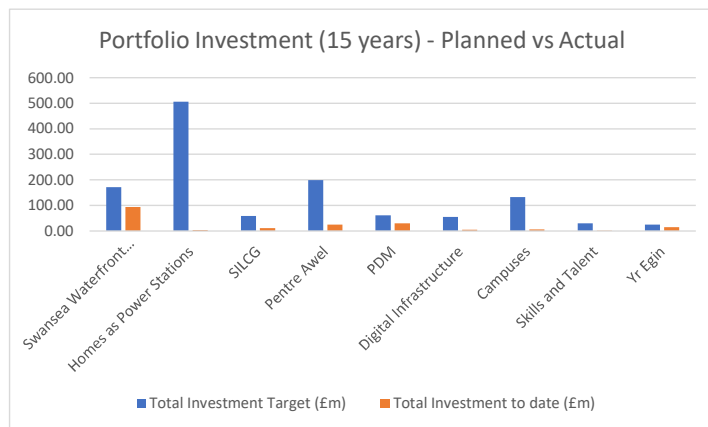
Risk Theme	Risk / Opportunity	Ref	Title	Date Raised	Category	Owner	Risk Description	Inherent Probability	Inherent Impact	Inherent Rank	Original Control Actions	Review Update/Control Actions	Residual Probability	Residual Impact	Residual Rank	Reported Change	Next Review Date
Financial	Risk	SBCD026	Private sector funding contributions not realised in line with business case projections	Mar-18	C3	Delivery 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 with specific connection to jobs target 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.	05/04/22 The Portfolio is on track to realise the Private Sector funding however it is acknowledged that the timescales have slipped marginally due to macroeconomic events, Business Case development and approval process. 21/06/22 As previous. Further update TBC 12/10/22 New reporting template developed to be updated quarterly which combines the latest financial scenario with supporting narrative from programmes / projects. Plan to submit to November Programme Board once robust.	4	4	16	↔	Jan-23
Financial	Risk	SBCD031	Increase in cost of construction	01/07/21	C3 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.	05/04/22 PoMO presented the Construction Impact Assessment to Programme Board on 29th March 2022. 3 completed returns, 3 returned with rationales for nil responses and 3 nil responses. Continued ongoing evaluation quarterly until all procurement activity is completed, will then be reviewed accordingly. PoMO facilitated an Event on 14th February 2022 hosted by Civil Engineering Construction Association (CECA) and Constructing Excellence in Wales (CEW). All Programme / Project Leads, SRO's and other City Growth Deals in Wales were invited to attend. 21/06/22 Construction Impact Assessment being reviewed on a monthly basis at the request of Programme (Portfolio) Board. Any change is being presented at the meeting. 12/10/22 Programme Board requested a Construction Cost Assessment report in July 2022, direction from Programme Board September 2022 was to go back to all programme / project leads to detail their mitigation and current status. Monthly Construction Impact monitoring will continue to be reported at Programme Board.	5	3	15	↔	Jan-23
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 recategorised 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.	05/04/22 SBCD Programme (Portfolio) Board identified there is still a potential impact associated with TAN 15. It has been agreed that the PoMO will escalate this to Joint Committee following the elections with the intention that the Local Authority Leaders will pick up the conflicting information in relation to the implementation of the proposed changes with the WLGA. The PoMO have engaged with Programmes / Projects to determine potential areas that are affected by the new maps 24/06/22 Technical Advisory Note has been updated 10th March 2022. PoMO to engage with Cllr Stewart and Wendy Walters to gain clarity on latest position. To be raised at the next Programme / Project Leads meeting to enquire whether this still poses an issue locally and what plans are in place. 12/10/22 No further update. Update requested from the regional WLGA representative, awaiting response.	4	4	16	↔	Jan-23
Financial	Risk	SBCD041	In Year Underspend	08/12/21	C3 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.	12/04/22 This will continue to be reviewed and future change will be managed through the change management strategy and business case updates. 21/06/22 Budget has been reprofiled. UKG & WG are content. On going monitoring. 12/10/22 Portfolio demonstrating underspend due to slippage in programme / project delivery, this will be highlighted to Programme Board through financial monitoring.	5	4	20	↑ (4,3)	Jan-23
Delivery	Risk	SBCD043	Slippage in delivery of programmes / projects against key milestones	Mar-22	C6 C11	JC	As all City Deal Business Cases have now been approved the risk that City Deal doesn't achieve the outcomes intended within the timescales agree due to slippage in delivery of programme against key milestones resulting in borrowing and recouperation not accurately reflecting spend. Has been re-assessed following the closing of Risk ID SBCD013.	4	4	16	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	05/04/22 The City Deal Finance Manager and PoMO Manager are now working with the Programme / Project Leads, to identify changes to plan and report them through the Change Control Process. Procurement Pipeline is now part of the Quarterly Monitoring process that is presented to Governance Boards. PoMO have created a Dashboard to summarise activity and risk across the Portfolio which is presented quarterly through the Governance Boards. 24/06/22 Agreement by Programme Board and Joint Committee of Governance documentation going forward to report progress and provide challenge on future slippage. Financial monitoring is now focused on delivery investment and will continue to monitor going forward with any significant variance managed through the change management process. 12/10/22 Escalated to SEC151 Officer. Report to be drafted and presented to the Governance Boards. Risk escalated to an issue and now moved to the Issues Log.	4	4	16	↔	Jan-23
Delivery	Risk	SBCD047	Prog/Proj delivering all outputs and outcomes within the business case	Jun-22	C11 C6	Delivery Lead	Risk that programmes and projects will not deliver elements of the business case resulting in depleted benefits being delivered. Currently funding agreements ensure that programmes and projects are committed to the delivery of business case objectives through the delivery of the outputs, however some of the business cases rely on the outcomes in order to realise the benefits within them. It is a risk if both outputs and outcomes are not delivered upon, however if an output or outcome is not attempted then the organisation will have failed to use best endeavours	3	5	15	Discussions have taken place with CCOS legal. Finance Manager is reviewing all funding agreement documentation and CCOS legal will support any amendments/updates required in order to ensure alignment between BC and funding agreements.	12/10/22 The Risk of non delivery of agreed outputs / outcomes will remain until final delivery and sign off of the projects. Mitigations linking to several other issues are in place such as business case updates, formalising funding agreements, assurance/audit reviews, changes procedures, monitoring and reporting, accelerated delivery. All of these mitigations will allow for agreement of any changes to the current agreed deliverables.	3	5	15	↔	Jan-23

Programme / Project Name		SBCD Portfolio Management Office								
Director / Programme / Project Lead Name		Jonathan Burnes								
Last Updated		Oct-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
SBDC003		19/11/20	Work in progress	Amber ↔	Attendance of Governance Board members and sending representations from their organisations that may not be as familiar with the SBCD.	Governance Boards	Y	Contributions maybe limited from all key stakeholders and representatives from their organisations which may lead to less informed decisions and discussion. Ability to make a decision maybe 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.	31/03/22 On-going monitoring of attendees and PoMO support outside of the board meetings 29/06/22 All meetings have been quorate, representation has been maintained by the 8 partners. PoMO to confirm with all partners who the delegated representative is for their areas. 30/09/22 PoMO awaiting confirmation from members on who their delegated representative is. Awaiting confirmation of Swansea University representative at Joint Committee due to a member retiring. Ensure suitable delegates represent when members are unavailable that have a clear understanding of City Deal. Continue to monitor.
SBDC017		14/02/22	Open	Red ↔	Approval of Governance Board documentation outside the timescales set out in the Meeting Protocol approved by JC	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.	31/03/22 Board documents are shared asap with Monitoring and Section 151 Officers. Meeting with Monitoring Officer with suggested improvements which have been subsequently implemented by PoMO. 29/06/22 To be monitored going forward. 30/09/22 The PoMO continue to send documentation for Programme Board later than agreed due to late sign off of documents. JSC papers coordinated by NPT sent to members outside of set timescales even though received on time. PoMO to set deadline for Agenda's to be agreed and shared.
SBDC022		16/02/22	Open	Red ↔	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/UKG & 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)	31/03/22 The appropriateness of using GVA, which is a Macro economic indicator as a measure of success at Portfolio, Programme and Project level are on-going with WG and UKG. 29/06/22 Proposal submitted to Programme (Portfolio) Board 31st May and WCGIB 13th June for consideration. Awaiting feedback from UKG & WG ahead of resubmission to Programme (Portfolio) Board to consider. 30/09/22 Paper submitted to the WCGIB on 13th June and accepted in principle. Further consultation required and currently with DLUC for decision. In the interim, UK / WG City Deal contacts have accepted that we will not report quarterly on GVA.
SBDC025		14/02/22	Open	Red ↑	Delay in funding agreements being approved	Finance	N	Impacts on disbursement 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	31/03/22 Funding and collaborative agreements for HAPS and Digital Infrastructure are still ongoing and could cause a delay to delivery if not resolved soon. 29/06/22 7 out of the 9 programmes / projects have been approved. 2 in the final stage of approval. 30/09/22 8 out of 9 programmes / projects have now committed to the primary funding agreements Campuses currently being worked on with legal officers / partners with a view of being entered imminently. Secondary agreements currently being developed for Campuses, HAPS, Skills & Talent and Digital Infrastructure between Lead Authority and Lead Deliverer.

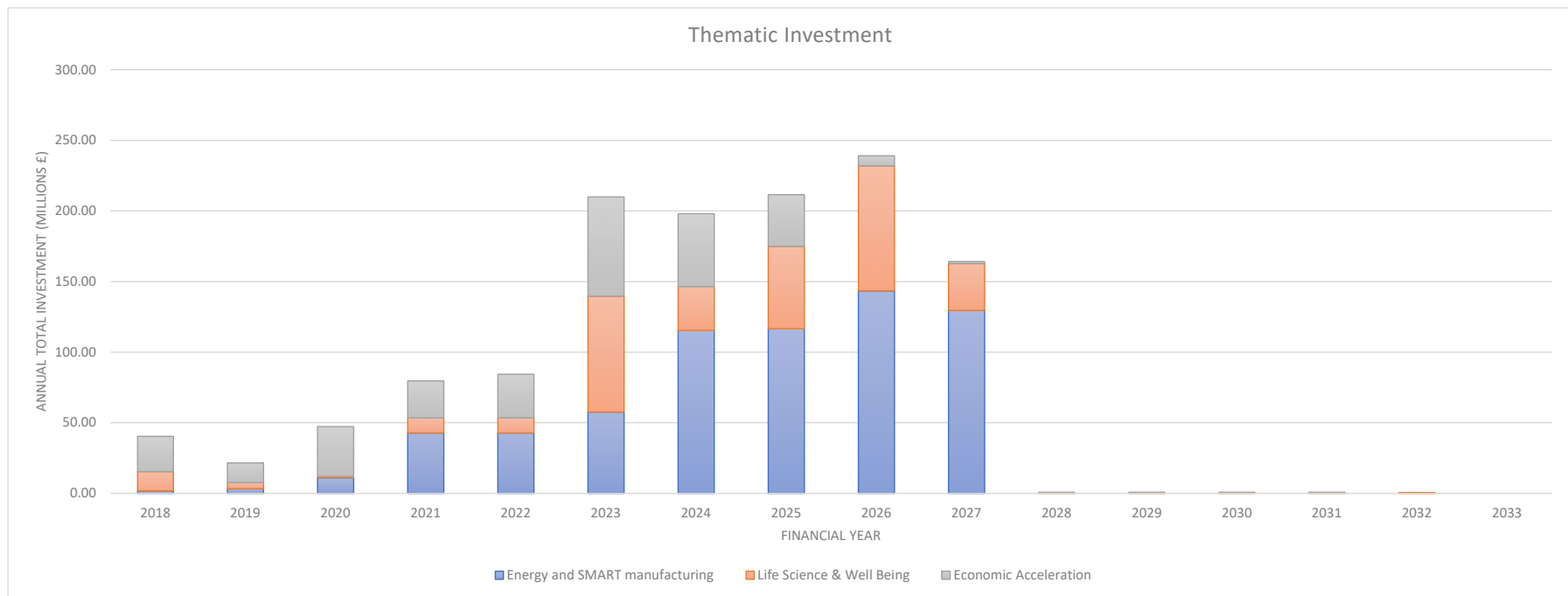
Swansea Bay City Deal Benefits Recording Register - Portfolio Summary - Appendix E

Project/Prgramme	Total Investment Target (£m)	Total Investment to date (£m)	Total Jobs Target	Total Jobs Created	Business Case Status	Project Stage	Stage Commencement	Stage Completion
Swansea Waterfront Digital District	171.54	94.12	1281	306	Approved - FBC	Partial Delivery (2/4)	Oct-19	Q4-2027
Homes as Power Stations	505.50	3.73	1804	5	Approved - OBC	Pre-procurement	Jul-21	Q1-2022
SILCG	58.70	10.88	1320	17	Approved - OBC	Partial Delivery (2/7)	Nov-20	Q4-2025
Pentre Awel	199.19	25.18	1853	2	Approved - OBC	Pre-construction	Oct-21	Q1-2022
PDM	60.47	29.56	1881	77	Approved - OBC	Partial Delivery (1/4)	Sep-21	Q1-2024
Digital Infrastructure	55.30	5.32	0	6	Approved - OBC	Pre-procurement	Mar-21	Q2-2022
Campuses	131.98	5.88	1120	2	OBC regionally approved	Pre-approval	Jul-21	Q1-2022
Skills and Talent	30.00	0.60	0	2	Submitted - OBC	Pre-approval	Jul-21	Q4-2021
Yr Egin	25.17	14.87	427	107	Approved - FBC	Partial Operation (1/2)	Sep-18	Q4-2023
	1237.85	190.13	9686	524	N.B There are also in excess of 100 Part Time jobs which have been created by the Arena since opening, after 12 months of operations these will be reviewed to determine an appropriate FTE allocation			
		15.36%		5.41%				

Page 82

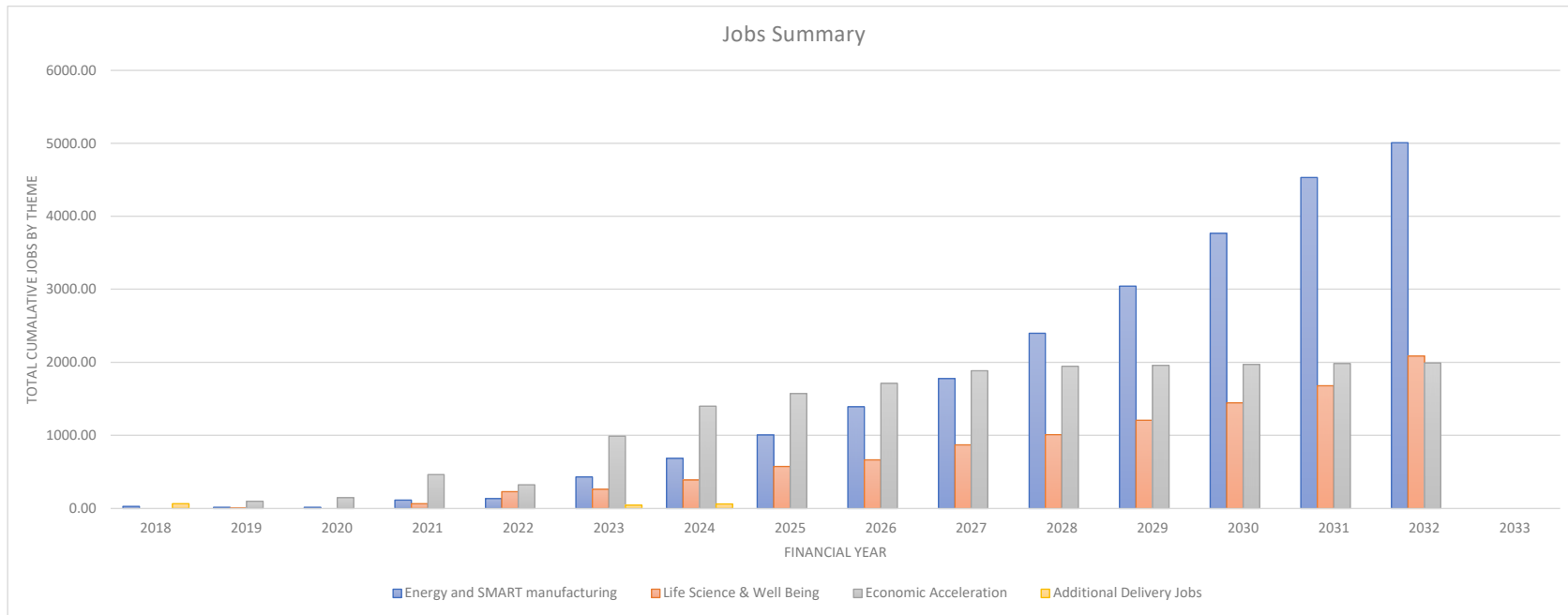


	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
Energy and SMART manufacturing	1.64	3.39	10.92	42.67	42.67	57.59	115.46	116.53	143.37	129.50	0.00	0.00	0.00	0.00	0.00	0.00
(SILCG)	0.00	0.00	3.00	4.55	4.55	26.88	14.49	4.56	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
(PDM)	1.64	3.39	7.92	30.66	30.66	15.59	2.10	0.80	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
(HaPS)	0.00	0.00	0.00	7.47	7.47	15.12	98.87	111.17	143.37	129.50	0.00	0.00	0.00	0.00	0.00	0.00
Life Science & Well Being	13.76	4.22	1.09	10.73	10.73	82.03	30.82	58.33	88.55	33.36	0.44	0.45	0.46	0.47	0.48	0.00
(Pentre Awel)	13.76	3.87	0.65	10.55	10.55	73.17	24.28	33.42	30.70	0.00	0.00	0.00	0.00	0.00	0.00	0.00
(Campuses)	0.00	0.35	0.44	0.19	0.19	8.87	6.54	24.91	57.85	33.36	0.44	0.45	0.46	0.47	0.48	0.00
Economic Acceleration	24.93	13.91	35.36	26.26	30.98	70.27	51.72	36.63	7.08	1.35	0.10	0.10	0.10	0.20	0.00	0.00
(Digital)	0.22	0.06	0.09	9.51	9.51	17.55	18.55	7.79	1.03	0.00	0.00	0.00	0.00	0.00	0.00	0.00
(Skills)	0.00	0.00	0.02	0.84	0.84	8.96	11.59	8.41	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
(Yr Egin)	14.87	0.00	0.00	0.00	4.72	4.73	0.05	0.10	0.10	0.10	0.10	0.10	0.10	0.20	0.00	0.00
(Swansea waterfront)	9.84	13.85	35.24	15.91	15.91	39.03	21.54	20.32	5.95	1.25	0.00	0.00	0.00	0.00	0.00	0.00
	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
Difference since Q4 2021-22	0.00	0.00	0.00	0.00	-67.70	33.11	1.58	-5.80	40.53	17.24	0.54	0.55	0.56	0.67	0.48	0.00



Variance shown is difference from Q2 2021-22 original baselined annualised benefits - Blue = increase in yearly investment Red = reduction in yearly investment

	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
Energy and SMART manufacturing	28.00	15.00	13.00	114.00	134.00	431.00	683.00	1006.00	1390.00	1780.00	2400.00	3042.00	3766.00	4531.00	5009.00	0.00
(SILCG)	0.00	1.00	0.00	17.00	37.00	68.00	120.00	223.00	367.00	517.00	697.00	900.00	1110.00	1360.00	1321.00	0.00
(PDM)	28.00	14.00	13.00	70.00	70.00	297.00	447.00	597.00	747.00	897.00	1049.00	1200.00	1426.00	1652.00	1881.00	0.00
(HaPS)	0.00	0.00	0.00	27.00	27.00	66.00	116.00	186.00	276.00	366.00	654.00	942.00	1230.00	1519.00	1807.00	0.00
Life Science & Well Being	0.00	2.00	0.00	65.00	227.00	262.00	388.00	573.00	666.00	870.00	1009.00	1206.00	1447.00	1678.00	2086.00	0.00
(Pentre Awel)	0.00	1.00	0.00	10.00	172.00	203.00	254.00	349.00	362.00	466.00	555.00	662.00	787.00	918.00	1036.00	0.00
(Campuses)	0.00	1.00	0.00	55.00	55.00	59.00	134.00	224.00	304.00	404.00	454.00	544.00	660.00	760.00	1050.00	0.00
Economic Acceleration	0.00	97.00	146.00	464.00	324.00	990.00	1398.00	1572.00	1711.00	1886.00	1945.00	1960.00	1971.00	1982.00	1993.00	0.00
(Digital)	0.00	1.00	0.00	0.00	0.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	0.00
(Skills)	0.00	1.00	0.00	0.00	0.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	0.00
(Yr Egin)	0.00	95.00	6.00	5.00	5.00	117.00	124.00	219.00	219.00	294.00	353.00	368.00	379.00	390.00	401.00	0.00
(Swansea waterfront)	0.00	0.00	140.00	459.00	319.00	868.00	1269.00	1348.00	1487.00	1587.00	1587.00	1587.00	1587.00	1587.00	1587.00	0.00
Additional Delivery Jobs	65.00	0.00	0.00	0.00	0.00	42.00	60.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
(Other)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
(Other)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
(Yr Egin)	65.00	0.00	0.00	0.00	0.00	42.00	60.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00





Swansea Bay City Deal Benefits Recording Register v0.2

ID	Project/ Programme Title	Benefit / Dis-benefit Description	Quantifiable	Benefits Owner	Measurement	Benefit Type	Status	Realisation Phase	Realisation Date	Original BC Target	Current Benefit Target	Reason for difference in Orig/current	Actual Benefit	Year Time Value (2017 baseline)															Evidence of Benefit
														2018-2021 (Years 1-3)			2022-2027 (Years 7-9)			2028-2030 (Years 10-12)			2031-2033 (Years 13-15)						
														Yr 1	Yr 2	Yr 3	Yr 4	Yr 5	Yr 6	Yr 7	Yr 8	Yr 9	Yr 10	Yr 11	Yr 12	Yr 13	Yr 14	Yr 15	
SILCG001	SILCG	Floor space created	Yes	NPT	M2		On Track	Delivery		18500.00	18500.00		0.00	0.00	0.00	8500.00	0.00	2000.00	6000.00	6000.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
SILCG002	SILCG	Private sector investment	Yes	NPT	£		On Track	Delivery		£5.5m	£5.5m		0.00	0.00	0.00	0.00	0.00	£1.5m	£2.0m	£2.0m	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
SILCG003	SILCG	Reduction in swap from high Co2 to low Co2 tech	Yes	NPT			On Track	Delivery																					

Reason for no update - Q3 2021-22 - SILCG lead is currently progressing resource appointments for the management team that will be responsible for delivering HaPs, once these appointments have been finalised the delivery team will be able to annualise the wider Proj. and Programme benefits

Swansea Bay City Deal Benefits Recording Register v0.2

ID	Project/Programme Title	Benefit / Dis-benefit Description	Quantifiable	Benefit Owner	Measurement	Benefit Type	Status	Realisation Phase	Realisation Date	Original BC Target	Current Benefit Target	Reason for difference in Orig/current	Actual Benefit	Year Time Value (2017 baseline)															End of Benefit	
														2018 -2021 (Years 1-3)			Cumulative	2022 -2024 (Years 4-6)				2025 -2027 (Years 7-9)			2028 -2030 (Years 10-12)			2031 -2033 (Years 13-15)		
														Yr 1	Yr 2	Yr 3		To date	Yr 4 Q1	Yr 4 Q2	Yr 4 Q3	Yr 4 Q4	Current	Yr 5	Yr 6	Yr 7	Yr 8	Yr 9		Yr 10
PA.001	Pentre Awei	Create community Health hub	Yes	CCC	M2		On Track	Delivery		12015.00																				
PA.002	Pentre Awei	New Businesses created	Yes	CCC	Nr		On Track	Delivery		50.00																				
PA.003	Pentre Awei	New Learning opportunities created	Yes	CCC	Nr		On Track	Delivery		60.00																				
Total																														



Swansea Bay City Deal Benefits Recording Register v0.2

ID	Project/ Programme Title	Benefit / Dis-benefit Description	Quantifiable	Benefit Owner	Measurement	Benefit Type	Status	Realisation Phase	Realisation Date	Original BC Target	Current Benefit Target	Reason for difference in Orig/current	Actual Benefit	Year Time Value (2017 baseline)															End of Benefit		
														2018 -2021 (Years 1-3)			Cumulative	2022 -2024 (Years 4-6)				2025 -2027 (Years 7-9)			2028 -2030 (Years 10-12)			2031 -2033 (Years 13-15)			
														Yr 1	Yr 2	Yr 3		To date	Yr 4 Q1	Yr 4 Q2	Yr 4 Q3	Yr 4 Q4	Current	Yr 5	Yr 6	Yr 7	Yr 8	Yr 9		Yr 10	Yr 11
HAP001a	Homes as Power Stations	Number of new homes complete	Yes	Regional	Nr		On Track	Delivery		3300.00	3300.00																				
HAP001b	Homes as Power Stations	Number of retrofit homes complete	Yes	Regional	Nr		On Track	Delivery		7000.00	7000.00																				
HAP002	Homes as Power Stations	Cost Saving as a result of completed homes	Yes	Regional	£		On Track	Delivery		£565 New Build £738 retro	£565 New Build £738 retro																				
HAP003	Homes as Power Stations	CO2 Saving as a result of Homes Complete	Yes	Regional	Tonnes		On Track	Delivery		30098.00	30098.00																				

Reason for no update - Q3 2021-22 - The Haps team are working hard to agree the regional funding agreement for the apportionment of funds and delivery outputs. Once the funding agreement has been completed and each LA has agreed to their respective roles the annualisation of wider benefits will be achievable

Swansea Bay City Deal Benefits Recording Register v0.2

ID	Project/ Programme Title	Benefit / Dis-benefit Description	Quantifiable	Benefit Owner	Measurement	Benefit Type	Status	Realisation Phase	Realisation Date	Original EC Target	Current Benefit Target	Reason for difference in Orig/current	Actual Benefit	Year Time Value (2017 baseline)															ence of Ben	
														2018-2021 (Years 1-3)			Cumulative	2022-2024 (Years 4-6)				2025-2027 (Years 7-9)			2028-2030 (Years 10-12)			2031-2033 (Years 13-15)		
														Yr 1	Yr 2	Yr 3		To date	Yr 4 Q1	Yr 4 Q2	Yr 4 Q3	Yr 4 Q4	Current	Yr 5	Yr 6	Yr 7	Yr 8	Yr 9		Yr 10
Dig002	Digital Infrastructure	Quantity of fibre installed	Yes	Regional	KM		On Track	Delivery																						
Dig002	Digital Infrastructure	Number of premises connected	Yes	Regional	Nr		On Track	Delivery																						
Dig 003	Digital Infrastructure	Increased use of remote/online health services	Yes	Regional	Nr		On Track	Delivery																						
Total																														

Reason for no update - Q3 2021-22 - Digital infrastructure delivery team are currently reviewing and updating the business case due to market developments and advancement. Annualised benefits will be confirmed following this business case review.



Swansea Bay City Deal Benefits Recording Register v0.2

ID	Project/ Programme Title	Benefit/ Dis-benefit Description	Quantifiable	Benefit Owner	Measurement	Benefit Type	Status	Realisation Phase	Realisation Date	Original BC Target	Current Benefit Target	Reason for difference in Orig/Current	Actual Benefit	Year Time Value (2017 baseline)															Evidence of Benefit		
														2018 - 2021 (Years 1-3)			Cumulative	2025 - 2027 (Years 7-9)			2028 - 2030 (Years 10-12)			2031 - 2033 (Years 13-15)							
														Yr 1	Yr 2	Yr 3		yr4	Yr 5	Yr 6	Yr 7	Yr 8	Yr 9	Yr 10	Yr 11	Yr 12	Yr 13	Yr 14		Yr 15	
Water001	Swansea Waterfront	Digital Village - Commercial Floorspace Created			Sq Ft	On Track	Delivery			100000.00	100000.00																				
Water002	Swansea Waterfront	Digital Arena - Events Space & Conference facilities created			Sq Ft	On Track	Delivery			113000.00	113000.00																				
Water003	Swansea Waterfront	Training events generated			Weeks	On Track	Delivery			3266.00	8197.00	More training opportunities provide throughout the arena build			8197.00																
Water004	Swansea Waterfront	Investment Product - Commercial Floorspace Created			Sq Ft	On Track	Delivery			64600.00	64600.00																				
Water005	Swansea Waterfront	Investment Market - Commercial Floorspace Created (Previously BnV Villase)			Sq Ft	On Track	Delivery			28000.00	28000.00																				
Total																															

ID	Project/ Programme Title	Benefit / Dis-benefit Description	Quantifiable	Benefit Owner	Measurement	Benefit Type	Status	Realisation Phase	Realisation Date	Original BC Target	Current Benefit Target	Reason for difference in Orig/current	Actual Benefit	Year Time Value (2017 baseline)															Evidence of Benefit		
														2018-2021 (Years 1-3)			Cumulative			2025-2027 (Years 7-9)			2028-2030 (Years 10-12)			2031-2033 (Years 13-15)					
														Yr 1	Yr 2	Yr 3		Yr 4	Yr 5	Yr 6	Yr 7	Yr 8	Yr 9	Yr 10	Yr 11	Yr 12	Yr 13	Yr 14		Yr 15	
ST001	Skills and Talent	To directly deliver at least 2,200 additional skills around 14,000 individuals with higher skills (Level 2-8) within 10 Create 3000 apprentice opportunities Develop and deliver 20 new and updated course frameworks to meet the needs of the projects and employers across the region.					On Track	Delivery		2200.00	2200.00			0.00	0.00	0.00	0.00	403.00	600.00	800.00	1000.00	1100.00	1400.00	1800.00	2000.00	2200.00	0.00	0.00			
ST002	Skills and Talent						On Track	Delivery		14000.00	14000.00			0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1000.00	3000.00	5000.00	7000.00	9000.00	10000.00	12000.00	14000.00	0.00	0.00
							On Track	Delivery		3000.00	3000.00			0.00	0.00	0.00	0.00	77.00	150.00	800.00	2000.00	3000.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
ST003	Skills and Talent						On Track	Delivery		20.00	20.00			0.00	0.00	0.00	0.00	0.00	10.00	15.00	18.00	20.00	0.00	0.00	0.00	0.00	0.00	0.00			
Total					GBP (0'000'000)																										

ID	Project/ Programme Title	Benefit / Dis-benefit Description	Quantifiable	Benefit Owner	Measurement	Benefit Type	Status	Realisatio n Phase	Realisation Date	Original BC Target	Current Benefit Target	Reason for difference in Orig/current	Actual Benefit	Year Time Value (2017 baseline)															Evidence of Benefit						
														2018 -2021 (Years 1-3)			Cumulati ve	2025 -2027 (Years 7-9)			2028 -2030 (Years 10-12)			2031 -2033 (Years 13-15)											
														Yr 1	Yr 2	Yr 3		Yr 4	Yr 5	Yr 6	Yr 7	Yr 8	Yr 9	Yr 10	Yr 11	Yr 12	Yr 13	Yr 14		Yr 15					
Yr Egin	Create floorspace for creative sector growth	Yes	UWTSD	m2		On Track	Delivery			8162.00	8162.00			3912.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00		
Yr Egin	Establish Creative Cluster in Two Phases	Yes	UWTSD	Phases		On Track	Delivery			2.00	2.00																								
Yr Egin	Create cluster of 25 creative and digital companies	Yes	UWTSD	Nr		On Track	Delivery			25.00	25.00			12.00	13.00	14.00	15.00	16.00	16.00	18.00	20.00	22.00	23.00	24.00	25.00	25.00	25.00	25.00	25.00	25.00	25.00	25.00	25.00		
Yr Egin	New training and apprenticeship opportunities created	Yes	UWTSD	Nr		On Track	Delivery			150.00	150.00																								
Total																																			

Reason for no update - Q3 2021-22 - UWTSD have recently completed a demand study of the creative sector in SWW, this study is being used in order to review the requirements and make any amendments necessary to Phase 2 in order to ensure the Phase delivers maximum benefit to the region. An initial plan for an outline

Swansea Bay City Deal

Construction impact assessment summary report



Date	October 2022
Version	V4.0

Construction Impact Assessment Summary Report

1.0 Introduction

The purpose of the combined risk/issues assessment and impact assessment is to highlight and quantify the specific risks/issues currently being experienced throughout the construction industry. SBCD Programme Board and Joint Committee have requested that all programmes and projects assess their current status and ongoing monitoring with regards the potential impact these construction challenges will have on the successful delivery of the portfolio and the constituent programmes and projects.

2.0 Returns

As of 14th October 2022 following multiple discussions and requests for completion of the SBCD construction impact assessment, below is the status of returns.

Programme/Project	Status of Return
Swansea Waterfront	Complete
Swansea Campuses	Complete
SILCG	No Update
Skills and Talent	Nil return – not currently a direct issue
Yr Egin Phase 2	Nil return – current review of delivery strategy and strategic alignment will complete within next few months once strategy complete and approved.
Pentre Awel	Complete
PDM	Complete
Digital infrastructure	Nil return – on-going BC updates will complete within next few months once BC updates complete.
HaPs	Nil return

3.0 Construction impact assessment (CIA) Requirements

The CIA has been developed with 9 key questions listed below, whilst providing projects the opportunity to highlight specific risks or issues under question 10:

		Identify as Risk or Issue
	<u>People</u>	
1	Decreased available labour and/or suitable subcontractors and suppliers	
2	main contractor delivery/management team - skills and capacity issues in terms of project delivery	
	<u>Materials</u>	
3	Lack of availability of construction materials	
4	Quality of materials (due to lack of stock of preferred option)	
	<u>Finance</u>	

5	Rising construction costs results in exceeding/increasing programme / project budget	
6	Contractor / subcontractor / supplier going bankrupt/experiencing financial difficulty	
	<u>Timelines</u>	
7	Delays in project programme due to traditional infrastructure project factors such as ground/weather/construction site issues etc.	
8	delay in obtaining relevant construction related / operational approvals	
	<u>Policy/political</u>	
9	revised industry/governmental statutory & mandatory requirements - including technological/policy/political advancements since initial planning phases	
	<u>Other</u>	
10	Please highlight any other risks/issues in relation to construction not highlighted above	

These questions are scored across 8 fields of potential impact of low/medium/high (probability x impact). The fields of impact are:

Scope and key objectives	Targets	Timescales	Reputation if project fails to deliver	Stakeholders/ partnerships commitment	Project costs	Procurement	Staff resourcing
--------------------------	---------	------------	--	---------------------------------------	---------------	-------------	------------------

Once completed the author must then identify mitigations that are/will be put in place along with any resource requirements in enacting these mitigations.

4.0 Summary of Risks identified in returns

Risks	Impact Field	Scope	Targets	Time	Reputation	Stakeholder/ Partnerships	Proj. Costs	Procurement	Resources
Red		2	0	7	0	0	4	0	0
Amber		10	17	14	21	11	22	16	2
Green		26	20	18	17	27	11	22	34

5.0 Quantification of impact

Once known the impact of these risks becoming issues will likely result in a change, the CIA has been developed so that all quantification links to the 5 categories of change derived in the SBCD change procedures, namely:

- Financial/costs
- Timescales
- Quality
- Programme and/or project benefits are impacted
- Portfolio benefits are impacted

6.0 Summary/status

Areas of High concern

There are currently 3 areas of high concern, these being:

- Scope
- Time
- Proj. costs

All of these areas will be continually monitored and over time as any issues arise along with associated change requirements, change notifications and change requests will be submitted to the PoMO and reported/escalated accordingly to stakeholders as per the SBCD change procedures.

Areas of Medium concern

There are currently 3 areas of medium concern, these being:

- Delivery of targets
- Potential reputational damage
- Proj. costs

As projects and programmes develop, all areas of concern will continually be monitored through the construction impact assessment, in order to ensure that all change is reported, recorded, escalated and approved appropriately, any mitigations required are implemented and the overall success of outcomes, outputs and impacts are not affected.

In addition to the construction impact assessment, the PoMO have now also undertaken an assessment of the potential funding gap for the Portfolio. This was as a direct request of Programme (Portfolio) Board from July 2022. As a result, the PoMO have identified a forecast funding gap of around £31m. In future iterations of the construction impact assessment and funding gap assessment the PoMO will link both assessments and ensure that all actual funding gaps are accurately reported once known.

Agenda Item 12



Swansea Bay City Region Joint Committee - 10 November 2022

Swansea Bay City Deal Business Case Development Process

Purpose:	To seek Joint Committee approval for the Swansea Bay City Deal (SBCD) Business Case Development process for the updating and development of the headline business cases of the SBCD.
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 Joint Committee 1) Approves the SBCD Business Case Development and Update process attached at Appendix A and Appendix B
Report Author:	Ian Williams, SBCD Portfolio Development Manager
Financial Officer:	Chris Moore (SEC151 Officer)
Legal Officer:	Tracey Meredith (Monitoring Officer)

1. Introduction

- 1.1 Business cases are an essential management and governance tool for programmes and projects and a key element in ensuring their successful delivery.
- 1.2 As part of the City and Growth Deal Governance and Assurance Framework there is a requirement for the 9 headline business cases to be maintained and updated on a regular basis and in accordance with HM Treasury's Green Book guidance. The updating of business cases is particularly important at key points in the project or programme lifecycle when decisions are made, milestones are achieved or in preparation for assurance reviews during the procurement, delivery and operation phases. Senior Responsible Owners (SROs) are responsible for ensuring that business cases are updated as required.

1.3 The approach for the SBCD is outlined below and is detailed in the guidance note and process chart at Appendix A.

2. SBCD Business Case Development Process

2.1 The SBCD Business Case Development process provides clarity for Senior Responsible Owners (SROs) and their teams, Welsh and UK governments and partner organisations on the requirements and process for the development of business cases.

2.2 The process has been discussed and agreed in principle with both UK and WG City and Growth Deal leads. Consultation has also been undertaken with all SROs and Project Leads.

2.3 The HM Treasury Better Business Case guidance describes the development of business cases from Strategic Outline Case (SOC) to Outline Business Case (OBC) and then Full Business Case (FBC). All the headline SBCD business cases have been developed to OBC status and have received regional and government approval on this basis.

2.4 Business cases need to remain current, accurate and viable as the programme or project delivery progresses. An important element of this includes the detailing of procurement information and ensuring that the business case continues to demonstrate viability and affordability.

2.5 It has been agreed that SROs and Project Leads have two options in their approach to updating a business case:

Option A – Business Case rewrite

Option B – Business Case addendum (as a single document)

2.6 Whichever option is chosen, the update must cover all five business case dimensions and align to the Better Business Case guidance.

2.7 A process diagram is included with the guidance note and provides specific detail on the process and the responsibilities within it. The guidance note also describes how the business case update process aligns with the SBCD change control process.

2.8 The process involves the programme / project team engaging with the PoMO to ensure that business case updates are timely and aligned to guidance. Approval of updated business cases will be through the specific programme / project boards and reported to SBCD governance boards for information.

3. Financial Implications

3.1 There are no financial implications associated with this report.

4. Legal Implications

4.1 There are no legal implications associated with this report.

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

- 5.1 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 and demonstrating the successful delivery of programmes and projects.

Background papers: None

Appendices:

Appendix A: Swansea Bay City Deal Business Case Development – Guidance Note

Appendix B: Swansea Bay City Deal Business Case Update Process

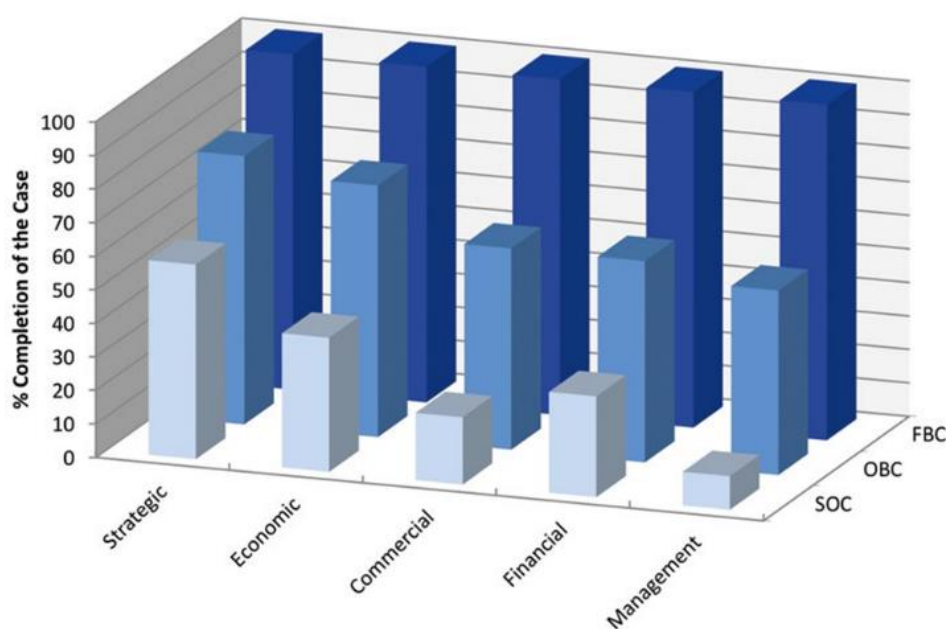
Full Business Case Developments

1. Overview

- 1.1. The following guidance provides the process and requirements for Senior Responsible Owners (SROs) and Project Leads to update the Swansea Bay City Deal (SBCD) project and programme business cases.
- 1.2. Business cases are an essential management and governance tool for programmes and projects and a key element in ensuring successful delivery.
- 1.3. Adopting HM Treasury’s Green Book guidance and as part of the governance and approval arrangements for the SBCD, there is a requirement for the 9 headline business cases to be maintained and updated on a regular basis.
- 1.4. The updating of business cases is particularly important at points in the project or programme lifecycle when decisions are made, milestones are achieved or in preparation for assurance reviews during the procurement, delivery and operation phases.
- 1.5. It is the responsibility of the SROs to oversee business case updates. Ensuring stakeholders are informed and that the business case remains current, viable and deliverable.

2. Better Business Case Guidance

- 2.1. HM Treasury’s Better Business Case guidance must be adhered to when updating business cases, and is also set out in the Welsh Government Governance and Assurance Framework.
- 2.2. Updates should cover all five dimensions of a business case as illustrated below.



The 5 Dimensions of the Case

- 2.3. All nine SBCD business cases are at Outline Business Case (OBC) or working towards Full Business Case (FBC). All nine business cases have passed Strategic Outline Case (SOC) stage. Definitions of each business case stage is summarised in the table below.

Strategic Outline Case (SOC)

The SOC establishes the business need for a proposed project, its strategic drivers and any resulting investment in resources. The main purpose is as a scoping and planning document with a focus on strategic issues and the identification of options for detailed assessment at the next stage. The SOC is developed across the 5 business case dimensions and determines the strategic context for the project, makes the case for change and explores options for the preferred way forward.

Outline Business Case (OBC)

The OBC revisits and builds upon the information contained in the SOC to further develop the 5 business case dimensions. The OBC has a focus on determining value for money through the identification of a preferred option through an economic appraisal process, the detailing of the potential procurement arrangements, ascertaining affordability and funding requirements and planning for successful delivery in the management and governance of the project. The OBC provides the organisation and sponsors the information to make a well-informed decision to invest in the project.

Full Business Case (FBC)

The main tasks involved in producing the FBC focuses upon revisiting and updating the conclusions of the OBC and documenting the outcomes of the procurement process. The 5 dimensions of the business case are updated with particular emphasis on the economic, commercial and financial cases. The FBC identifies the market-place opportunity which provides optimum value for money, sets out the commercial and contractual arrangements for the negotiated deal, confirms the deal is still affordable and details the management arrangements for the successful delivery, monitoring and evaluation of the project.

3. SBCD Approach to Updating Business Cases

- 3.1. Due to hybrid nature of the nine SBCD business cases and the varying stages of delivery for individual projects within them, the PoMO have been discussing the most appropriate process to update and format to present business case updates across the Portfolio with the WG and UKG Sponsors.
- 3.2. Business case updates could be a result of many instances. For example, procurement of a solution, in preparation for a Gateway assurance review, key milestone decision, change to current plan or schedule, change of strategic organisation, trache or project completion, economic assessments, etc.
- 3.3. It has been agreed that SROs and Project Leads have two options in their approach to update a business case:

Option A – Business Case rewrite

Option B – Business Case addendum (as a single document)

- 3.4. In either approach, business case updates need be to clearly summarised and reflect key changes or progress since the original or previous version that was submitted via the SBCD governance arrangements.
- 3.5. Updates must cover all five business case dimensions, noting that dimensions with no change needs to be stated.
- 3.6. For clarity, a diagram is attached at Appendix A which provides specific detail on the process and the responsibilities within it.
- 3.7. The Better Business Case Guidance process to move from OBC to FBC summarised below must also be followed.
- 3.8. A full description of this process is described within the Better Business Case guidance documents [Guide to developing the project business case | GOV.WALES](#). and below is an extract of the process, which includes procurement updates for the Commercial Case.

Step 1 Procuring the VfM solution

Actions:

1. Revisit and update the case for change (Strategic Case)
2. Revisit the OBC options (Economic Case)
 - Confirm that the conclusions of the OBC economic appraisal are still valid. Confirming that rankings, benefits etc remain the same. If any of the **key assumptions** have altered, the FBC must demonstrate that the recommended option continues to offer better public value than the other available options
3. Detail the procurement process and evaluation (Economic Case)
 - Confirm the procurement strategy, route and evaluation criteria that were followed as set out in the OBC and explain any changes
 - Confirm that the option offering best public value is recommended for the approval, subject to affordability

Step 2 Contracting for the Deal

Actions:

4. Set out the negotiated Deal and contractual arrangements (Commercial Case)
 - Choice of Service provider and the detail of the Deal and contract
 - Revisit the headings of the Commercial Case and update
5. Set out the financial implications of the Deal (Financial Case)
 - Confirming the affordability of the Deal
 - Revisit the headings of the Financial Case and update

Step 3 Ensuring successful delivery

Actions:

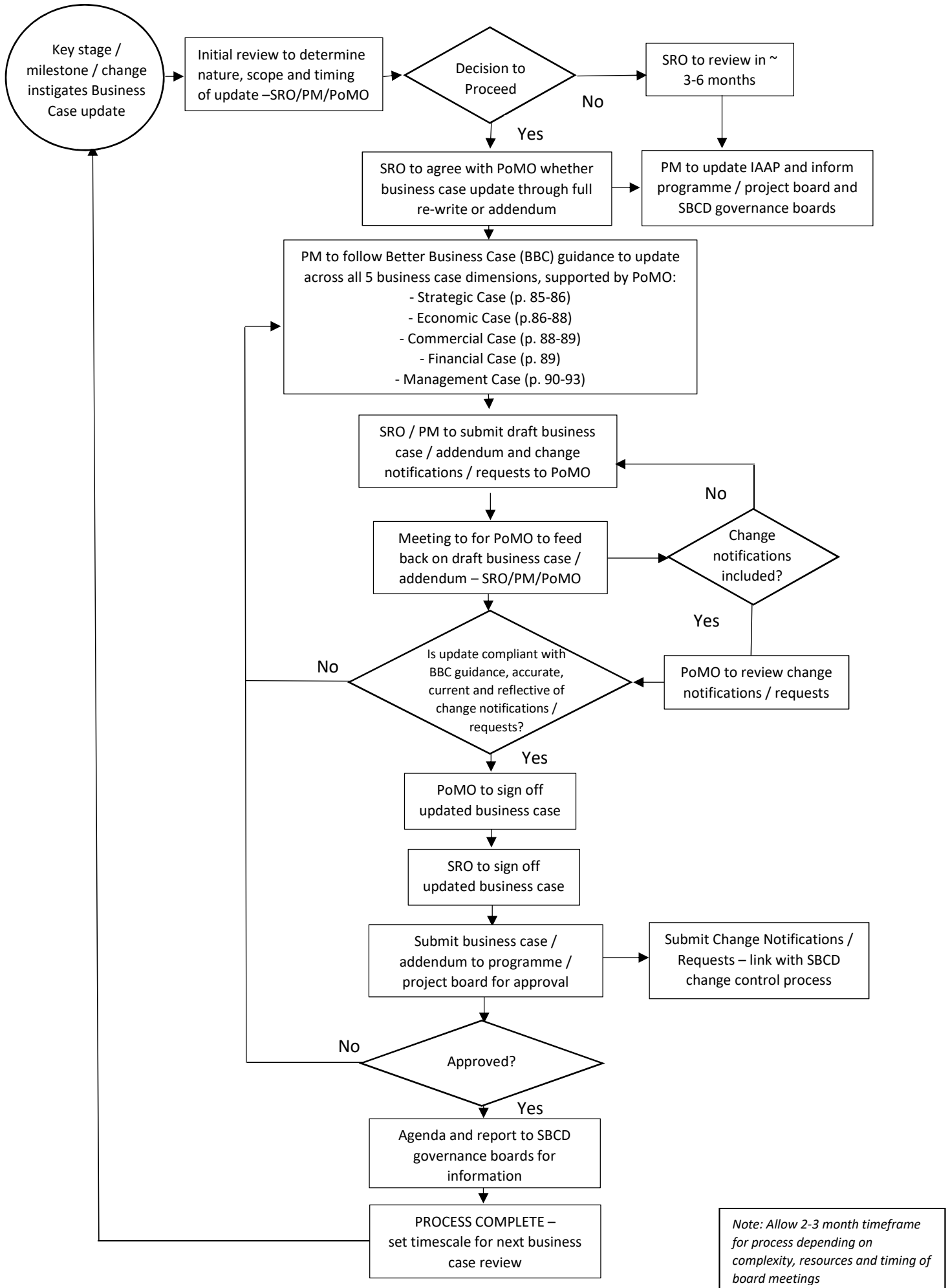
6. Finalise project management arrangements and plans
7. Finalise change management arrangements and plans
8. Finalise benefits realisation arrangements and plans
9. Finalise risk management arrangements and plans
10. Finalise contract management arrangements and plans
11. Finalise Post-Project Evaluation arrangements and plan

4. Roles and Responsibilities

- 4.1. The PoMO will oversee the SBCD business case update process and offer support and advice on updating of business cases.
- 4.2. The PoMO will also ensure timely SBCD governance updates to wider SBCD stakeholders, boards and committees as required, by way of reports and presentations from all projects and programmes.
- 4.3. SROs/Project teams are responsible for updating their business case at appropriate times and reflecting the schedule in their Integrated Assurance and Approval Plan (IAAP) and engaging with their stakeholders, including the SBCD PoMO to outline their approach and timeframes prior to proceeding with a business case update.

5. Approvals

- 5.1. Updated business cases are to be presented for approval to the project or programme governance board by the SRO and reported to the PoMO for information and inclusion to appropriate SBCD governance boards.
- 5.2. All business case changes should be reported through a change notification, outlining the changes made within the update.
- 5.3. If there are significant changes to the business case, the SRO must oversee the completion and reporting of a change request. The change management process is overseen by the PoMO where advice and guidance will be provided, in order to ensure the appropriate level of approval is given to any submitted change request.



Agenda Item 13



Swansea Bay City Region Joint Committee - 10 November 2022

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 Joint Committee: 1) Approves the SBCD Assurance Framework attached at Appendix A and associated Terms of Reference attached at Appendix B
Report Author:	Ian Williams, SBCD Portfolio Development Manager
Financial Officer:	Chris Moore (SEC151 Officer)
Legal Officer:	Tracey Meredith (Monitoring Officer)

1. Introduction

- 1.1 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.
- 1.2 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.
- 1.3 The approach and direction of travel for the portfolio assurance arrangements was agreed by Programme (Portfolio) Board on 30th November which was to be formalised

through the development of a SBCD Assurance Framework. Following further consultation with UK and Welsh Governments, SROs and Project Leads, the Framework was presented to, and approved by, Programme (Portfolio) Board on 1st March 2022. However, following this, the new Welsh Government Head of Office for Project Delivery requested a review of the framework and a subsequent revision of the proposed arrangements within the framework. This has now been undertaken and the attached SBCD Assurance Framework has been endorsed by Welsh Government as representing an effective and workable approach to the assurance of the SBCD portfolio.

2. SBCD Assurance Framework

- 2.1 The revised SBCD Assurance Framework is attached at Appendix A. The main changes to the previous version of the framework are as follows:
- The proposal to develop a regional assurance hub has been removed
 - Emphasis on the Risk Potential Assessment (RPA) form in the initiation and assessment of reviews
 - Business cases updates prior to review emphasised in the process
- 2.2 The revised 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.
- 2.3 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.
- 2.4 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.
- 2.5 Consultation on the framework has been undertaken with SROs and programme / project leads and the WG / UKG City and Growth Deal leads.
- 2.6 The proposed arrangements for independent assurance are shown below.

Level	Assurance Arrangements
Level 1: Portfolio (1)	Gateway 0 – annual review
Level 2: Headline Programme and Project Business Cases (9)	Gateway 0 / Gateways 1-5 / PARs – periodic reviews (scheduled in IAAP) with the option of undertaking Gateway 1-5 to incorporate key decision points of component projects and workstreams

Level 3: Projects and Workstreams (35)	Gateway 1-5 / PARs for high risk / value projects to be undertaken at agreed decision points based on an assessment of the Risk Potential Assessment (RPA) form for the headline programme / project
---	--

- 2.7 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 Welsh City and Growth Deals. Terms of reference of the panel are attached at Appendix B.

Endorsed by Programme (Portfolio) Board 27th September 2022

3. Financial Implications

- 3.1 There are no financial implications associated with this report.

4. Legal Implications

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

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

- 5.1 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 v2.3

Appendix B: Terms of Reference – Assurance Panel

Swansea Bay City Deal Gateway Assurance Framework



Llywodraeth Cymru
Welsh Government

Document Control	
Date:	August 2022
Version:	2.3
Author:	Ian Williams
Owner:	Wendy Walters/Rob Stewart

Contents

- 1. Purpose..... 1
- 2. Background..... 1
- 2.1 Assurance and Gateway Reviews..... 1
- 2.2 SBCD Portfolio, Programmes and Projects 3
- 2.3 Previous Assurance Arrangements 4
- 2.4 SBCD Assurance Context and Issues..... 6
- 3. Delivery of SBCD Assurance Arrangements 7
- 4. Management of Reviews..... 11
- 5. Governance and Oversight 17
- 6. Development and Review 18

- Appendices..... 18
- 1. City and Growth Deal Governance and Assurance Framework... **Error! Bookmark not defined.**
- 2. Portfolio IAAP 18
- 3. Annual Schedule of Gateway Reviews..... 18
- 4. RPA Form Template 18
- 5. SBCD Assurance Panel – Draft Terms of Reference 18

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. It also provides a framework that meets the requirements and expectations of both governments for the external assurance of the 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. 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 provides a tool for the management of 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 projects. 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 portfolio, 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 review 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
- Provision of assurance to the SRO that the programme / project will deliver its aims and objectives.

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 Portfolios / 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 headline business cases have received regional and Government approval and the SBCD Portfolio is now in full delivery.

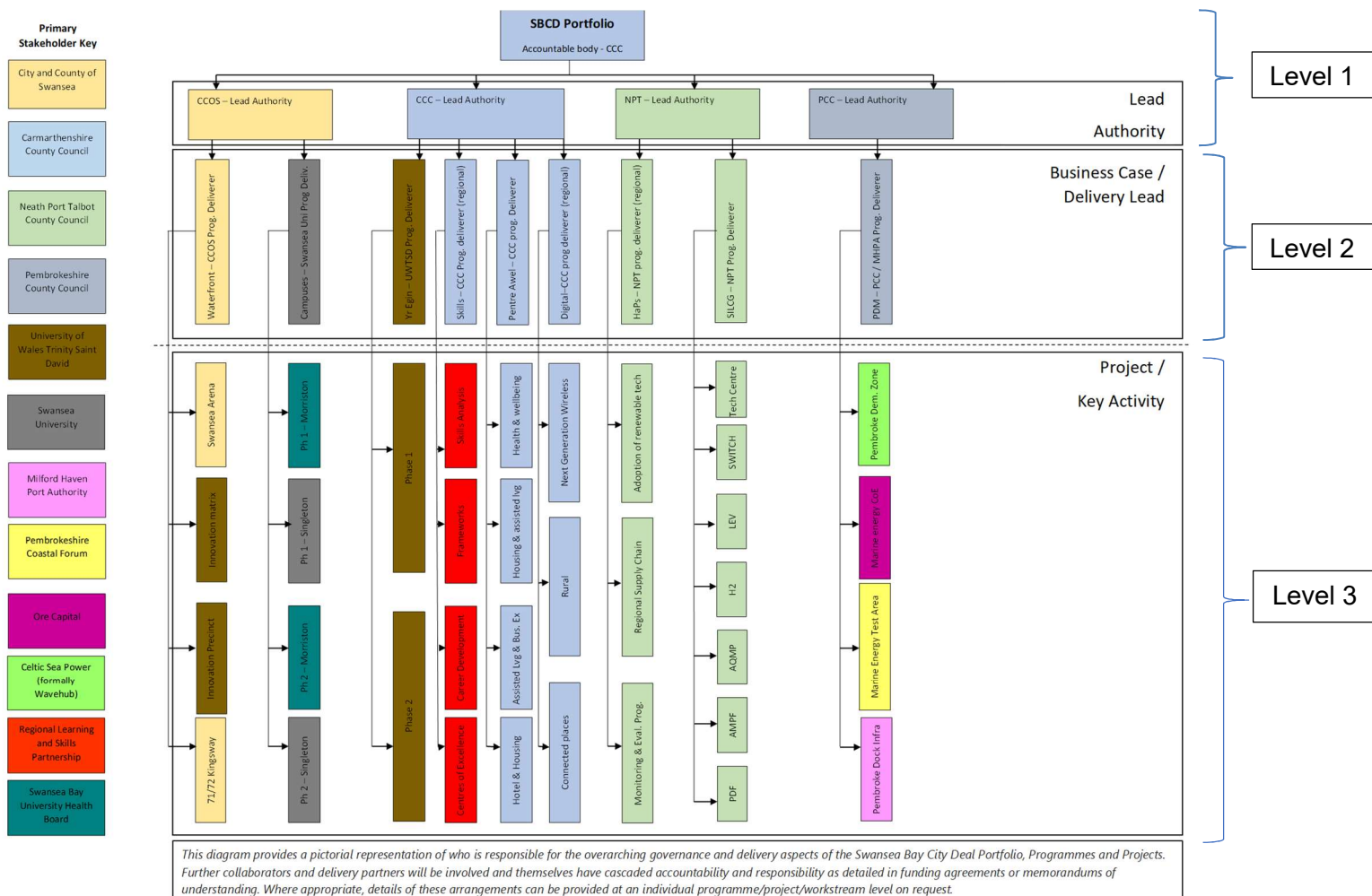
The diagram below illustrates that the component activities of the SBCD fall within one of the following levels:

Level 1 - SBCD Portfolio (1).

Level 2 – Headline Programme and Project Business Cases (9). Led by a SBCD local authority and delivered by either a lead authority or SBCD partner organisation.

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

All the headline business cases (Level 2) within the SBCD portfolio have been approved both regionally and by Governments and the portfolio is in full delivery. The constituent projects and workstreams (Level 3) are at various stages of development and delivery.



2.3 Previous Assurance Arrangements

The SBCD Assurance Framework is aligned to the assurance arrangements that already exist for Welsh City and Growth Deals. These arrangements have been developed in the context of the City and Growth Deal Governance and Assurance Framework. This Framework outlines the appropriate and proportionate application of

best practice governance, assurance and Programme & Project Management (PPM), underpinned by an Integrated Assurance and Approval Plan (IAAP).

The WG Governance and Assurance Framework specifies that programme / project lead organisations must commission Gateway assurance for Portfolios, Programmes and Projects for the SBCD portfolio and set these out within its IAAP. Assurance reports must be shared with the WCGIB as part of assurance oversight. Portfolio/Programme and Project flowchart process maps have been developed and are intended to aid the development of the IAAP. The flowcharts set out an indicative process including planned and potential consequential assurance, key regional delivery partner and Government approval points from discovery through business case development and on into the delivery phase.

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 PoMO has established a Portfolio IAAP, to ensure that the planning, coordination and provision of assurance activities and approval points throughout the City Deal portfolio are undertaken and 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 current Portfolio IAAP and project template is attached at Appendix 1. The annual schedule of Gateway reviews for the portfolio, programmes and projects within the current financial year is included in Appendix 2.

Gateway Reviews are required and undertaken at both a Portfolio business case level and at the 9 headline Programme or Project business case 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 business cases for the programmes and projects there are many constituent projects and workstreams. Some of these are of a high value and risk and are crucial to the success of the headline programme / project and consequently to the success of the Portfolio overall. Previously, there has been 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. The SBCD assurance 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 Programme and Project Business Cases (9)	Gateway 0 / PARs – Reviews undertaken predominantly as part of the defined business case approval process
Level 3: Projects and Workstreams (35)	No current systematic Gateway assurance arrangements across the SBCD Portfolio.

2.4 SBCD Assurance Context and Issues

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). 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 appropriate 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 through the defined Gateway Review process using external Review teams. With the portfolio now being in full delivery there is a requirement for rigorous, effective and frequent assurance activity to ensure that the portfolio has the best opportunity to deliver its defined benefits to the region.

The main challenge to assuring all Level 3 projects is the number of reviews that would need to be completed which would cause significant issues for both the delivery organisations and the IAH relating to:

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

The ability of the assurance community to provide this level of resource placing significant pressure on the existing WG 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. Delivery of SBCD Assurance Arrangements

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.

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 Programme and Project Business Cases (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)	Gateway 1-5 / PARs for high risk / value projects to be undertaken at agreed decision points based on an assessment of the Risk Potential Assessment (RPA) form for the headline programme / project

Programme / project RPAs will be used as a key assessment tool for the WG IAH to determine the appropriate form and level of assurance. When considering projects / workstreams at Level 3, the WG IAH, in discussion with the SRO and PoMO, will recommend what decision points could be blended together in a review e.g. a Gateway 0 for the headline programme blended with a Gateway 3 for a component project. The WG IAH would also recommend which project / workstreams should be

subject to a separate Gateway process and at what decision points a review is undertaken.

This approach will be supplemented by the activities of the PoMO in supporting and reviewing business case development and programme / project delivery throughout the process. For example, based upon a review of a current RPA, the WG IAH may recommend that separate Gateway 3 and 5 reviews are undertaken on a component project at Level 3. The PoMO will then work with the programme / project SRO to ensure that there is robust business case development up to the Gateway 3 stage and that delivery is in accordance with the approved project plan up to the Gateway 5 stage. The SRO will ensure that there is a robust business case and any appropriate amendments are completed in preparation for the Gateway review and that delivery is in accordance with the approved project plan.

The approach outlined represents a robust, workable and proportionate application of formal assurance arrangements for the portfolio.

3.2 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 the process.

<p>Joint SBCD/WG/UKG Assurance Panel</p>	<ul style="list-style-type: none"> • Oversight of SBCD Gateway assurance arrangements • Review and development of the assurance process
<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 the SBCD Portfolio (Levels 1-3) • Provision of training and accreditation for SROs, RTLs, RTMs • Identification and provision of RTLs / RTMs • Review of RPA forms and assessment of assurance needs • Specialist advice on the management of reviews • 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

	<ul style="list-style-type: none"> • Initiation of reviews for Level 1 • Ownership of Portfolio business case
SBCD Portfolio Director	<ul style="list-style-type: none"> • Direct responsibility for the establishment and co-management (with WG IAH) of effective assurance arrangements for the SBCD • Joint SBCD/WG/UKG Assurance Panel representative
SBCD PoMO	<ul style="list-style-type: none"> • Responsible for the establishment and management of the SBCD assurance arrangements • Advice on the management of reviews • Implementation of the Portfolio IAAP • Review of RPA forms prior to submission to WG IAH • Updating of Portfolio business case • Advice on, and review of, business case development • 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 and updating of RPA forms • Ownership and updating of programme / project business cases • Completion of Gateway Review action plan • Implementation of the programme / project IAAP • Financial arrangements for the costs associated with undertaking a review
SBCD Partner Organisations	<ul style="list-style-type: none"> • 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

Reviews will be coordinated by the Welsh Government IAH through the established OGC Gateway process and will follow the agreed process as shown below.

The Portfolio IAAP is the key document for the scheduling of Gateways reviews across the programmes and projects of the portfolio. This document will need to be kept up to date by the SRO and their teams, reported through the established monitoring process and implemented according to the agreed timescales.

The SRO should ensure that the business case is updated prior to a Gateway Review, in accordance with the Better Business Case 5 Case model, to ensure that information is current and sufficient for an effective review to be undertaken.

Initiation of Review

A milestone review of the IAAP for programmes and projects will be the main prompt for the initiation of a review and the type of review to be undertaken. Reviews can be initiated by the programme / project SRO, SBCD PoMO or WG/UKG. The RPA form is the key document for detailing the various risks associated with the programme / project and needs to be completed / updated thoroughly and objectively prior to a review. The SRO will be responsible for the completion and updating of the RPA for submission for initial appraisal by the PoMO and then for assessment by WG IAH. The RPA form template is attached at Appendix 3.

The initiation process should be undertaken at least 12 weeks prior to a scheduled review.

Assessment Meeting

On receipt of updated RPA form, an Assessment Meeting will be arranged by the WG IAH with the programme / project SRO and PoMO 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 Pre-Planning Pack to assist with the preparation for the review. The Assessment Meeting will need to be undertaken 10-12 weeks prior to a scheduled review. During this meeting, the SRO will be advised of the need to produce a Terms of Reference (ToR) for each review. This does not need to be comprehensive, but simply a paragraph that describes the main focus for the review. This will avoid any ambiguity and ensure that both the Review Team and SRO fully understand the parameters of the review. Finally, the SRO will be advised to provide the RTL with any reading material appropriate for the portfolio/programme/project and the ToR, 2 weeks in advance of the Planning Meeting.

Appointment of Review Team

The WG IAH will be responsible for the selection and appointment of the RTL and RTMs for reviews based on the discussion at the Assessment Meeting.

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 from the 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 finalise 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. The PoMO and WG IAH will be in attendance at the Feedback Meeting. A final Review Report will be shared with the PoMO and WG IAH.

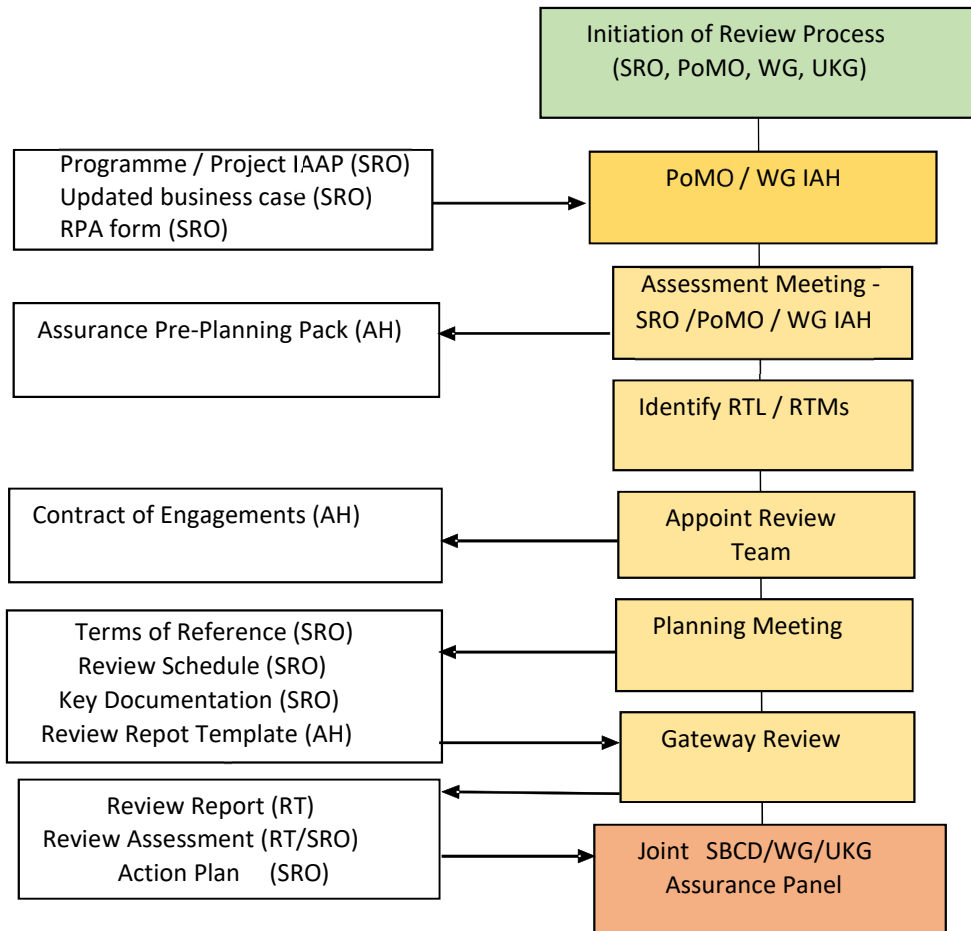
Post Review

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 being undertaken is commonly 10-12 weeks.

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 review. 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 conversations 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.

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.

4.3 Review Team Arrangements

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

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.

4.4 Standards and Quality

Reviews 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, 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.

4.5 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.

This will include the consultant fee for the RTL and the travel and subsistence expenses incurred by the RTL. The WG IAH expenses form will be used to claim back expenses relating to the review.

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

4.6 Documentation

The following documentation will be utilised by the WG IAH in the management and delivery of assurance reviews.

Assessment and Planning

Risk Potential Assessment Form (IAH-RPA)

Assurance Pre-Planning Pack

- Welsh Government Gateway Assurance Guidance
- 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

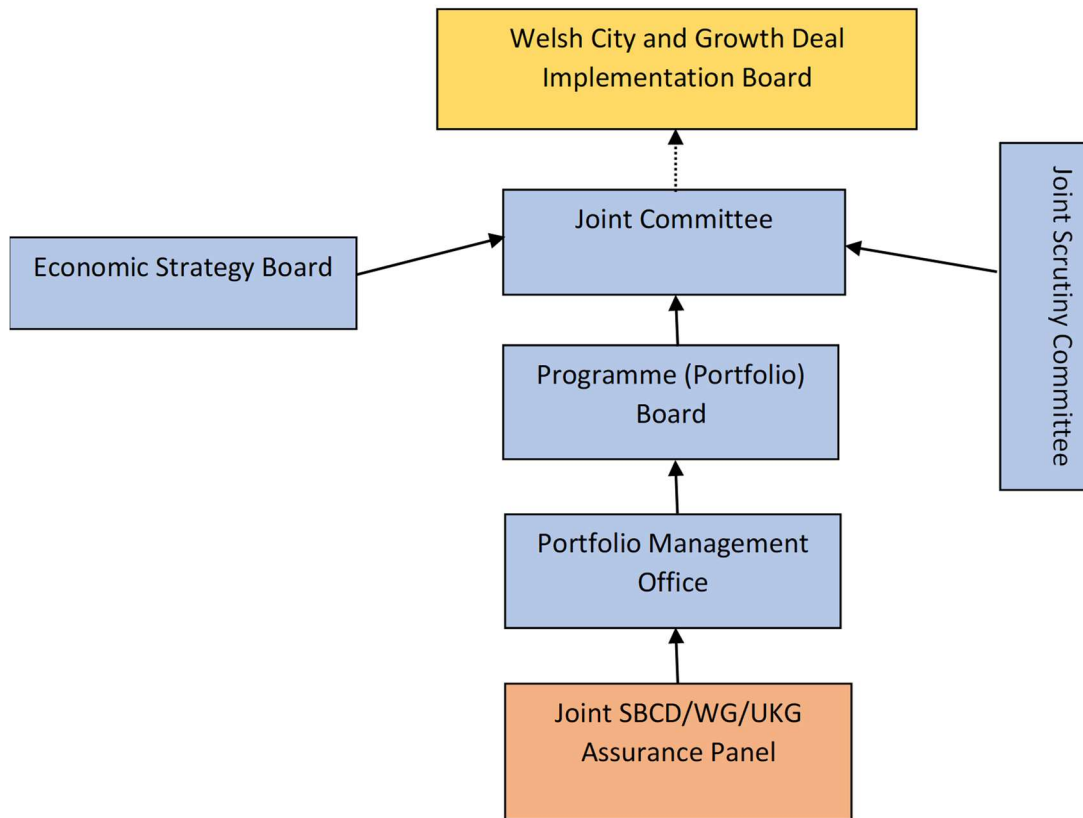
5.1 Joint SBCD/WG/UKG Assurance Panel

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 4. 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 the appropriate level of reviews to be undertaken for programmes and projects
- Ensure the specified standards are met in the 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, identification and facilitation 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 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. Annual Schedule of Gateway Reviews
3. RPA Form Template
4. SBCD Assurance Panel – Draft Terms of Reference

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	15-09-22	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

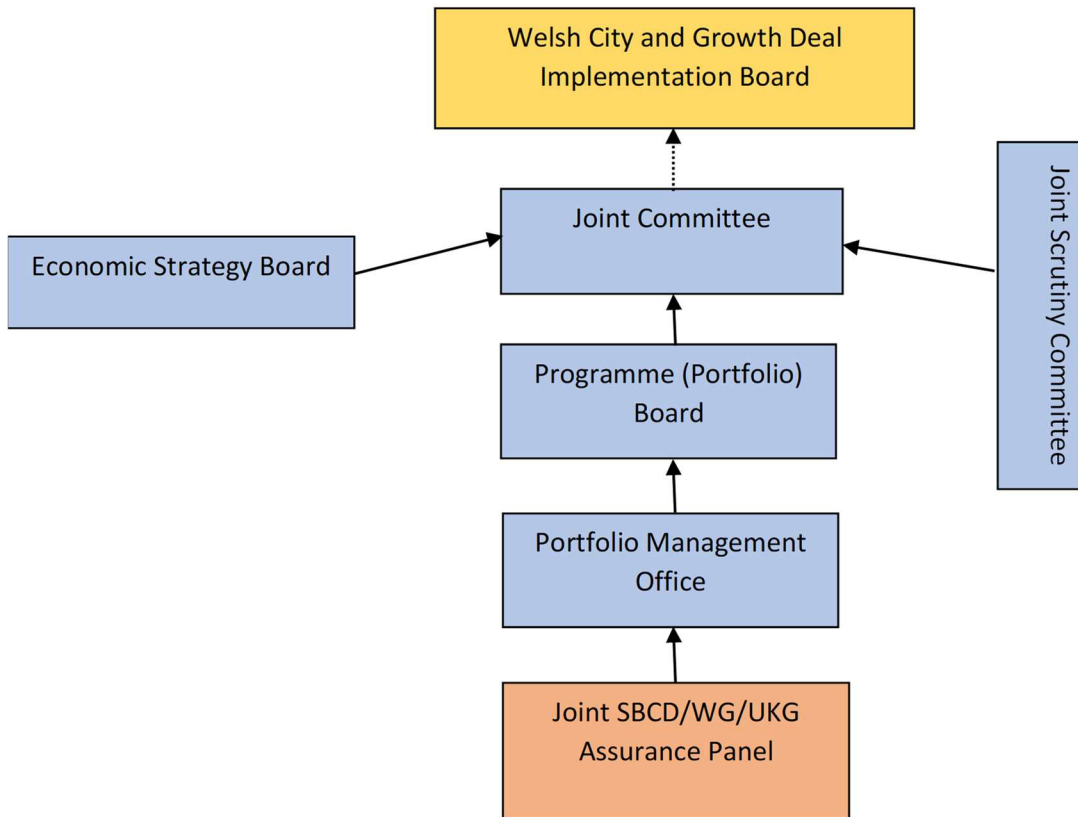
Essential to the successful operation of framework is the establishment of the Joint Assurance Panel. The key remit of the Joint Assurance Panel is to provide oversight of the development and implementation of the arrangements detailed in the SBCD Assurance Framework. The Panel will ensure that the management 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 – 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 14



Swansea Bay City Region Joint Committee - 10 November 2022

Portfolio Gateway Review and Action Plan

Purpose:	To inform on the outcome of the Portfolio Gateway Review and to agree the Action Plan in response to the review recommendations
Policy Framework:	Swansea Bay City Deal (SBCD) Joint Committee Agreement (JCA)
Consultation:	Joint Committee Programme Board
Recommendation(s):	It is recommended that: 1) Joint Committee notes the outcome of the Portfolio Gateway Review and approves the Action Plan attached at Appendix A as the response to the review recommendations (Appendix B)
Report Author:	Ian Williams, SBCD Portfolio Development Manager
Financial Officer:	Chris Moore (SEC151 Officer)
Legal Officer:	Tracey Meredith (Monitoring Officer)

1. Introduction

- 1.1 The SBCD Portfolio Gateway Review Action Plan available in Appendix A has been developed in response to the recommendations made in the Gateway 0 review undertaken in July 2022.

2. Background

- 2.1 As part of the assurance arrangements for the SBCD Portfolio, an independent Gateway 0 Review was undertaken in July 2022.
- 2.2 The Review was undertaken by an independent, external team in accordance with the Welsh Government Integrated Assurance Hub Guidelines. Seventeen 'conversations' were held with stakeholders between 20th-22nd July together with a workshop session with the local authority Leaders.

2.3 The SBCD Portfolio received an Amber-Green Delivery Confidence Assessment (DCA) rating. The summary finding of the Review were:

1. The SBCD Portfolio continues to make progress and is well-regarded across many stakeholder groups
2. The establishment of the PoMO and the dedication and support from Joint Committee has been key to progress
3. The leadership of the individual programmes and projects has been key to successful delivery to date. There is a desire to ensure that 'the whole is greater than the sum of the parts'
4. The operating environment has become more difficult over the last 12 months presenting risks that are largely outside the control of the Portfolio. All reasonable measures to strengthen its position and be proactive in the event of difficult choices are being made

2.4 The Review Team made four recommendations to the Portfolio SRO to ensure that the portfolio is positioned for effective management and delivery. The recommendations covered the development of business cases, the monitoring of costs and benefits, access to PoMO intelligence and the use of clear language and executive summaries in reporting. The full Review report is attached as Appendix B. The next Gateway 0 Review for the Portfolio will be held in July 2023.

3. Gateway Review Action Plan

3.1 The Portfolio Gateway Review Action Plan provides detail on the specific actions required to fulfil the four recommendations of the review together with the timing, ownership, status and dependencies for each action.

3.2 To facilitate the completion of the Action Plan recommendations, the PoMO is engaging with partners across the Portfolio through its governance meetings and targeted engagement. Progress on implementing the Action Plan will be reported to future Programme (Portfolio) Board meetings. The completed Action Plan will also be forwarded to UK and Welsh Governments with the updated Portfolio Business Case in March 2023 in readiness for the next drawdown of City Deal funding.

4. Financial Implications

4.1 There are no financial implications associated with this report. Recommendations from the previous AOR and gateway review have been implemented.

5. Legal Implications

5.1 There are no legal implications associated with this report.

Background Papers: None

Appendices:

Appendix A: Gateway 0 Action Plan

Appendix B: Gateway 0 Review Report July 2022

ID	Recommendation	Priority	Actions	Target Date	Lead	Sign Off	Status	Dependencies	Update
Gate001	Ensure that individual Business Cases are maintained as live governance tools to keep pace with changing dynamics of the operating environment.	Recommended	PoMO to meet with all programme / project leads to advise on requirements for business case updates Guidance on business case update process to be developed by PoMO Scheduling of business case updates included in programme / project IAAPs	End of Dec 2022 & Ongoing	IW	PB/JC	In Progress	Programme / project resource. Timing of key milestones / stages / changes to programmes and projects	Ongoing meetings between PoMO and programme / project leads Guidance on business case update process developed and to be considered by Programme Board 27/09/22 Programme / project IAAPs being continually monitored and updated by PMs and reported quarterly to detail the business case updates schedule
Gate002	Embed active monitoring of costs across the Portfolio and map against the benefits profiles, to inform any downstream prioritisation or re-phasing options.	Recommended	Financial monitoring and benefits realisation reporting on a quarterly basis Utilise SBCD change management process to identify, report and approve project / programme business case downstream prioritisation and rephasing options Note: Due to the nature of the SBCD portfolio including the annual drawdown of City Deal funds until 2033, timescales involved in delivery and allocation of funds to defined business cases across multiple delivery organisations, the prioritisation or rephasing options across projects and programmes would not be practicable.	End of Dec 2022 & Ongoing	RA/PR	PB/JC	Completed	Project and programmes to engage with monitoring processes and bring forward accurate, timely and robust proposals	Monitoring schedule for quarters 2,3 and 4 in place for 2022/23 PoMO actively engage with PMs and SROs on the change management process
Gate003	Increase access to PoMO intelligence and data for individual Projects, to facilitate proactive analysis and options planning, thus tightening the governance links and improving speed and quality of decision making.	Recommended	Implementation of P3M software Revision and development of existing portfolio dashboard Sharing and updating governance arrangements and logistics of board meetings	End of Sept 2022 & Ongoing	PR	PB/JC	In Progress		P3M software procurement complete. Initial development of baseline information and templates ongoing with planned rollout for live use in October 2022 Following rollout of P3M software to the programmes / projects, information should be received by the portfolio office in almost real time, allowing for quicker intervention PoMO has updated governance arrangement schedule to all stakeholders in August. JC forward work plan to be updated and reported in September
Gate004	Enhance the clarity of reports and communications through increased use of plain, clear language and executive summaries.	Recommended	PoMO to review previous covering reports and obtain feedback from Monitoring Officer and Sec 151 Officer PoMO to provide guidance for authors of reports and ensures all stakeholders involved in the approval process of documents for use of plain, clear language and executive summaries	End of Sept 2022 & Ongoing	PR	PB	In Progress		Review process to be initiated for SBCD governance groups



OGC Gateway™ Review 0: Strategic assessment

Portfolio Title:	Swansea Bay City Deal
IAH ID number:	AH/22/017

Version number:	V1.0 FINAL
Senior Responsible Owner (SRO):	Wendy Walters
Date of issue to SRO:	25/07/2022
Department/Organisation of the Programme	Swansea Bay City Region
Review dates:	20/07/2022 to 22/07/2022
Review Team Leader:	David Wilkin
Review Team Members:	Gez Martin Andy Thomas
Previous Review:	Gateway 0 19/07/2021 to 21/07/2021 Delivery Confidence Assessment – Amber/Green
Security Classification:	Official

This assurance review was arranged and managed by:

Welsh Government Integrated Assurance Hub (IAH)

Cathays Park 2

Cathays

Cardiff

CF10 3NQ

1.0 Delivery Confidence Assessment (DCA)

<u>Delivery Confidence Assessment:</u>	Amber/Green
<p>The Review Team finds that the Swansea Bay City Deal Portfolio continues to make progress and is well-regarded across many stakeholder groups.</p> <p>The establishment of a professional, well-resourced Portfolio Management Office (PoMO) has been key to progress, as has the evolution of the governance arrangements and continued support from the Joint Committee. It is also evident that the leadership of the individual programmes and projects has been key to successful delivery thus far and there is a keenness to ensure that 'the whole is greater than the sum of the parts'.</p> <p>Funding from UKG and WG is on stream and there may be opportunities to accelerate delivery, resources and skills permitting, as one component to combat inflationary pressures, particularly in the construction industry.</p> <p>The Portfolio remains aligned with both UKG and WG policies and is perhaps even more important in the post-pandemic economic recovery; contributing to the long-term sustainable skills and prosperity of the region. That said, the operating environment has become even more difficult in the past 12 months; presenting risks that are largely outside the control of the Portfolio, and the PoMO is taking all reasonable measures to strengthen its position and be proactive in the event of difficult choices.</p> <p>The Review Team makes a small number of good practice recommendations in the areas of:</p> <ul style="list-style-type: none">• Business Case(s) maintenance;• Benefits Management;• Information access; and• Clarity of language <p>In summary, at Portfolio level, the SBCD is in good shape in the face of significant challenge.</p> <p>It should be noted that the Delivery Confidence Assessment does not imply that all programmes and projects within the portfolio discretely carry the same rating: they are subject to their own, more detailed Assurance via individual Gateway Reviews.</p>	

The Delivery Confidence assessment RAG status should use the definitions below:

RAG	Criteria Description
Green	Successful delivery of the programme to time, cost and quality appears highly likely and there are no major outstanding issues that at this stage appear to threaten delivery.
Amber/Green	Successful delivery appears probable. However, constant attention will be needed to ensure risks do not materialise into major issues threatening delivery.
Amber	Successful delivery appears feasible but significant issues already exist requiring management attention. These appear resolvable at this stage and, if addressed promptly, should not present a cost/schedule overrun.
Amber/Red	Successful delivery of the programme is in doubt with major risks or issues apparent in a number of key areas. Urgent action is needed to ensure these are addressed, and establish whether resolution is feasible.
Red	Successful delivery of the programme appears to be unachievable. There are major issues which, at this stage, do not appear to be manageable or resolvable. The programme may need re-baselining and/or overall viability re-assessed.

2.0 Summary of Report Recommendations

The Review Team makes the following recommendations which are prioritised using the definitions below:

Ref. No.	Recommendation	Urgency (C/E/R)	Target date for completion	Classification
1.	Ensure that individual Business Cases are maintained as live governance tools to keep pace with changing dynamics of the operating environment.	R - Recommended	End of Dec 2022 & Ongoing	8.2
2.	Embed active monitoring of costs across the Portfolio and map against the benefits profiles, to inform any downstream prioritisation or re-phasing options.	R - Recommended	End of Dec 2022 & Ongoing	5
3.	Increase access to PoMO intelligence and data for individual Projects, to facilitate proactive analysis and options planning, thus tightening the governance links and improving speed and quality of decision making.	R - Recommended	End of Sept 2022 & Ongoing	3.2
4.	Enhance the clarity of reports and communications through increased use of plain, clear language and executive summaries.	R - Recommended	End of Sept 2022 & Ongoing	3.5

Critical (Do Now) – To increase the likelihood of a successful outcome it is of the greatest importance that the programme should take action immediately

Essential (Do By) – To increase the likelihood of a successful outcome the programme/ project should take action in the near future.

Recommended – The programme should benefit from the uptake of this recommendation.

3.0 Comments from the SRO

I am again grateful to the Review Team for a thorough and informative review. It is particularly welcome that the review report recognises the good progress made by the Portfolio over the last 12 months, with all programmes and projects now approved and tangible benefits being realised.

It is reassuring that the Review Team have recognised that the establishment of a professional, well-resourced Portfolio Management Office (PoMO) has been key to progress, as has the evolution of the governance arrangements and continued support from the Joint Committee. I am also grateful for the recognition that the leadership of the individual programmes and projects has been key to successful delivery so far.

The acknowledgement that the Portfolio is in good shape to meet the difficult economic environment is encouraging, noting that the risks associated with economic recovery will be difficult to fully mitigate throughout delivery. Myself, and the wider City Deal team, will strive to ensure that the Portfolio is strengthened to meet these challenges and to deliver its benefits to the communities of the region. We will do this together as a team and ensure that momentum is maintained as the Portfolio moves further into delivery over the next 12 months.

The four recommendations within the report, and the other advisory comments, will be shared, discussed and implemented with our key stakeholders. More specifically we will ensure that all projects and programmes are updating their business cases which will be aligned to fluctuating costs, re-profiling options and benefits realisation.

The Review report and outcome provides the assurance to me as SRO, the City Deal team and all our stakeholders that the Portfolio is well positioned, whilst clearly highlighting the significant challenges ahead.

Finally, I would like to thank the Review Team for the professional, constructive and thorough manner in which the Review was undertaken.

4.0 Background

The background and aims of the Portfolio are set out in the Portfolio Business Case (March 2022).

Background

The Swansea Bay City Deal (SBCD) was agreed between the UKG, the WG and the four Swansea Bay City Region (SBCR) 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 create over 9,000 jobs.

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 will co-ordinate collective action and identify routes and initiatives to respond to the structural challenges that are holding back the SBCR economy.

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

Strategic Driver

The strategic context for the Swansea Bay City Deal was originally framed within the Swansea Bay City Region Economic Regeneration Strategy 2013 – 2030, an ambitious strategic framework to support South West Wales and its future economic development. The document sets out that framework, which is intended to stimulate and shape the work of all our stakeholders as we come together behind a common vision, to enhance the long-term prospects of our City Region economy, its businesses, and communities. 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 SBCD Portfolio is fully aligned with the strategic aims and objectives of the Economic Delivery Plan.

The SBCD Portfolio consists of 9 programmes and projects that together will have a significant impact on the regional economy in terms of Gross Value Added (GVA) and jobs created. The Portfolio is to be delivered over a 15 year timescale 2017-2033.

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 table below shows the intended economic impact of each of the 9 programmes and projects:

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		
Life Science, Well-being and Sport Campuses	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

Current position regarding previous assurance reviews:

This is the third Gateway Review of the Portfolio. The recommendations of that review have been actioned.

A summary of recommendations, progress and status from the previous assurance review can be found in **Annex C**.

5.0 Purposes and conduct of the OGC Gateway Review

The primary purposes of a Gateway Review 0: Strategic assessment are to review the outcomes and objectives for the programme (and the way they fit together) and confirm that they make the necessary contribution to Ministers' or the departments' overall strategy.

Annex A gives the full purposes statement for a Gateway Review 0.

Annex B lists the people who were interviewed during the review.

6.0 Acknowledgement

The Review Team would like to thank all participants for their contributions to this review. The assistance provided by Ian Williams was particularly appreciated.

7.0 Scope of the Review

This is a mid-cycle Gateway 0 Review.

Additionally, the Review Team was given a number of areas for focus:

1. Review progress on the previous Gateway recommendations
2. Arrangements for the delivery and operational phases of the Portfolio including ongoing assurance arrangements and the development of business cases
3. Arrangements for monitoring and securing the anticipated private sector investment in the delivery and operation of the programmes and projects
4. How the programmes and projects are addressing the challenges of funding and designing the physical infrastructure post Covid and in the context of increases in construction costs
5. Recommendation on the purpose and role of the PoMO in the delivery phase and moving into the operational phase
6. Portfolio governance and reporting arrangements, particularly:
 - benefits realisation
 - change control
 - risk / issues
 - audit and scrutiny

8.0 Review Team findings and recommendations

8.1: Policy and business context

The Swansea Bay City Deal (SBCD) is jointly funded by the UK Government (UKG) and Welsh Government (WG) as a Capital Scheme and is subject to robust governance being enacted for the Region. In this case, the Region is defined as the geographical area covered by four Local Authorities (LAs):

- City and County of Swansea Council;
- Carmarthenshire County Council;
- Neath Port Talbot County Borough Council; and
- Pembrokeshire County Council.

The SBCD is firmly anchored in supporting overarching policy intent for both UKG and WG. SBCD supports UK Government strategies including the Industrial Strategy and Clean Growth Strategy, as well clear alignment with Wales' Wellbeing of Future Generations Act.

The Portfolio is complex in its content, and needs to be delivered against a changing political backdrop in both Governments, further exacerbated by the advent of Covid-19 and the inevitable economic challenges that will present. SBCD is scoped to be delivered over a 15-year period, during which many events could influence investment priorities: the structure and control of the Portfolio will need to cater for momentum to be maintained through periods of change, yet also provide the ability to absorb change in emphasis according to the prevailing strategic direction.

In the context of Covid-19, there is much talk of the need to invest in infrastructure to revive the economy. As such, Portfolios such as SBCD would appear to be strong candidates to receive firm support from both UKG and WG.

8.2: Business Case and stakeholders

Business Case Status

The Portfolio Business Case acts as a strategic 'wrapper' for the Programmes and Projects within SBCD. Each Programme/Project (Pg/Pj) Business Case justifies the case for their respective investments and funding requirements. Each Business Case follows the standard 'five case' model.

The Portfolio Business Case has been approved by both UKG and WG. It is important now that the Portfolio Business Case is used routinely by the Programme Board and Joint Committee to maintain alignment with strategic priorities and evolving operational environment changes.

All nine constituent Pg/Pj now have approved business cases and many of the Pg/Pj are into delivery. In the intervening 12 months since the last Gateway Review, the economic context of the Portfolio has worsened significantly, with inflationary pressures threatening the affordability of many aspects of daily life. Those pressures are highly likely to have a direct impact on the Portfolio, potentially both negatively and positively, and this will need to be a constant factor throughout the delivery of the constituent Pg/Pj and the balancing of priorities within the Portfolio.

As residents in West Wales now have the option of taking up employment elsewhere (e.g. London) in the post-Covid hybrid-working era, this could have a positive effect (in that they do not leave) and a negative effect (in that they do not participate in local employment and growth). Constant prominence of the SBCD and its progress will be needed to ensure that the 'what's in it for me' message highlights the outcomes and benefits for businesses and individuals in both the short and long term. In short, the Business Case needs to be maintained as the fundamental basis for the investment as the costs and subsequent benefits impact change over time.

As the economic context evolves, all Pg/Pj will need to be alert to potentially changing scope, timelines and costs that could affect the validity of their respective business cases; and the Portfolio will need to focus on maintaining cross-Pg/Pj dependencies and the benefit contributions of each Pg/Pj to the strategic intent. The Review Team observes that the Portfolio Management Office (PoMO) has in place a Change Control mechanism that appears to be bedding in and still has opportunities for further tuning as all Pg/Pj get up to speed. The Review Team supports the view that business cases are not there simply to achieve approval, whereupon they become 'shelfware'; rather that they should be used as live control tools and a key feature of Portfolio and Pg/Pj governance.

The Portfolio is well placed for the delivery and operational phases, including assurance and ongoing development/evolution of business cases. An Integrated Assurance and Approval Plan (IAAP) is in place. Notwithstanding some teething troubles in the early years of the Portfolio establishment, the mechanisms now work well and there is broad support across the investor/authorising and Pg/Pj community.

Recommendation 1: Ensure that individual Business Cases are maintained as live governance tools to keep pace with changing dynamics of the operating environment. (Recommended)

Funding

The funding mechanism for SBCD is not directly linked to the approval of individual Pg/Pj business cases. The SBCD is a 15-year Portfolio of work, and has been running for approx. 4 years with a total funding envelope of £241m from UKG/WG. This funding is to be released in annual tranches, to fund across all projects in the SBCD Region.

The WG element of the funding remains over 15 years, but UKG funding element has been compressed from 15 years to 10 years with the total funding amount remaining unchanged. This has the potential to enable Pg/Pj to progress more rapidly and bring forward benefits realisation; particularly relevant in the increasingly difficult inflationary environment. In practice, whilst funding might be available, it could prove difficult to spend it if the Pg/Pj cannot staff necessary positions to make progress in an accelerated timeframe and if labour cannot be sourced to progress Pg/Pj; this would be an opportunity cost and ought to feature in staffing options considerations. It would be logical to spend a little more on the right skills sooner to derive benefits early, rather than to be hamstrung by recruitment policies that stifle innovation & progress and dilute successful delivery.

The Review Team was told that funding has been accrued from the four annual increments and that it has been allocated to constituent Pg/Pj. The compression of the UKG element is particularly helpful for those Pg/Pj that would otherwise have required lead LAs to seek borrowings to cover the mis-match between Pg/Pj delivery timetables and the funding flow.

The Review Team is of the view that the Portfolio needs to delegate and empower to the respective Pg/Pj SROs but also needs to maintain a dynamic view across the SBCD. This should ensure that benefits are optimised and that delays or rising costs in Pg/Pj can be assessed in the context of potential re-balancing – either to surge resources to bring a Pg/Pj back into profile or potentially the opposite; to pause and re-focus elsewhere in the Portfolio. Active benefits profiling and tracking, alongside cost monitoring and projection, will be core disciplines required throughout the delivery phase. Some interviewees expressed a perception that funding processes are somewhat rigid and could impede flexibility across the Portfolio. Conversely, the Review Team also heard that there is a willingness to re-prioritise and re-profile as required. It would be prudent for the PoMO to agree protocols with Pg/Pj SROs to be enacted in the event of Pg/Pj running into problems with inflation, labour shortages, planning etc.

In addition to the public sector funding, the delivery of the SBCD is predicated on private sector contributions. The Review Team was made aware that for some Pg/Pj that private sector funding is profiled at the 'back end', potentially increasing the risk exposure for Pg/Pj completion should it not materialise. Additionally, in the inflationary environment, there is the potential for changing appetite amongst private sector investors as their appetite for SBCD either grows (as they see the accelerated benefit), or wanes (as their ability to afford it decreases). These are well-known factors within the Portfolio and are somewhat outside control; securing anticipated private sector investment is more likely to be achieved through influence and communication. From interviews, it is unclear 'whose job it is' to excite and incentivise the private sector; the PoMO, or the individual Pg/Pj. In truth, it is probably everyone, but it would be prudent to agree a consistent approach. A good start is already evident (e.g. Parc Y Scarlets event). The Review Team heard encouraging narrative during interviews and focus will need to be maintained to keep private sector engaged and committed.

Stakeholders

The SBCD stakeholders include (but are not limited to):

- UKG and WG;
- Local Authorities;
- Universities;
- Private Sector;
- Health Boards; and
- The Public.

The Review Team interviewed a cross-section of stakeholders and found a continued strong support for the SBCD. In the context of a 'cost of living crisis', there is heightened awareness that the Portfolio needs to demonstrate prudent spending of public money by avoiding lavish events yet creating forums for effective communication.

The Review Team heard that the engagement events arranged by the PoMO have been highly beneficial in terms of enabling stakeholders to explore opportunities for added benefits through connecting with other projects, and that there was a desire for further engagement events. As delivery gets underway, tangible progress can be seen and it will be important to reinforce those positive messages to build and maintain momentum, attract staff and motivate investors. Interviewees expressed support for engagement beyond the SBCD where there might be opportunities for synergies, sharing of ideas and building relationships; this does of course have to be balanced with the avoidance of scope creep.

The four LAs are key stakeholders both in the delivery of, and benefit from, the SBCD. Several interviewees observed that some of the Pg/Pj are somewhat self-contained and that there is a tendency for artificial barriers across LA boundaries to create a degree of silo working which could be to the

detriment of the regional approach that the SBCD is supposed to take. It would be prudent for the PoMO and all Pg/Pj SROs to make consistent effort to break down those barriers and reinforce the collaborative and collegiate nature of working relationships required to optimise delivery across the region.

8.3: Management of intended outcomes

Outcomes & Benefits

The Portfolio investment Objectives include a number of targeted outcomes as shown below:

1. 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. To increase the Swansea Bay City Region GVA by £1.8-2.4 billion through the SBCD by 2033 and contribute to the region achieving 90% of UK productivity levels by 2033
3. To deliver a total investment in the region of £1.15-1.3 billion in the South West Wales Regional economy by 2033

In addition to the above outcomes, the City Deal will also have wider social and economic benefits at both a programme wide and project specific level. The full detail of all City Deal outcomes and benefits will be set out in a Monitoring and Evaluation Plan that will provide details on the capturing, monitoring and evaluation of key information throughout the City Deal programme.

The Review Team heard that in the preceding year, the Portfolio generated 500 FTEs – a significant success in the face of adversity, and that this has buoyed optimism and energised stakeholders. The Review Team observed that stakeholders appeared a little less clear about the impact of the pressures mentioned earlier on benefits in the medium to longer term, and whilst budgets have been reprofiled, it appears that there is a need to optimise benefits tracking, and a BCM network function may be able to support such efforts by driving and challenging projected benefits and outcomes.

Further to the recent, highly successful engagement events, interviewees expressed a desire to organise further events, to rouse interest, maintain buy-in, and publicise successes and benefits of the City Deal for the region. This is particularly important for private sector investment, which has been lagging and has been significantly reprofiled. The Review Team heard that private sector investment is expected to follow public sector investment, but it is essential to engage businesses and investors early on to ensure they can consider, offer feedback on whether Pg/Pj are a good fit with individual business ambitions, and to allow them to plan longer-term. The Review Team heard that interviewees are well aware and sensitive to this, especially given the ongoing macro-economic pressures of inflation, labour shortages, and a volatile political and global trade context which impact on the Portfolio. Interviewees noted that bodies such as Industry Wales may be in a position to support the City Deal leadership and stakeholders in this effort, and that this would be highly welcomed.

Interviewees noted that they feel there is some flexibility within the financial and legal arrangements for the Portfolio to allow Pg/Pj to be rescoped and reprioritised should progress (or lack thereof) justify such action, but that the structure of the Portfolio – with individual Pg/Pj lead by individual Local Authorities – mean that local political priorities may not align. The Review Team heard that the emphasis therefore would be on refreshing and rescoping Pg/Pj within their existing envelopes rather than across the Portfolio. This means that cross-Portfolio optimisation is not likely, which may impact on long-term outcomes and benefits for the region as a whole.

Overall, stakeholders expressed high confidence in current delivery, and were satisfied with the momentum of the Portfolio. However, the Review Team also heard that there is a level of frustration that only large contractors are likely to bid for significant contracts whilst there are many smaller local suppliers who might want to get involved; interviewees noted that this situation is mitigated somewhat by engineering procurement requirements to request successful bidders to include a percentage of smaller and local businesses in their supply chains.

The Review Team heard that interviewees perceive Digital and Skills and Talent as truly cross-cutting, with links between other Pg/Pj in the Portfolio more tentative though interviewees acknowledged that there may be overlaps and synergies which are currently not fully exploited to maximise benefits and outcomes. Whilst interviewees expressed a clear desire to engage with those cross-cutting Pg/Pj along with relevant ideas and activities, it was not entirely clear how this would be deepened and expanded. Overall, interviewees expressed a desire for 'thinking space' alongside the necessary processes, to work together creatively across Pg/Pj to develop ideas on a range of themes such as engagement, synergies and complementary activities to support both delivery and promotion of benefits produced by Pg/Pj and the Portfolio. The Review Team is of the view that, for this to be successful, benefits need to be actively tracked in relation to costs.

The Review Team heard from several interviewees that access to a skilled and work-ready pool of labour is an essential consideration for businesses and investors (and therefore for attracting private sector investment), and that training and qualifications are considered both from an immediate and longer-term, sustainable perspective. Interviewees noted that Welsh language requirements can have an impact on recruitment. There were, however, suggestions that a long-term view should be prioritised earlier in the Portfolio lifecycle to build, develop and retain local talent. Training cuts across all projects in the Portfolio and interviewees viewed Skills and Talent as a service provider across the Portfolio.

Skills and Talent has established long term links with employers, trainers, educational establishments at all levels – schools, Further Education and Higher Education – and this needs to be exploited as much as possible to attract local talent to the City Deal region. This links with the objectives of the whole Portfolio by increasing longer-term skills, aspirations and prosperity in the area.

The long-term ambition of creating sustainable skills and talent pathways highlights further the need for proactive, long-term tracking of benefits and impacts. Overall, the Review Team heard that efforts are made to track benefits and the impact of factors such as compressed funding timescales and changing of budget profiles (e.g. the reduction of UKG funding timescales from 15 to 10 years), inflation, and labour shortages on benefits realisation. Interviewees clearly recognised that this is difficult across a highly complex portfolio with many 'moving parts', and work is ongoing to refine this. Interviewees also recognised that there may be scope to strengthen the evidence regarding causal links between factors impacting on benefits, and outcomes, the time lags between investment and benefits materialising, and to refine and strengthen some of the data on which such modelling / tracking is based; this may also be useful when approaching private sector investors.

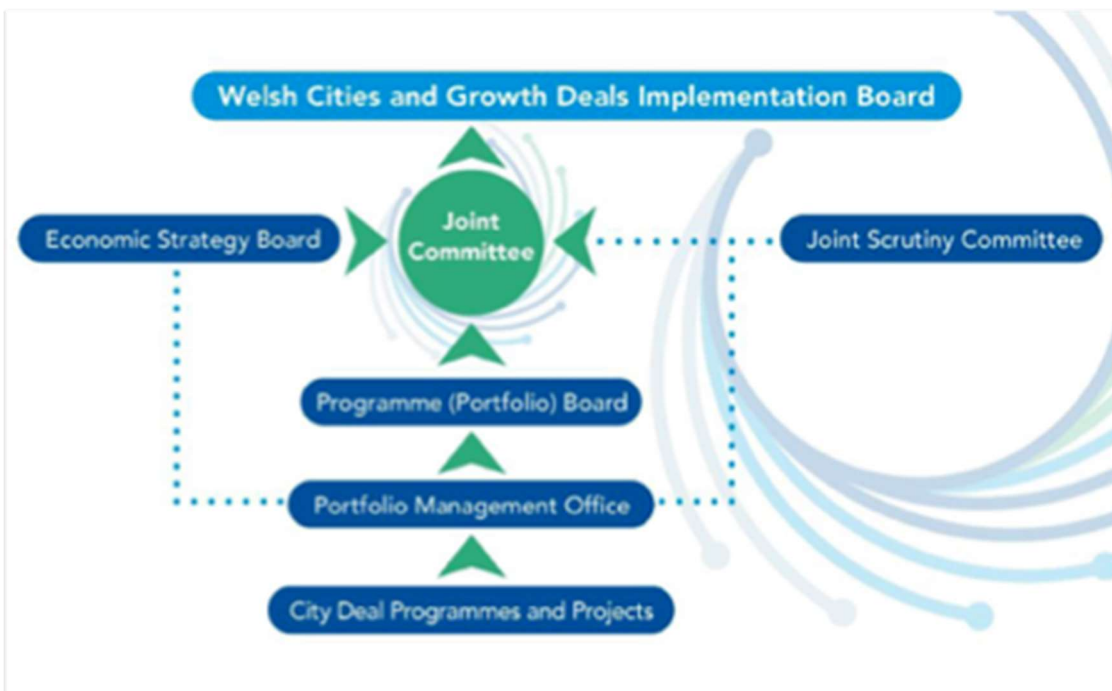
Interviewees were aware of the importance of monitoring benefits and the impact of pressures arising from inflation, the rise in construction costs, labour and skills shortages on progress. The Review Team believes that active benefits tracking would support an agile approach to reprioritising / rescoping of projects and the movement of resources to support projects across the portfolio in a way that optimises the portfolio as a whole to deliver the intended outcomes. The Review Team is also of the view that it would be beneficial for Local Authority leads to look beyond traditional, Local Authority boundaries when considering progress not necessarily only of individual projects, but the Portfolio as a whole with this in mind, and also 'sell' the benefits of the Portfolio as a whole in terms of local impact ('the whole is more than the sum of its parts') but this would need to be specific, tangible, and relatable for the audience, and

clearly needs to be set in the local political and policy context to have traction. There could be a role for the PoMO in providing Local Authority leaders with regular, 'plain English' success stories from a Portfolio perspective, augmented by information from a local, Pg/Pj perspective, to support Local Authority leaders in this effort.

Recommendation 2: Embed active monitoring of costs across the Portfolio and map against the benefits profiles, to inform any downstream prioritisation or re-phasing options. (Recommended)

Governance

The governance arrangement for the SBCD Portfolio is shown diagrammatically below:



Interviewees noted that governance has matured significantly since the previous Portfolio review, and was generally seen as appropriate, mostly pragmatic and working well, although there were instances where communication and governance processes were not always as clear and timely as they could be. There was evidence from some areas that governance can also be perceived as added bureaucracy which can hinder delivery and extend decision making timescales. Interviewees noted that the PoMO carried out its functions well though that sometimes it felt somewhat too process-driven. Interviewees praised the progress made by the PoMO and how it is managed. It was felt that the PoMO adds value, but that the inevitable processes can also add drag and distract from operational activity.

The Review Team heard that a specific change control process has been put in place and is gaining traction, and that the PoMO is actively working with Pg/Pj to embed this process. Interviewees universally commented on risks, especially those mentioned elsewhere in this report i.e. external / macro-economic pressures and some cultural and political constraints which impact on the Portfolio (and variably on its constituent Pg/Pj) though these are to a large extent outside of the control of the Portfolio. The Review Team believes that interviewees were well aware of potential mitigating actions and willing to flex activity to achieve the overall aims of the Portfolio.

Specialist functions (governance, scrutiny, legal, finance, audit) are distributed across LA lead partners who will work together across the portfolio. Interviewees acknowledged the significant progress made in

developing appropriate governance and management arrangements across the complex portfolio, and the key role of the PoMO in achieving this. The Review Team heard that some of this seems to be process driven and that there may be scope for streamlining information by merging some reports and to review reporting periods (monthly vs quarterly), but recognised the importance of reports in managing risks and progress and keeping all stakeholders informed and engaged.

There was a sense that the Portfolio is more than a collection of unrelated Pg/Pj and that the total should be more than the sum of its parts, with connections enabling a fuller leveraging of benefits, and there is an opportunity for the City Deal leadership and its key stakeholders to reflect, to review and refresh the vision of the City Deal and the Portfolio overall.

Interviewees expressed a strong desire to feel involved and informed of progress at Portfolio level in addition to local Pg/Pj work. The Review Team is of the view that timely (pre-meeting) sharing of Portfolio-level reports and documentation with Pg/Pj leads will support the PoMO in its efforts to generate a sense of greater transparency, joint effort, and pan-regional cohesion as it would allow leads to relate the role of their Pg/Pj better to the overall context, offer a truly regional perspective, and provide them with an opportunity to provide additional input if felt useful.

Interviewees also noted that communication was generally effective though there was still room to improve efficiency (in terms of speed and transparency), but that this was not necessarily seen as a key 'blocker'. The Review Team believes that there are clear protocols in place, affirmed in the *Swansea Bay City Deal Independent Review* (Actica, Feb 2019), and that it will be helpful if they were strictly adhered to by all parties in order to avoid confusion and potential misunderstandings. This requires speedy communications. The Review Team also heard that there appear to be a range of pathways to make decisions which are not easy to replicate time after time. This presents a risk to consistency and transparency and it will be prudent to clarify and adhere to agreed pathways, and adjust (rather than bypass) them where necessary.

As noted earlier, interviewees were concerned about a perceived disconnect between the PoMO and the individual project managers (who report up through their local reporting chain rather than to the PoMO) so there is potential for lost opportunities to identify and manage synergies.

In conclusion, Portfolio governance is seen as somewhat of an overhead by some interviewees, but overall recognised as adding value and working well. Benefits realisation needs to focus on long-term sustainable benefits, not short-term targets. Change control is good, as is risk and assurance management. The PoMO is more than just a grant management office, but the nature of Local Authorities can cause avoidable barriers in the overall Portfolio which has a regional scope. Access to information for pro-active pre-emptive analysis at Project level will further cohesion and transparency, and a focus on speedy, efficient communications and access to data, with key information presented in a way that facilitates analysis and enhanced risk management – make it easy please!

Recommendation 3: Increase access to PoMO intelligence and data for individual Projects, to facilitate proactive analysis and options planning, thus tightening the governance links and improving speed and quality of decision making. (Recommended)

8.4: Risk management

There was clear evidence of sound Risk Management practices, with many interviewees demonstrating and articulating a clear understanding of the major risks facing SBCD and confidence that they were being managed as effectively as possible. Major risks were discussed, including Tan15 flood risk maps, planning permissions, private sector inward investment, Pg/Pj slippage and rising construction costs.

Risk Management is exercised in all of the Pg/Pj with the PoMO keeping a watching brief for escalations that have an impact at Portfolio level. In addition to the Risk Register, the PoMO produces a construction impact assessment (like the Covid impact assessment) to identify areas of increased risk exposure and facilitate pre-emptive mitigation; this is good practice.

8.5: Review of current phase

Progress

The SBCD is collection of nine Programmes/Projects, grouped thematically as follows:

- Economic Acceleration
 - o Swansea Waterfront
 - o Yr Egin
 - o Skills and Talent
 - o Digital Infrastructure
- Life Science & Wellbeing
 - o Life Science and Wellbeing Village
 - o Life Science, Wellbeing and Sports Campuses
- Energy & Smart Manufacturing
 - o Homes As Power Stations
 - o Pembroke Dock Marine
 - o Supporting Innovation & Low Carbon

The Review Team found that there has been considerable progress made by the SBCD over the 12 months since the last review. The Review Team was heartened to discover that all Pg/Pj are now in formal delivery having received the necessary approvals. There was good news in that the Swansea Arena is now open with high levels of customer take-up, whilst other Pg/Pj have already delivered key, tangible progress (Swansea Waterfront & Digital District, Pentre Awel and 71/72 Kingsway). Other Pg/Pj were at various stages of delivery. It was clear from statements made by a significant proportion of interviewees from across the Portfolio that the PoMO was at the heart of the portfolio and an important factor in supporting effective delivery.

Whilst the Portfolio comprises 9 Pg/Pj, the Review Team perceive them as fundamentally individual in nature. However, it was also established that there were instances where some Pg/Pj were loosely linked with others to varying degrees. The most obvious instances of these are Digital Infrastructure and Skills & Talent, although commonality or smaller degrees of crossover could be identified which would provide opportunities for collaboration and sharing of Lessons Learnt.

The Review Team heard that some points identified by the previous review remain in the form of cross-Portfolio communication and collaboration versus local plans and agendas; a range of political orientations of joint funders (UK Government, Welsh Government, LAs) with some processes being perceived as detrimental to cross-Portfolio flexibility in terms of project re-scoping and re-prioritisation. The Review Team believe that some of these cannot be influenced by the Portfolio leads/PoMO, whilst some may have reached a workable balance and cannot be optimised further. Overall, interviewees seemed optimistic, committed and conscious of the need to work together, and of the basic common ground of wanting the investment in the Portfolio to yield successful Pg/Pj and benefits to all investors.

The Review Team established that although there are instances where some Project Managers unilaterally seek out common ground and links, this was mainly on an ad-hoc basis. Support in arranging cross-cutting forums for relevant project staff by the PoMO would help to increase collaboration across

the Portfolio and promote a culture of seeing the Portfolio as a whole and breaking down any notional barriers between projects delivering under the control of different Local Authority areas. The Review Team believe that this would have the added benefit of breaking down potential impediments to the momentum currently being built up by the SBCD as a whole.

8.6: Readiness for the next phase

Construction

The UK is currently experiencing numerous challenges as it recovers from the impacts of Covid and Brexit. Although there are numerous impacts, there are specific risks relating to high inflation driving up construction costs. Whilst some fixed-price contracts are already in place, Pg/Pj already engaged in or about to commence procurement activities are likely to see higher than expected tenders returned. This is likely to continue throughout the life of the Portfolio and are extremely difficult to forecast accurately. In addition to direct impacts on spend approvals, this is likely to have an impact on benefit realisation. In order to continue delivery, some Pg/Pj may have to evaluate whether original scope can be delivered in entirety.

The Review Team heard that there is no additional 'reserve-list' of Pg/Pj that may become partly or wholly non-viable, although consideration could be given to this approach. The Pg/Pj in the Portfolio make multi-layered and specific contributions to the overall benefits realisation and bringing in 'reserve-projects' would require them to be very specific.

To mitigate these risks, in addition to the Portfolio Risk Register, the PoMO utilises a Construction Impact Assessment template for completion by all Pg/Pj to more accurately forecast proposed capital spends. This proactivity would provide enhanced estimates of available remaining budgets thereby facilitating improved decision making regarding future direction of the Portfolio.

The Review Team heard that the Construction Impact Assessment together with a standardised (across the Portfolio) Change Management Process are key tools to manage business change across the Portfolio. This appears to be working well, with Pg/Pj increasingly using the process and thus enabling change management across the range of projects and providing a strategic overview of change and impacts.

This may be further impacted by new regulations around flooding and flood plains. Whilst the proximity for the actual flooding risks is currently forecast at around 100 years, it is likely to have the potential to block planning permissions being awarded to some construction projects. As noted elsewhere in this report, the Construction Impact Assessment serves as a key change management tool as part of the broader change management process.

Portfolio Management & Resources

As referenced elsewhere in this report, overall, interviewees commented positively on the PoMO's role as both a co-ordinating force and its pragmatic, advisory and supportive attitude and a key contributor to the success of the Portfolio. Whilst some slightly differing opinions were expressed by interviewees, the Review Team heard that there could be opportunities to streamline the reporting and information gathering processes. In addition, there was a perception that some information flows or requests fed into UKG and WG were lost or suffered unacceptably long response times. Streamlining of reports would

assist some Pg/Pj by reducing perceived bureaucracy, increasing delivery focus whilst having the potential to make reporting clearer to many Board members and strategic decision makers.

Interviewees accepted that monitoring and reporting were necessary when spending public money but felt that there are opportunities to reduce complexity for example merging some reporting and monitoring documentation, and sharing Portfolio Board documentation with Project Leads in advance of meetings; this might help with communication across the portfolio and enhance existing connections between projects. This could be optimised further by communicating the work and the goals of the portfolio across all participating Local Authorities to 'win hearts and minds' of a wider population and thereby continuing to build wide-spread interest and support whilst demonstrating that the PoMO supports the entire Portfolio rather than just the core.

The Review Team heard that in some instances, the language employed in reports can be difficult to understand by some stakeholders who are not specialists in Pg/Pj management, and could be enhanced by a concise, simplified summary of progress, risks etc. Interviewees expressed the view that streamlining communications – including reports – would be useful, for example highlighting or summarising changes in circulated documents rather than re-issuing the documents in their entirety, and providing plain-English summaries of complex documentation heavy on technical jargon. Consideration could be given to providing an “Executive Summary” at the front of reports and dashboards, written in Plain English/Welsh with more detailed information contained within the body of the reports.

Recommendation 4: Enhance the clarity of reports and communications through increased use of plain, clear language and executive summaries. (Recommended)

9.0 Next Assurance Review

The next Gateway 0 Review (Strategic Assessment) of the Portfolio should be undertaken in 12 months' time – **around July 2023**.

ANNEX A

Purposes of the OGC Gateway Review 0: Strategic assessment:

- Review the outcomes and objectives for the programme (and the way they fit together) and confirm that they make the necessary contribution to overall strategy of the organisation and its senior management.
- Ensure that the programme is supported by key stakeholders.
- Confirm that the programme's potential to succeed has been considered in the wider context of Government policy and procurement objectives, the organisation's delivery plans and change programmes, and any interdependencies with other programmes or projects in the organisation's portfolio and, where relevant, those of other organisations.
- Review the arrangements for leading, managing and monitoring the programme as a whole and the links to individual parts of it (e.g. to any existing projects in the programme's portfolio).
- Review the arrangements for identifying and managing the main programme risks (and the individual project risks), including external risks such as changing business priorities.
- Check that provision for financial and other resources has been made for the programme (initially identified at programme initiation and committed later) and that plans for the work to be done through to the next stage are realistic, properly resourced with sufficient people of appropriate experience, and authorised.
- After the initial Review, check progress against plans and the expected achievement of outcomes.
- Check that there is engagement with the market as appropriate on the feasibility of achieving the required outcome.
- Where relevant, check that the programme takes account of joining up with other programmes, internal and external.
- Evaluation of actions to implement recommendations made in any earlier assessment of deliverability.

ANNEX B

List of Interviewees

The following stakeholders were interviewed during the review:

Name	Organisation and role
Philip Ryder	SBCD PoMO Manager
Sion Charles	ARCH Head of Strategy & Service Planning
Tracey Meredith	SBCD Monitoring Officer and Programme Board Member
Wendy Walters	SBCD SRO, Chief Executive of Carmarthenshire Council, Chair of Programme Board
Steven Jones	Director of Community Services, Pembrokeshire Council, SRO for PDM Project
Cllr Rob Stewart	SBCD Joint Committee Chairman and Leader of Swansea Council
Chris Moore	SBCD S151 Officer. Director of Corporate Services CCC, Programme Board Member, Pentre Awel Project SRO
Steve Wilks	Swansea University Provost and SBCD Programme Board Member
Barry Liles	University of Wales Trinity Saint David Pro-Vice Chancellor, SRO Skills and Talent Programme
Lisa Willis	NPT Project Lead for HAPS and Low Carbon
Helen Davies	WG Head of City and Growth Deals, Mid and South West Wales and SBCD Programme Board Member
Gareth Ashman	UKG Programme and Project Management Lead, SBCD Programme Board Member
Chris Foxall	Chair of SBCD Economic Strategy Board, Programme Board Member
Jonathan Burnes	SBCD Portfolio Director
Gareth Jones	Programme Manager, Digital Infrastructure
Martin Nicholls	Swansea City Council Interim Chief Executive, Programme Board Member, SRO Swansea Waterfront
WORKSHOP SESSION	
Cllr Darren Price	SBCD Joint Committee Member and Carmarthenshire Council Leader
Cllr Steven Hunt	SBCD Joint Committee Member and Neath Port Talbot Council Leader
Cllr David Simpson (unable to attend)	SBCD Joint Committee Member and Pembrokeshire Council Leader

ANNEX C

Progress against previous assurance review (19/07/2021 to 21/07/2021 recommendations:

Recommendation	Progress/Status
Update the stakeholder map, engagement strategy and communications plan and establish the potential to make greater use of dashboard information to convey updates to different stakeholder groups.	Actioned
Confirm that the intended Outcomes and Benefits remain realistic given the impact of Covid and Brexit and the shortening of the UKG funding timeframe.	Actioned
Update the Terms of Reference for, and membership of, the Portfolio Board and ensure that all Members and Attendees understand their respective roles.	Actioned
Identify opportunities for the PoMO to extend its targeted support to constituent Programmes/Projects to reduce the PMO burden on those Programmes/Projects.	Actioned

Agenda Item 15



Swansea Bay City Region Joint Committee - 10 November 2022

Joint Committee Forward Work Plan

Purpose:	To inform Joint Committee of the latest Forward Work Plan
Policy Framework:	Swansea Bay City Deal (SBCD) Joint Committee Agreement (JCA)
Recommendation(s):	It is recommended that Joint Committee: 1) Reviews and agrees the proposed Forward Work Plan as at Appendix A
Report Author:	Amanda Burns (Senior Portfolio Support Officer)
Finance Officer:	Chris Moore, Section 151 Officer, SBCD
Legal Officer:	Tracey Meredith, Monitoring Officer, SBCD

1. Introduction

- 1.1 The Joint Committee (JC) work programme summarises the planned activity for the SBCD Portfolio over the next 6/12 months. This document will be revised every 6 months and presented to Joint Committee members.

2. Background

- 2.1 The Joint Committee Forward Work Plan will be monitored by JC and updated by the PoMO to support the planning and communication of SBCD progress.

3. Financial Implications

- 3.1 There are no financial implications associated with this report

4. Legal Implications

- 4.1 There are no legal implications associated with this report

Background Papers:

Appendices: Appendix A - Joint Committee Forward Work Plan

Joint Committee Work Plan October 2022

Appendix A

Category	Action	Development Timeframe	JC Board Date	Responsibility
Governance	SBCD Highlight Report	Monthly	All	PoMO / PB / JC
	Joint Committee Meetings	Bi Monthly	Bi Monthly	SBCD PoMO / Democratic Services
	GVA Proposal	TBC with UKG	TBC	SBCD PoMO / PB / JC
	SBCD Portfolio Gateway Review	July 2022	10 th November 2022	PoMO, PB, JC
	Update Yr Egin Business Case / Change Request	Q4 2022/23	TBC	PoMO / PB / JC / UKG & WG
	Joint Committee Forward Workplan	October 2022	10 th November 2022	PoMO / JC
	HAPS Update to JC	November 2022	10 th November 2022	PoMO/ PB / JC
	Review ESB Forward Work Plan	November 2022	2 ND February 2023	PoMO / ESB
	SBCD Business Case Development Process	September 2022	10 th November 2022	PoMO / PB / JC,
	SBCD Assurance Framework	September 2022	10 th November 2022	PoMO / PB / JC / WG
	Review Joint Committee Terms of Reference	TBC (post CJC Implementation)		SBCD PoMO /JC
	Portfolio Gateway Assurance Framework to JC	September 2022	10 th November 2022	SBCD PoMo / PB / JC / WG
	Elect Joint Committee chair (annual basis)	November 2022	10 th November 2022	PoMO / JC
	SBCD Portfolio Gateway Review signed off	November 2022	10 th November 2022	PoMO / PB / JC
	Co-opted Governance Board Membership updated	November 2022	10 th November 2022	PoMO, JC
	Declarations of interest - Status Update	November 2022	2 nd February 2023	PoMO / PB / ESB / JSC / JC
	Review ESB Chair	October 2022	2 nd February 2023	PoMO / ESB / JC
	Review / Inform of Programme Board Chair	January 2023	2 nd February 2023	SBCD PoMO / PB / JC
	Inform of Roll out Celoxis to Programme / Project Leads	January 2023	2 nd February 2023	PoMO / PB / JC
	SILCG Update to JC	January 2023	2 nd February 2023	PL / PoMO / PB / JC
Revised Waterfront Business Case	January 2023	2 nd February 2023	PoMO / PB / JC	

	Portfolio Business Case Update	Jan-Mar 23	6 th April 2023	PoMO / PB / JC / UKG&WG
	Homes As Power Stations Business Case Update	Q1 2023	TBC	PoMO / PB / JC
	Digital Infrastructure Business Case Update	Q1 2023	TBC	PoMO/ PB / JC
	Skills & Talent Business Case Update	Q1 2023	PoMO/PB/JC	
	SBCD Quarterly Monitoring Report <ul style="list-style-type: none"> • Dashboard • Programme / Project activity planned / undertaken • Integrated Assurance & Approval Plan • Portfolio Risk Register • Portfolio Issues Log • Financial Monitoring • Benefits Realisation • Procurement Pipeline • Communications & Marketing • Community Benefits 	Q1 (April – June), Q2 (July – September), Q3 (October – December), Q4 (January – March)		SBCD PoMO / JC
	Construction Impact Assessment	Monthly	Bi Monthly	PoMO / PB / JC
	SBCD Ministerial Report	Bi Monthly	Bi Monthly	SBCD PoMO / UKG & WG
	Revised Monitoring & Evaluation Plan	November 2022	2 nd February 2023	SBCD PoMO / JC
Comms & Engagement	SBCD Annual Report	January 2023 - May 2023	TBC	SBCD PoMO / PB / JC
	SBCD Primary Stakeholder Event / Local roadshows	Oct 2022 - March 2023	TBC	SBCD PoMO / JC
	Comms & Marketing Plan revised	January 2023	2 nd February 2023	PoMO / PB / JC
	Business Engagement & Investment Framework	TBC by LA's	TBC	SBCD PoMO / JC
Legal	Joint Committee Agreement amendments	TBC by Monitoring Officer		JC
Finance	Quarterly Monitoring	Q1, Q2, Q3, Q4	Quarterly	SEC151 Officer / JC
	NNDR Process - Letter confirming approval when process agreed	November 2023	TBC	SEC151 Officer / JC

	Internal Audit Terms of Reference	November 2022	10 th November 2022	SEC151 Officer / PoMO / PB / JC
	Wales Audit - Performance Audit	Q4 2022/23	2 nd February 2023	SEC151 Officer / Audit / JC
	Joint Committee Annual Budget	Q1 2023/24	2 nd February 2023	SEC151 Officer / JC
	Wales Audit Plan	April 2023	6 th April 2023	SEC151 Officer / Audit / JC
	External Wales Audit Plan/Audit	April 2023	6 th April 2023	SEC 151 Officer / JC
	Financial Statements	April 2023	31 st July* (Extraordinary Meeting Required)	SEC151 Officer / JC
	Operational Revenue Reporting	Q1 2023/24	TBC	SEC151 Officer / JC
	Wales Audit	June	TBC	SEC151 Officer / JC