



City and County of Swansea

Notice of Meeting

You are invited to attend a Meeting of the

Scrutiny Performance Panel – Development & Regeneration

At: Committee Room 3A - Guildhall, Swansea

On: Monday, 11 December 2017

Time: 11.00 am

Convenor: Councillor Jeff Jones

Membership:

Councillors: C Anderson, E W Fitzgerald, S J Gallagher, D W Helliwell, T J Hennegan, C A Holley, O G James, M H Jones, A H Stevens, G J Tanner, W G Thomas and T M White

Agenda

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| 1 | Apologies for Absence. | |
| 2 | Disclosures of Personal and Prejudicial Interests. www.swansea.gov.uk/disclosuresofinterests | |
| 3 | Notes To approve and sign the notes of the previous meeting as a correct record | 1 - 3 |
| 4 | Conveners Questions with Responses | 4 - 6 |
| 5 | Development and Regeneration Overview Ben Smith – Head of Financial Services and Service Centre Martin Nicholls – Director – Place Huw Mowbray - Development and Physical Regeneration Strategic Manager | |
| 6 | Work Plan 2017-2018 | 7 - 8 |
| 7 | For Information <ul style="list-style-type: none">• City Deal Progress Report – Neath Port Talbot Council• Swansea Bay City Region City Deal• Swansea Bay City Region Governance Structure | 9 - 41 |

Next Meeting: Monday, 5 February 2018 at 12.00 pm

Huw Evans

Huw Evans
Head of Democratic Services
Monday, 4 December 2017
Contact: Scrutiny 637732



City and County of Swansea

Minutes of the **Scrutiny Performance Panel – Development & Regeneration**

Committee Room 6, Guildhall, Swansea - Guildhall, Swansea

Thursday, 7 September 2017 at 10.00 am

Present: Councillor J W Jones (Chair) Presided

Councillor(s)
C A Holley

Councillor(s)
M H Jones

Councillor(s)
T M White

Officer(s)
Phil Holmes
Bethan Hopkins

Head of Economic Regeneration and Planning
Scrutiny Officer

Apologies for Absence

Councillor(s): C Anderson, S J Gallagher, O G James and A H Stevens

Co-opted Member(s):

Other Attendees:

1 Disclosure of Personal and Prejudicial Interests.

None

2 Terms of Reference

The convener discussed the role of the Panel and the Terms of Reference, as set by the Scrutiny Programme Committee, were noted.

3 Officer Briefing - Service Overview

Phil Holmes, Head of Planning and City Regeneration, gave a service overview. He briefed the Panel on the service structure, financing and performance and upcoming projects. He also outlined his role in the service and how his staff and teams linked in with specific areas of work.

He referred to a number of development and regeneration projects:

- Swansea Bay City Deal
- Swansea Central (City Centre Redevelopment Scheme)
- Kingsway Digital District
- Hafod Morfa Copperworks

He also referred to improvements in relation to:

- City Centre Management
- European Social Fund Projects
- The Swansea Community Energy & Enterprise Scheme
- Gower Landscape Partnership Programme
- The Vibrant & Viable Places Programme of Investment
- Rural Development Plans

Key Points Raised:

- The projects referred to are frontline and directly impact people's lives
- The capital budget for the department fluctuates each year depending on grants and external income which has been achieved for that year
- The development and regeneration projects aim to bring and sustain business in Swansea

The Head of Service was pleased that scrutiny was looking at such a large and interesting agenda.

Members' questions focussed on:

- Funding impacts of Brexit
- The breakdown of funding Swansea Council is contributing to the projects, including collaborative ones
- Marketing and promotion around the projects being undertaken
- Information around the business cases being developed around individual projects

4 Work Plan 2017/18

A work plan for the year ahead was discussed.

To support its monitoring role it was agreed that the immediate focus of the Panel would be on establishing information on all current major projects to create a development and regeneration overview.

It was noted that:

- The business cases would form a large part of the work
- Future meetings would include housing
- The work plan will develop over time
- Agendas will evolve as information becomes available.

The meeting ended at 11.20am

Chair

Agenda Item 4



Report of the Convener of the Development and Regeneration Performance Panel

Development and Regeneration Performance Panel – 11 December 2017

Questions and Answers – Development and Regeneration

| | |
|--|--|
| Purpose: | To update the scrutiny Panel on the answers to questions posed by the Convener |
| Content: | Answers to Development and Regeneration questions |
| Councillors are being asked to: | Consider the information provided and make their views known to the Cabinet Member via a Conveners Letter if required |
| Lead Councillor: | Councillor Rob Stewart Cabinet Member for Economy and Strategy |
| Lead Officer & Report Author: | Huw Mowbray - Development and Physical Regeneration Strategic Manager Ben Smith - Head of Financial Services & Service Centre |

1. Background

- 1.1 The Panel asked some questions in advance of the meeting to have insight into Development and Regeneration topics

2. Development and Regeneration

- 2.1 The Director for Place, the Development and Physical Regeneration Strategic Manager and the Head of Financial Services and Service Centre will attend and update the Panel on progress and answer any questions the Panel may have.
- 2.2 Questions were sent in advance to the Officers so the Panel could have information on the topics which will likely be discussed at the meeting, and allow an opportunity for Panel members to draft further questions based on this information.

3. Conclusions

- 3.1 The Panel to discuss and consider the information provided and to give their views via a Conveners letter to the Cabinet Member if desired.

Appendices:

Appendix A - Questions with answers.

Appendix A

1. Which business cases are currently complete in relation to regeneration and development in Swansea?

All 11 regional business cases are being progressed; the Skills regional project has been submitted in draft.

2. Which business cases are due to be completed and what are the time frames for these?

The Swansea 5 Case business Case will be completed in draft in the next two weeks and will be submitted in draft; however this cannot be formally approved until agreements between Welsh Government and Westminster are in Place and the Regional Governance structure is adopted.

3. Which business cases are Swansea specific and do not have collaboration with other local authorities?

The Council is only dealing with the Swansea Digital Project submission which includes:-

- Digital Village – Offices for Tech Business at the Oceana Site led by COS.
- Digital Square – Arena, public realm and Arena. Led by CoS
- Box Village - Incubation space at SA. Led by UWTSD.

There is also an Arch project run by ABMU health Board.

4. Which business cases are outside of the City Deal?

Currently all funding is allocated; therefore there are only the original 11 projects.

5. What are the scrutiny arrangements for City Deal across the region?

It is envisaged that the Joint Governance Committee being established for City Deal (it can sit in shadow form only at the moment) will also have a Joint Scrutiny Committee though the mechanics cannot be formalised until the Joint Committee meets formally once fully constituted (likely in new year). Carmarthenshire County Council are effectively hosting the Joint Committee, the City Deal Regional Programme Office and will also act as the Accountable Body to the Joint /Committee. These assumptions are predicated on all City Deal partner councils individually agreeing through their individual Full Council the draft joint Working Agreement which remains in development between the 4 constituent authorities to the City Deal.

6. Could you please provide us with a financial breakdown of the City Deal projects – specifically in relation to Swansea’s financial contribution to each project?

This is confidential at present as the Digital Square project is about to go out to construction tender and Digital Village will follow in due course. The tender process will inform what Council funding is required.

Agenda Item 6

Work Plan 2017/18

- The Development and Regeneration Performance Panel work plan has been developed from topic suggestions based on discussion at the Scrutiny Work Planning Conference. It provides a basic framework that allows for items to be added or removed allowing for flexibility throughout the year for any key issues that may arise.
- All meetings will be at 10.00am with a preparation meeting at 9.30am **if required** and will be held in the Guildhall unless otherwise stated.
- The role of this report is to provide an outline of planned work. It can be altered to accommodate for issues which arise throughout the year.

| <u>Date and Location</u> | <u>Items to be discussed</u> |
|---|--|
| 10.00am – 12.00pm (9.30am Pre-Meeting when required) | |
| <u>Meeting 1</u> Thursday 7 th September 2017 Committee Room 6 | 1. Terms Of Reference 2. Officer Presentation <ul style="list-style-type: none"> • Phil Holmes – Head of Service Planning and City Regeneration 3. Work Plan 2017/18 |
| <u>Meeting 2</u> Monday 11 th December 2017 11am – 12pm Committee Room 3A | 1. Question and Answer Session <ul style="list-style-type: none"> • Ben Smith - Head of Financial Services & Service Centre • Martin Nicolls - Director - Place • Huw Mowbray – Special Projects Manager 2. Work Plan 2017/18 |
| <u>Budget Meting</u> Monday 5 th February 2018 12pm – 1.30pm Committee Room 3C | Review Budget |
| <u>Meeting 3</u> Thursday 8 th February 2018 Committee Room 5 | TBC |

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| Meeting 4 Thursday 5 th April 2018 Committee Room 5 | TBC |
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Agenda Item 7

NEATH PORT TALBOT COUNTY BOROUGH COUNCIL

CABINET

4 October 2017

Report of the Chief Executive

SWANSEA BAY CITY DEAL

Matter for Decision

Wards Affected: All

SECTION A

Purpose of Report

1. A progress report on the City Deal and recommendations as to the position the Council should take on the possible next steps in the process.

Background

2. In brief, City Deals are bespoke arrangements between Cities or Regions and Government designed to promote growth, innovation and employment measured in terms of Gross Value Added (GVA) growth and jobs. In the devolved context, they are triangular arrangements between City Regions and the UK and Welsh Governments.
3. On 24 January 2017, Cabinet agreed to delegate to the then Leader of Council authority to sign an in principle City Deal agreement on the basis described in that report (listed as a background paper below).
4. The Cabinet also agreed that the City Deal should be referred to the then Economic and Community Regeneration Scrutiny Committee (or its successor) for further consideration and that officers should bring a further report to Cabinet on any definitive commitments following the local government elections. This report seeks to discharge those commitments.

5. On 20 March 2017, the Prime Minister, the First Minister and the four Council Leaders (Carmarthenshire, Pembrokeshire, Swansea and us) duly signed the Deal (at Appendix 1). The headline figures were a £1.3 billion deal to transform the economic landscape of the area, boost the local economy by £1.8 billion and generate almost 10,000 new jobs over the next 15 years based upon 11 projects (see Section C below).
6. The total investment package is made up of £241 million of UK and Welsh Government funding, £396 million of other public sector money and £637 million from the private sector. The other key partners are the two Health Boards - Abertawe Bro Morgannwg and Hywel Dda – plus the two Universities – Swansea and Trinity St David's.

More Recent Developments

7. A provisional governance structure has been established in shadow form (at Appendix 2). The main focus – led by Carmarthenshire County Council as the accountable body designate - has been on finalising the governance arrangements required to underpin the City Deal. There have been a series of meetings over the summer and in recent weeks at various levels: the Shadow Joint Committee (Leaders); the Programme Board (Chief Executives) and others (finance and legal officers).
8. The governance arrangements are to be the subject of a draft Joint Working Agreement (JWA) – and will include regional scrutiny arrangements. The work has been ongoing for some six months with external legal support; but is not yet complete. In terms of the draft itself, numerous versions and supporting documents have been produced over the summer. The document runs to some 70 pages; but is available to Members (from Legal Services) on request. Thus the process is proving very complicated and resource intensive – and that complexity potentially increases considerably the financial risk to the local authorities. At its most basic level, if Members were to ask for a simple explanation of how it all would work in practice, officers could not provide a clear one as things stand. In recent weeks, it has effectively been decided to start again on the JWA and search for a different, more practical, model.
9. The essential problem is that clarity is required on a number of key issues (detailed in Section B below). This is needed from the region itself and both governments before officers could recommend that the

Council sign it; but the necessary clarity has **not** yet been achieved despite intensive efforts, including discussions with Ministers.

10. The agreement signed in March commits both governments to work with the region to achieve this. This Council is one step removed from the discussions (as Carmarthenshire Council act as the main point of contact). Whilst there has been plenty of contact, there is insufficient evidence of joint problem solving in our view. One issue is that we get very little in writing – certainly by way of definitive commitments - from the two governments. This is important in the context of the financial issues and risk explored below.
11. Moreover, the March agreement also contains two arguably conflicting priorities. The Welsh Government wants the process led by a Joint Committee of local authority leaders (consistent with their approach to local government reform¹) whereas the UK Government has insisted upon a private sector led Economic Strategy Board (ESB) as part of the arrangements. It is worth noting that this is pretty much what we had prior to 31 March 2017 in the form of the Swansea Bay City Region Board; but the Welsh Government effectively abolished it. All this should not be an insurmountable problem; but it is indicative of the complexity as we are now required to go through a quasi-public appointments process to populate the new Board.

SECTION B

Key Legal, Financial and Risk Issues

12. These are all intrinsically inter-linked. At a basic level, local authorities in Wales have the powers to establish Joint Committees under sections 101 and 102 of the Local Government Act 1972 and sections 19 and 20 of the Local Government Act 2000. The JWA would be the legal vehicle for doing so. There has also been debate about whether the existing powers available to local government to promote economic and wider well-being such as the 2000 Act are sufficient in terms of delivering the City Deal – ahead of any general power of competence foreshadowed as part of the Welsh Government's plans for local government reform (but that requires legislation which is at least a year away) - or whether these are constrained to the administrative areas of individual local authorities.

¹ See the statement of the Cabinet Secretary for Finance and Local Government on local government reform of 18 July 2017

13. Crucially, there are a number of key financial issues that remain unresolved and are linked to the delivery of the projects and other material considerations – sections C and D below. What follows is by no means an exhaustive list and the current excess of ambiguity increases risk – a sentiment the Leader expressed clearly in a letter to his regional colleagues in June of this year and in discussion with the Cabinet Secretary (Mark Drakeford) in mid-July. The first three issues below were also the subject of an exchange of letters over the summer between the Leader of Swansea Council and the Cabinet Secretary; but the latter’s response provided no real clarity:

- The March agreement commits the Welsh Government to “explore” the retention of a proportion of any additional National Non Domestic Rates (NNDR) generated by City Deal projects. This has a direct bearing on the business cases under preparation and is a potentially vital means of servicing interest payments on borrowing. However, whilst the Cabinet Secretary has indicated that a scheme may possible, it would operate on a regional basis and it is unclear how that would operate in practice. Therefore the overall position remains unresolved and an early resolution of the issue seems unlikely, if at all. In a different context, there is equal uncertainty at the UK level where the proposed Local Government Finance Bill, which was to have provided for similar reform in England, was dropped from the summer Queen’s Speech.
- The City Deal includes £396m of public sector funding. We have received details of the indicative UK and Welsh Governments funding per project; but we need to see the equivalent for the public sector funding (how much, from what source and over what period etc.?) Without this, we cannot advise Members of the full financial impact. A major issue is the uncertainty around the so called ARCH (regional Health Collaboration) programme which is linked to the City Deal. A bid was submitted to the Welsh Government by the two health boards in the region in January of this year and we are well aware of the competing priorities for revenue and capital funding within the NHS. The ARCH programme has been asked to look at “alternative sources of funding”; but assumes more than £100 million from the City Deal. Increasingly, we do not believe that the ARCH programme will secure significant medium to long term funding from the Welsh Government. If so, there can be no question of Councils being invited to plug any gap. This uncertainty could, in turn, undermine

the ability of projects to attract the even larger required private sector match funding. These matters therefore remain unresolved.

- Local authorities can only capitalise expenditure on the basis that they have long term assets on their balance sheets. In relation to City Deal capital projects, some will be developed and built by Councils; but others may need capital grant payments from a Council(s). Thus local authorities will need Welsh Government (and possibly UK Government) approval to capitalise both the revenue expenditure and capital grant payments made to third parties. This applies to both the Government and the public sector funding streams and without the capital direction, the full extent of the revenue cost and capital grant payment will have to be funded from the Council's revenue account in the year of spend. This is unaffordable unless it is spread over as long a period as possible – up to 40 years. Moreover, unless Capitalisation Directions are provided then our external auditors will not allow us to spread the repayment over time which would place an unsustainable cost on the Council taxpayer and could possibly be judged to be in breach of our fiduciary duty. Again, this matter remains unresolved.
- The March agreement includes a reference to contribution/funding conditions to be imposed by the two governments; but these have yet to be married up with the JWA in final form. Also, there is the issue of who approves these conditions (this must be a matter for individual Councils, not the Joint Committee in our view). We also need the ability to veto flawed business cases or we automatically lose financial control; but if one business case does not proceed, this potentially presents its own set of problems as things stand (see final bullet point below). These conditions also have a bearing on the content of the Implementation Plan required as part of the March Agreement; but one has yet to be produced. Thus the position here again remains unresolved.
- The March document can also be read two ways on the nature of the funding. For some projects, we will require both capital and revenue funding (at least short term) e.g. CENGs – see below. That seems possible on one construction; but elsewhere the document suggests that the funding will be capital only. Once more, the position remains unclear.
- Most importantly, at a meeting in July the Welsh Government indicated that no funding for any project would be released until

business cases for all 11 projects were approved. This position was confirmed in correspondence from the two Governments received during August, commenting on the draft JWA. Given the issues identified in this report, that would effectively mean that no funding could be accessed in the short to medium term and we would be condemned to moving at the pace of the slowest. It could also result in the local authorities taking all the risk by funding projects up front with no absolute guarantee that the Government funding will follow immediately or at all, if one considers how they have been trying to re-write the clauses in the JWA. That would be unacceptable (and not part of the original Deal). As things stand, we cannot envisage circumstances where we would advise Members to sign up on this basis and we have been clear with all parties on this. In recent weeks, there have been indications that the two governments are prepared to drop this requirement; but their stated position has yet to be retracted in writing.

14. Carmarthenshire Council (as the lead body) is doing its best to resolve these issues; but there seems to be an absence of capacity and/or will to resolve key issues. For example, the UK Government seems fixated with the minutiae of how the ESB will function in relation to the Joint Committee; but in truth this is a peripheral issue.

SECTION C

The Projects

15. A description of the full list projects across the region is contained at pages 10-14 of Appendix 1.
16. This Council was assigned the lead on four of them. The picture on progress is mixed (here and elsewhere in the region):
 - **Centre for Next Generation Services (CENGS):** we are in the process of completing a full business case on this project, with a proposed site at Baglan. The aim of CENGS is to bridge, through data analytics, the gap between research and innovation and the commercialisation of products and services to anchor in the region the next generation of global communication services.
 - **Homes for Power Stations:** This project is already well advanced. A site in Neath has been chosen to demonstrate the concept where buildings can generate, store and release their own

energy, to reduce fuel poverty and impact positively on health and wellbeing. The proposed development will provide 16 new homes on the site of the former Hafod Care Home: eight 2 and 3 bedroom homes and eight 1 bedroom apartments.

The application was made by the Council's partners Pobl Group supported by SPECIFIC (a Baglan-based Swansea University/Tata joint venture) and planning consent was granted on 8 August 2017. The project can be rolled out across the region in subsequent phases (perhaps under a different model as, unlike this Council, the other three local authorities have retained their housing stock and access to the Housing Revenue Account).

- **Digital Infrastructure:** This was to be the centrepiece of the strategy – as set out in the “*Internet Coast*” proposal submitted to the two Governments in February 2016. However, that focus has been diluted since. Also, the digital infrastructure agenda was very dependent upon the active engagement of the former City Region Board Chair and his wider senior level network; but the Board was abolished and that opportunity put at risk. The simple truth is that the necessary expertise (or contacts) exists neither in the Welsh Government nor local government. As a consequence, little work has been done in recent months to progress the project, although a part time external advisor has now been appointed. However, it is also worth noting that the region has submitted a circa £30m+ bid to the UK Government’s Local Full Fibre Network Programme. This is not part of the City Deal per se; but is very much complementary to it in terms of enhancing digital connectivity. The UK Government has received some 100 bids (including four from Wales – Cardiff, Gwent, North Wales and ourselves); but, at the time of writing, we do not know whether our bid will be successful.
- **Steel Science:** the original concept - born during last year’s turmoil around Tata – was a project designed to assist the company realise value to their bottom line in the short to medium term to mitigate against the financial and market pressures which the company were facing, as well as to anchor in the region research and development in the steel and related manufacturing sectors (which we are doing regardless of the City Deal).

This was very much the Council’s focus and at one stage government was very keen on the idea (as a possible response to the crisis); but their interest subsequently cooled. We have also

had differences with Swansea University over their approach – to the extent that the University want to lead on the project. Essentially, they are more interested in research based capacity and projects, which have their place; but did not seem to us to be a sufficient response to the situation at Tata. Ultimately, it is the value of any project to Tata that will be decisive. We have also made it clear that we are not in the business of borrowing cash to fund University projects. The uncertainty has been compounded by discussions over a potential merger between Tata and ThyssenKrupp; but on 20 September 2017 it was announced that the two companies had agreed to the “first stage” of a deal to merge. At the time of writing, the full implications of the announcement remain unclear; but officers are re-engaging with Tata, Swansea University and others to identify a way forward.

SECTION D

Other Material Considerations

17. There are several which Members may wish to consider:

- Members will recall the Budget seminar on 19 July where the Director of Finance and Corporate Services outlined the acute pressures facing both the capital and, particularly, the revenue budgets over this Council term. The City Deal featured as a potentially significant financial pressure in that presentation (albeit largely unquantified at this stage), so this begs the question of competing priorities for prudential borrowing and finance.
- There are other priorities for Members to consider including Band B of the Welsh Government’s 21st Century Schools Programme to be launched in 2019 (we have done very well out of Band A); demands to maintain and improve the infrastructure of the County Borough (roads, bridges, etc.); the proposed rollout of the national childcare programme by 2020 and emergency provision for issues such as the Ystalyfera landslip. Accordingly, officers believe that Members should have the opportunity to consider the financial implications of the City Deal set against all of these priorities and during the forthcoming Budget Round.
- There are limited resources (human and financial) available to the Council to promote economic growth and job creation. This raises another question of priorities. Over the past five years or so, we

have devoted huge effort to the City Region/City Deal; but the Welsh Government cut the support funding to the region by 75% when the City Region Board was abolished and failed to deal with proposed secondments to assist in the work. We have agreed to contribute £50,000 during the current financial year provided the other Councils, the two Health Boards and Universities do likewise; but put simply, one could ask whether our time is best spent on this complex process with uncertain outcomes or should we concentrate upon securing funding (as we are currently doing) for the immediate delivery of regeneration schemes in the County Borough, particularly European Funding in advance of Brexit?

- As indicated above, there are (potentially at least) other vehicles for delivery; but outside of this complex governance framework. Moreover, the Valleys Taskforce provides a means of promoting City Deal related activity more locally and, possibly, delivering it more swiftly on the ground² given that the complexity of the framework actually risks delaying the delivery of projects.
- Finally, there may be doubts about the UK Government's commitment to the process given the gap between the rhetoric and the reality on large projects in South West Wales. In July of this year, rail electrification to Swansea was scrapped and UK Ministers have dithered endlessly over the Swansea Bay Tidal Lagoon. Thus it is reasonable to ask why we should currently believe that the City Deal would be any different and why we should carry the substantial risk identified in this report, particularly given the position that both Governments have taken hitherto on the release of funding (see the final bullet of paragraph 13 above).

SECTION E

Next Step Options & Conclusions

18. There are three scenarios (and other possible variations):

- First, officers do not favour establishing the Joint Committee formally in advance of finalising the Joint Working Agreement because we would effectively be committing ourselves to a legal entity which is not currently underpinned by robust governance

² See statement from the Minister for Lifelong Learning and Welsh Language (chair of the Ministerial Taskforce for the South Wales Valleys): 20 July 2017

arrangements and where too many important issues remain unresolved (as described in Section B above). A Joint Committee would also be a legal commitment, making it more difficult for the Council to subsequently withdraw if not satisfied with the position and, in our view, it would not be best practice to sign up on the basis of hoping that fundamental issues are resolved at a later stage. Moreover, it is arguable that as things stand, the arrangements do not meet the tests set out in the Welsh Government White Paper³.

- Second, we could withdraw now. That would not be well received either in the region or by the two governments; but officers do not at present recommend this course of action either. It would be premature. However, it seems to us that the Welsh Government's policy direction of mandatory regional working cannot extend to requiring local authorities to sign up to flawed/incomplete arrangements nor those which might put the Council taxpayer at risk and/or fail to satisfy our external auditors.
- Instead, we recommend a third way. The Council indicates that it is prepared to engage in further discussions; but not yet as a party to a formal Joint Committee should others wish to establish one. In our view, the JWA must be finalised first (including a resolution of the issues identified in Section B above) so as to provide clarity, remove ambiguity and reduce risk. In practice we hardly think the absence of a formal arrangement matters because, as things stand, there is little or nothing that the Joint Committee cannot do in Shadow form compared to a formal entity.

19. This approach has three main advantages. It provides more time to get the job done properly; it reduces the legal and financial risks if progress can be made and it provides Members with the opportunity to consider the advantages and costs of City Deal participation set against the competing priorities identified in this report and any others that Members may wish to consider.

20. The proper place for that is in the Council's 2018/19 Budget Round and it is at that point that we would recommend that final decisions on the City Deal be taken. It should also be noted that a recent meeting of the Shadow Joint Committee agreed in principle that a report to all

³ White Paper - Local Government Reform: "*Resilient and Renewed*": Welsh Government, 31 January 2017

constituent Councils would be made before Christmas if the JWA could be finalised. Meanwhile, the approach outlined above also provides the opportunity for the Council's scrutiny committees to make recommendations as they see fit and tie the process in to the production of our Well Being Plan/objectives (see immediately below).

Sustainable Development

21. The Future Generations and Wellbeing Act aims to make public bodies think more about the long-term, work better with people and communities and each other, look to prevent problems and take a more joined-up approach. The Act places a duty that the public bodies will be expected to carry out. The well-being duty states:

Each public body must carry out sustainable development. The action a public body takes in carrying out sustainable development must include:

Setting and publishing objectives (“well-being objectives”) that are designed to maximise its contribution to achieving each of the wellbeing goals; and

Taking all reasonable steps (in exercising its functions) to meet those objectives.

22. Given the scale of the City Deal it is important that the Future Generations and Wellbeing Act is given due consideration in the development of any proposals, specifically in relation to the well-being ‘goals’ identified in the Act. The Public Service Board (PSB) is currently leading the development of our Well Being Plan/objectives as a requirement of the Act. There is a statutory duty upon the Council to approve both the Plan and objectives and on the PSB to approve the Plan by May 2018. Thus the decision making on the City Deal should inform this process (and vice-versa), if properly aligned.

Workforce Implications

23. None at this stage.

Equality Impact Assessment

24. Not required at this interim stage; but the Council has to satisfy its public sector duties under the Equalities Act 2010 (including specific

Welsh public sector duties) having due regard the need to eliminate unlawful discrimination; advance equality of opportunity and foster good relations on the basis of 'protected characteristics'.

RECOMMENDATIONS

Members agree:

(1a) That the Council's position should be that the Joint Working Agreement (JWA) must be finalised (including a resolution of the issues identified in Section B above) before we could consider consenting to the establishment of a formal Joint Committee;

(1b) To request that officers bring a further report to Cabinet should a revised JWA be produced for decision, also to take account of any views expressed by the Scrutiny Committee [see recommendation (3) below];

(2) To authorise Cabinet Members and officers to continue to engage in informal discussions with a view to a decision on participation in the City Deal being taken by the end of the current financial year (in the context of the Council's 2018/19 Budget Round); and

(3) To refer this report to the Regeneration and Sustainable Development Scrutiny Committee for further discussion as Members see fit.

Reasons for proposed decision

To invite Members to provide direction on the conduct of further discussions on the City Deal.

Implementation of the decision

The decision is proposed for implementation after the three day call in period.

Appendices

Appendix 1 – Swansea Bay City Region City Deal – 20 March 2017

Appendix 2 – Provisional/Shadow Governance Arrangements

Background Documents

Draft Joint Working Agreement (JWA)

The Swansea Bay City Region “*Internet Coast*” Strategy – February 2016

Report to Cabinet, 24 January 2017

ARCH Portfolio Delivery Plan 2017

Letter from the Leader of Neath Port Talbot County Borough Council to the other Council Leaders in the region, 26 June 2017

Letter from the Leader of the City & County of Swansea (on behalf of the region) to the Cabinet Secretary for Finance and Local Government, 7 July 2017

Response from the Cabinet Secretary, 9 August 2017

Joint letter from the Wales Office/Welsh Government to Carmarthenshire County Council on the draft Joint Working Agreement, 17 August 2017

Officer Contacts

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UK Government
Llywodraeth y DU



Llywodraeth Cymru
Welsh Government

Swansea Bay City Region City Deal



Executive Summary

1. The Swansea Bay City Region is a critically important driver for the Welsh and UK economy. It is a region with strong urban centres complemented by a wider rural landscape and a significant coastal footprint that has created a diverse economic profile with numerous opportunities and challenges.
2. This City Deal will provide the region and its partners with the new ways of working and resources to unlock significant economic growth across the Swansea Bay City Region. It is a Deal where both Welsh and UK Governments have committed to jointly invest, subject to the submission and approval of full business cases in relation to the eleven identified projects and the agreement of governance arrangements for the deal, up to £241 million on specific interventions which seek to support and further build on the region's strengths which include health, energy and manufacturing sectors and are underpinned by a world-class digital infrastructure, successful universities and innovative health boards.
3. The Deal provides an opportunity to continue tackling the area's barriers to economic growth through: developing higher value sectors and higher value employment opportunities to match; increasing the number of businesses within these sectors to widen the economic base; and improving the region's GVA level against the UK average.
4. As well as taking forward programmes to drive economic growth the City Deal commits local leaders and partners to implementing effective leadership across the City Region. In agreeing this deal, the four local authority Leaders across the Swansea Bay City Region have agreed to create an Economic Strategy Board and Joint Committee to join up decision making and oversee the delivery of this City Deal.
5. These new governance arrangements demonstrate the benefits of taking a collaborative approach and will also enable local authorities to plan and deliver services at an appropriate scale for more effective delivery including strategic land-use planning, strategic transport and economic development.
6. Local partners within the Swansea Bay City Region estimate that this City Deal will lead to:
 - Funding of nearly £1.3 billion for interventions to support economic growth
 - Over £600 million of direct private sector investment levered to deliver interventions
 - Investment spread across the whole of the region to ensure all localities and citizens can benefit

- An overall increase to the economy of over 9,000 gross direct jobs
- A contribution to regional GVA of £1.8 billion

Our signing of this document confirms our joint commitment to ensure full implementation of the Swansea Bay City Region City Deal proposed by: Pembrokeshire County Council, City and County of Swansea, Neath Port Talbot Council and Carmarthenshire County Council.



The Rt Hon Theresa May
Prime Minister

Y Gwir Anrhydeddus Theresa May
Prif Weinidog



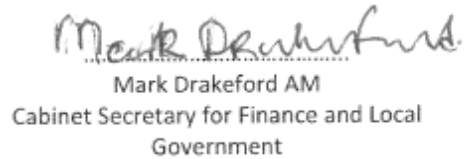
The Rt Hon Carwyn Jones
First Minister of Wales

Y Gwir Anrhydeddus Carwyn Jones
Prif Weinidog Cymru



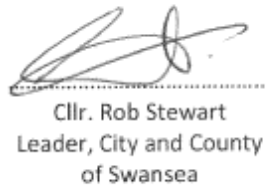
The Rt Hon Alun Cairns
Secretary of State for Wales

Y Gwir Anrhydeddus Alun Cairns
Ysgrifennydd Gwladol Cymru



Mark Drakeford AM
Cabinet Secretary for Finance and Local
Government

Mark Drakeford AC
Ysgrifennydd y Cabinet dros Gyllid a
Llywodraeth Leol



Cllr. Rob Stewart
Leader, City and County
of Swansea

Y Cynghorydd Rob Stewart
Arweinydd Dinas a Sir Abertawe



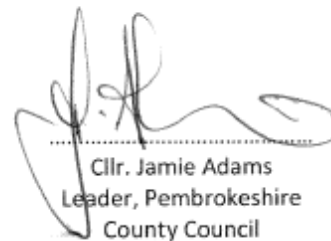
Cllr. Ali Thomas
Leader, Neath Port
Talbot Council

Y Cynghorydd Ali Thomas
Arweinydd Cyngor Castedd-nedd Port Talbot



Cllr. Emlyn Dole
Leader, Carmarthenshire
County Council

Y Cynghorydd Emlyn Dole
Arweinydd Cyngor Sir Gâr



Cllr. Jamie Adams
Leader, Pembrokeshire
County Council

Y Cynghorydd Jamie Adams
Arweinydd Cyngor Sir Penfro

Introduction

7. The Swansea Bay City Region is comprised of four local authorities: Pembrokeshire County Council, the City and County of Swansea, Neath Port

Talbot Council and Carmarthenshire County Council. It is a major driver of the Welsh economy and has a resident population of 688,000 supporting some 302,000 jobs and containing around 22,000 businesses.

8. The region is large and diverse containing both urban centres and a wide array of rural locations with distinctive yet inter-connected economies and communities. This diversity helps to position the region as a desirable location to live, work, visit and invest.
9. Whilst it is home to a range of major employers in key strategic sectors including manufacturing, healthcare and the public sector, it also includes a number of invaluable natural resources and infrastructure. For example, Milford Haven is one of the largest natural harbours in the world through which 28% of natural gas imports into the UK pass.
10. These existing strengths and assets are underpinned by a supportive network, including the region's further education establishments: Coleg Ceredigion, Pembrokeshire College, Coleg Sir Gar, Gower College Swansea and Grwp NPTC. This is also supported by Swansea University and University of Wales Trinity St David's which both deliver world-leading research and the skills and talent to drive growth.
11. However, despite these strengths the region is underperforming economically. Overall productivity (GVA) growth is consistently below that of the UK and Wales over the past two decades with GVA per employee in the region at £34,300 in 2015 (at 2011 prices), 74% of the UK average. This statistic is reinforced through the sectoral mix of the economy which, as a whole, is geared towards lower value sectors compared to the UK and therefore the nature of the jobs within these sectors is generally of a lower value.
12. Regional partners understand both the opportunities which the region's strengths could exploit and its weaknesses that must be addressed to deliver growth and have collaborated extensively to propose a City Deal with absolute focus on collective action over the next two decades.

Key Elements of the Deal

13. The Swansea Bay City Region partnership, through the 'Internet Coast' publication and subsequent discussions with the Welsh and UK Governments, has developed a clear strategy which has been underpinned with identified interventions to deliver widespread and sustainable economic growth across the region. These interventions, subject to the submission and approval of detailed business cases for the eleven identified projects by the Welsh and UK Governments, and the agreement of necessary governance agreements and a delivery model, form this City Deal and will represent a 15 year, £1.3 billion commitment for the region.
14. Both the Welsh and UK Governments will contribute up to £241 million into this Deal respectively. The four local authorities and other public sector bodies in the region will contribute £396 million over the period of this Deal.
15. It is anticipated that up to £637 million of direct private sector investment will be secured for this Deal across all interventions.
16. The Swansea Bay City Region believes that this investment will support the creation of over 9,000 additional jobs and contribute to increasing GVA by £1.8 billion.

Investment Themes

17. A future-proofed digital infrastructure will provide the transformative foundations for interventions in the Deal which, when combined, create a paradigm shift in the design, development and the application of technology within key sectors across the region. These interventions will centre on:
 - **The Internet of Economic Acceleration.** To deliver a coherent and integrated economic development strategy for the region that incorporates the identification of demand for and potential delivery of a next generation digital infrastructure and the creation of a digital district in Swansea and its hinterland. In addition, supporting the growth in the creative industries within the region through optimising the benefits of S4C's relocation, providing a recognised, world leading supportive environment for technology businesses and start-ups; and the development of the skills required to support growth.
 - **The Internet of Life Science & Well-Being.** To build on the existing regional assets through the expansion of research and innovation infrastructure and the piloting of a digitally integrated healthcare environment.

- **The Internet of Energy.** To place the region at the forefront of energy innovation in the areas of sustainable house building to address fuel poverty and in the creation of a centre of excellence to develop and exploit aspects of marine and other energy.
- **Smart Manufacturing.** To support the critically important regional manufacturing economy through aligning digital assets and research and development provision under Industry 4.0 principles to improve products, services and processes. In addition, developing a leading-edge innovation capability to support R&D within the steel industry in Wales and the wider UK.

Government Funding

18. The UK and Welsh Government commit to providing £241 million of capital funding to support this City Deal, with £115.6 million being contributed by the UK Government and £125.4 million by the Welsh Government, reflecting the balance of reserved and devolved areas of spending in the proposed projects.
19. The Governments will provide the funding over a 15 year period. Funding will be released following the agreement of full business cases for the projects by both Governments.

Local Authority Borrowing

20. Throughout the course of the City Deal programme the four Swansea Bay City Region local authorities will be responsible for financing the capital investment programme. The cost of any external borrowing is the responsibility of the relevant local authority or local authorities and is to be managed in accordance with prudential principles – it must be prudent, affordable and sustainable.
21. In a scenario where future City Deal delivery is not within agreed limits, leading to any reduction or cessation of City Deal grant, then it will be the responsibility of individual local authorities within the Swansea Bay City Region to manage the financial impact of this within their local authority budget, utilising reserves or surpluses as required.

Additional Funding Flexibilities

22. To support the Swansea Bay City Region's City Deal commitments and further underpin the resourcing of interventions to deliver economic growth, the four local authorities would welcome greater levels of financial autonomy and flexibility.

23. As part of this City Deal the Welsh Government will explore with the Swansea Bay City Region:

- the devolution of business rate income above an agreed growth baseline to provide funding for the City Deal programme;
- providing the ability to levy an infrastructure supplement;
- creating the option for the local authorities to use alternative finance sources; and
- removing conditions around some specific Welsh Government grants, to allow funding to be pooled at the regional level in areas such as school support and interventions that seek to address poverty.

Delivering Strategic Regional Functions

24. The Swansea Bay City Region, in partnership with the Welsh Government, will commit to delivering a number of key strategic functions at a regional level to support both the implementation of this Deal and wider development activity.

25. These functions will include strategic land-use planning and economic development however the four local authorities are free to agree to others where they demonstrate significant regional benefit.

26. As part of this commitment, local authorities will develop a timetable for implementation.

The Internet of Economic Acceleration

27. The Internet of Economic Acceleration theme seeks to position the region as an internationally recognised location for the industry led exploitation of next generation digital networks and innovation systems.

28. It aims to build on existing assets within the region with interventions focused on both the need and potential provision of digital infrastructure together with the physical space, support networks and skills required to develop technology focused businesses across knowledge based sectors.

29. Identified interventions will complement any existing provision in the region and will be subject to the submission of detailed business cases and implementation plans for approval by the Welsh and UK Governments. Under this theme interventions include:

- **Digital Infrastructure.** The local partnership will explore the demand and investment case for the provision of a state of the art digital infrastructure for the region that will underpin all interventions within this Deal. This infrastructure could potentially include the creation of a full-fibre network with gigabit speeds and the expansion of existing 4G and WiFi capabilities. The UK Government's 5G Strategy published at Budget 2017 sets out the steps that the Government will take to achieve its ambition to be a global leader in 5G, including the creation of a new national 5G Innovation Network. The local partnership will investigate how investment in 5G technology and applications through the City Deal could support projects within the area. The UK Government would encourage engagement from the local partnership to identify how the Swansea Bay City Region might link with the wider 5G Innovation Network programme.
- **Swansea City & Waterfront Digital District.** The Digital District initiative aims to create a vibrant and sustainable city centre that facilitates the growth of higher value activities (particularly tech businesses) and acts as a key driver for the regional economy. It will create incubation space and co-working areas for start-ups and small businesses at the Waterfront development; create a new City Centre Business District to support the growth of tech businesses and other higher value added activities and; develop digitally orientated physical assets to help revitalise the City Centre.
- **Centre for Excellence in Next Generation Digital Services.** The Centre aims to act as a systems and solutions hub for the internet coast. Operating from a purpose-built facility which will offer incubation, laboratory and 2nd stage space, the Centre will bridge the gap between research and innovation and the ability to launch, develop and grow commercial opportunities.

- **Yr Egin – Creative Digital Cluster.** Building on the decision by S4C, the Welsh language broadcaster, to establish its headquarter presence in Carmarthen, Yr Egin aims to develop a new digital creative cluster. This will seek to attract creative SMEs to start up or expand through providing next generation digital infrastructure, business accelerator facilities, incubation space, and networking opportunities.
- **Skills and Talent Initiative.** Delivered through the Regional Learning and Skills Partnership which is made up of private and public sector members, this initiative seeks to ensure the creation, attraction and retention of a workforce equipped to deliver each of the City Deal interventions. It will focus on a number of strands including advanced skills, HE/FE provision, Continuing Professional Development, apprenticeships and school engagement amongst others to contribute to a broader uplift in productivity across the wider economy.

The Internet of Life Science & Wellbeing

30. The Internet of Life Science & Wellbeing theme seeks to act as a catalyst for the specific economic development ambitions of the existing ARCH (A Regional Collaboration for Health) partnership.
31. This partnership is unique, bringing together the regional Health Boards and the life science expertise within Swansea University, with a focus on open-innovation harnessing research capability, digital connectivity, clinical expertise and citizen access to enhance the impact of the life science and healthcare sectors on economic growth.
32. Identified interventions will complement any existing provision in the region and will be subject to the submission of detailed business cases and implementation plans for approval by Welsh and UK Governments. Under this theme interventions include:
- **Life Science & Well-being Campuses.** Built upon an ‘open access-open innovation’ philosophy, the Campus project will expand research and innovation infrastructure at the Morriston campus alongside world-leading clinical delivery. This will allow for significantly larger levels of both technology and clinical innovation to strengthen the regions capacity to commercialise research in partnership with international business, indigenous SMEs and university spin outs. In addition, a reconfiguration in real estate will see an expansion of the Singleton Campus where a growing cluster of medical and health technology businesses currently operate and collaborate.
 - **Life Science & Well-being Village.** The development of a Health & Well-being Village will be a truly unique initiative within the UK and at its heart would be the objective of integrating business development, education, wellness initiatives, research and development and healthcare into a single physical locality. The Village will contain a primary/community care facility, an Institute of Life Science facility to support research and provide incubation space, an education and skills development capability, and leisure and tourism facilities each element integrating to create a ‘Living Lab’ environment. The Village will be digitally connected to the campuses utilising the transformative digital infrastructure supported through the Internet of Economic Acceleration supporting interconnection across the region and creating life science and health employment and investment opportunities.

The Internet of Energy

33. The Internet of Energy theme seeks to build on the significant and diverse energy asset base within the region. It will align conventional and renewable energy production and storage capabilities, world leading research in areas such as tidal, materials and energy systems with the strategic energy hub at Milford Haven and transformative initiatives such as SPECIFIC.
34. This alignment will provide significant economic benefits positioning the region as a centre for energy related innovation as well as responding to critical regional issues such as the shortage of affordable homes and fuel poverty.
35. Identified interventions will complement any existing provision in the region and will be subject to the submission of detailed business cases and implementation plans for approval by Welsh and UK Governments. Under this theme interventions include:
- **Homes as Power Stations.** Building on the capabilities of existing organisations and research facilities within the region that are developing new technologies to allow buildings to generate, store and release energy, this initiative seeks to undertake an extensive new house build and retrofit programme which integrates such technologies. Whilst this programme will help to generate sustainable and affordable homes and address fuel poverty, it will also develop and seek to attract new sector supply chains incorporating leading research and high value manufacturing and construction operations. The UK and Welsh Governments expect the Swansea Bay region's proposals to be ambitious and also additional to the existing innovation landscape.
 - **Pembroke Dock Marine.** This project will unlock local growth and regeneration opportunities in the area, exploring marine and other energy sectors. The ambition will be that this project will create a cluster of resources, knowledge and capabilities in marine energy and other energy sectors to accelerate technological development and lead to indigenous business growth, new start up business and an attraction for international business in this field.

Smart Manufacturing

36. The Smart Manufacturing theme seeks to provide clear alignment between the region's critically important manufacturing sector, including both multi-nationals and SMEs, with existing and newly emerging R&D capability to deliver a step change in improving new products, services and industrial processes.
37. This new approach will have the aim of ensuring all businesses across the region can benefit from the increasing marriage between information, data, technology and the manufacturing process to exploit new markets and improve competitiveness, export capability, supply chain opportunities and the marketability of the region as a strong base within Europe for the sector.
38. Identified interventions will complement any existing provision in the region and will be subject to the submission of detailed business cases and implementation plans for approval by Welsh and UK Governments. Under this theme interventions include:
- **Factory of the Future.** To support and continue to build the region's strong manufacturing base, this initiative will create a network of smart manufacturing innovation centres which will provide SMEs with an opportunity to invest in leading edge technologies and opportunities associated with a digital manufacturing revolution. Informed by industry 4.0 principles, and supported by world class industrial innovators, this initiative will put the region and its enterprises at the forefront of this digital and data based manufacturing movement, creating a regional integrated manufacturing ecosystem.
 - **Steel Science Centre.** The Centre will focus on providing commercial R&D to address the current and future challenges of sustaining steel-making capacity in the region and the UK. In doing so it will work with industry to reduce its carbon impact and place the region at the cutting edge of low carbon production. It will also provide support for the developments in the steel supply chain and downstream operations. Local partners commit to working with the UK Government, and other stakeholders across the UK industrial innovation landscape, to ensure that this centre aligns with and strengthens future proposals within a potential sector deal for the UK steel industry.

Swansea Bay City Region Governance

39. The leadership and governance arrangements across the Swansea Bay City Region will be strengthened through the development of a transparent, stable and clearly accountable leadership structure which will provide a direct line of responsibility to the electorate of the four local authorities.
40. At the heart of these arrangements is an agreement that local partners will create two new bodies to oversee the implementation of this deal: an Economic Strategy Board, chaired by a private sector business person and with membership drawn from across the public and private sectors, and a Joint Committee of the local authorities and chaired by a local authority leader.
41. The Economic Strategy Board will set the strategic direction for the City Deal and will provide strategic advice to the Joint Committee on matters relating to the City Deal. The board will oversee the production of the final business cases for City Deal projects before referring them to the Joint Committee and receive regular monitoring reports to assure and if necessary challenge delivery of the deal.
42. The chair of the Economic Strategy Board will be appointed, following nominations, by unanimous agreement of: the Welsh Government, of the UK Government, and of the local partners (through a vote of the Joint Committee). Other members of the Board will be appointed through an open recruitment and nomination process. Swansea Bay partners will submit proposals for the recruitment and nomination process. This will be subject to unanimous agreement by local partners, the Welsh Government and UK Government.
43. The Joint Committee will be responsible and accountable for all financial, staffing and legal decisions in the delivery of this deal. The Joint Committee would need to agree to make decisions on City Deal funding based only on business cases on interventions previously agreed by the Economic Strategy Board.
44. The Joint Committee will also embrace the wider opportunities presented through a regional approach to strategic functions such as planning, transport and economic development.
45. The interventions outlined in paragraphs 29, 32, 35 and 38 will be subject to the submission and approval of detailed business cases by the Welsh and UK Governments.
46. The Regional Learning and Skills Partnership for South West and Mid Wales will also have a central role to play in leading on the strategic approach to the delivery of employment and skills in the region.

47. Formal governance arrangements and a delivery model will need to be agreed as part of a Joint Working Arrangement by the four local authorities and approved by the UK and Welsh Governments.

City Deal Delivery Team

48. To manage the implementation of the City Deal, partners will create a dedicated Operational Delivery Unit. This Unit will be resourced through an appropriate recruitment process. It will report directly to the Joint Committee and have day to day responsibility for managing the identification, assessment, approval, monitoring and evaluation processes for interventions and projects.
49. It will also deliver all appropriate administrative functions necessary to the implementation of the Deal including specific duties to service respective Committees.
50. The City Deal Delivery Team will be appointed by and report to the Joint Committee and will provide monitoring reports to both the Joint Committee and Economic Strategy Board.

Local Government Service Reform

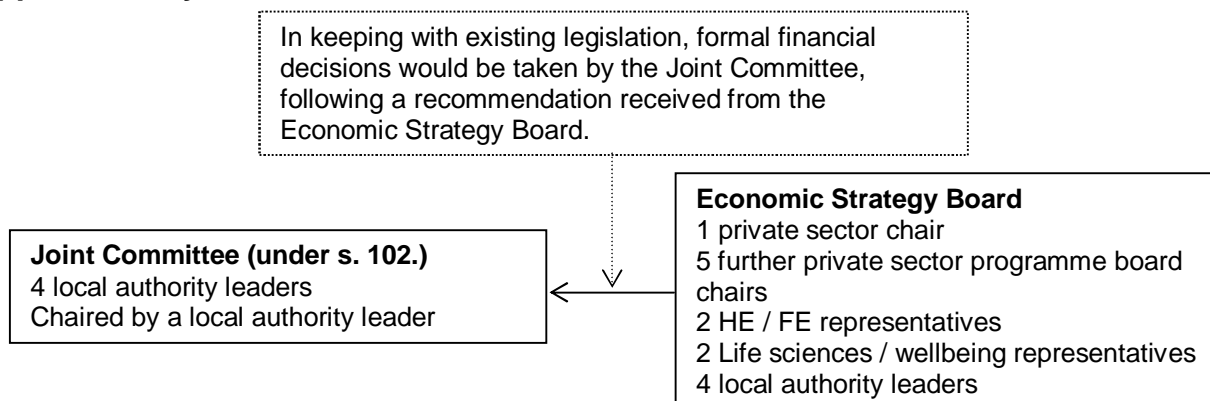
51. The Swansea Bay City Region through the Joint Committee and in partnership with the Welsh Government, will commit to deliver service reforms that will see a number of strategic functions delivered at the Regional level. This will include land use planning, transport planning and economic development and will provide the underpinning blueprint and delivery mechanism for development across the region.
52. Proposals for local government reform include the development of joint governance committees covering three regions. These three joint governance committees would be required to determine and keep under review the arrangements for discharging those local authority functions which might be mandated to be exercised regionally. Potentially there are a range of functions which might be mandated including economic development, transport, land use planning, education improvement and social services.
53. The relevant region for the Swansea Bay Region City Deal would include the four local authorities which are part of the deal together with Powys and Ceredigion. These two authorities are developing 'Growing Mid Wales' and it is our expectation that these two sets of distinct arrangements would continue under the umbrella of the Central and South West Wales joint governance committee area. This Committee would then have a role in ensuring the coherence of these arrangements with those relating to other economic development and relevant functions within its area.

Delivery, Monitoring and Evaluation

54. Swansea Bay City Region will work with the UK Government and the Welsh Government to develop an agreed implementation, monitoring and evaluation

- plan in advance of implementation, which sets out the proposed approach to evaluating the impact of delivery.
55. If the City Deal is not delivered as set out in the implementation plan agreed by the Swansea Bay Joint Committee, the Welsh Government and UK Government, or if any of the commitments in this deal document are not fulfilled, the Governments will review and may halt the payment of any unpaid funding for this deal.
56. The Swansea Bay City Region City Deal will be monitored by the Joint Committee. The City Deal Delivery Team will provide the UK and Welsh Governments with a quarterly performance report that will:
- Highlight City Deal successes.
 - Provide a performance narrative for each element of the City Deal against agreed implementation plan timescales.
 - Provide information on outputs and outcomes agreed.
 - Identify mitigating actions for projects and programmes that are not being delivered to agreed timescales.
57. The UK Government and Welsh Government will work with the Swansea Bay City Region to agree a timetable for the production of these reports and the Swansea Bay City Region will convene regular progress meetings.
58. A joint scrutiny committee will be drawn from the membership of the four authorities to provide an independent scrutiny function to ensure greater public accountability over decisions made by the Joint Committee and any of its sub-committees and related entities.
59. The Swansea Bay City Region commit to recognising the “City Deal” in promoting and branding investments made as a result of this Deal. This includes acknowledging Welsh Government and UK Government equally alongside other funding partners. The City Region may wish to explore a single unique brand identity that represents the whole City Region area and all the partners involved in delivering the City Deal.

Appendix: City Deal Governance¹



The Joint Committee's role is :

- UK and Welsh Governments funding would flow into the Joint Committee
- All financial decisions would be taken by the Joint Committee of Local Authority Leaders.
- The Committee has ultimate responsibility and accountability for decisions taken in the Deal.
- The Joint Committee will be chaired by one of the Local Authority Leaders.
- The Joint Committee would make investment decisions on the basis of a recommendation received from the Economic Strategy Board, of which they are all members.
- The Joint Committee can refer new proposals to the Economic Strategy Board for advice.
- The Joint Committee would need to agree to make decisions on City Deal funding based only on business cases on interventions previously agreed by the Economic Strategy Board, of which they are all members.

The Economic Strategy Board's role is :

- To provide strategic advice on matters relating to the City Deal and specifically in relation to proposals for investment.
- The Strategy Board would monitor progress with the delivery of the Deal.
- The Board will oversee production of business cases.
- The Economic Strategy Board would take the form of an "unincorporated association". It should set its own membership criteria, decision-making processes etc. but it cannot hold money or employ people.
- The Economic Strategy Board should agree in adopting its constitution that it will appoint as its chair a private sector representative. This person would be in addition to the private sector representatives on the board.
- There would be a three member recruitment panel consisting of one representative of the local area, one representative from Welsh Government and one from UK Government. Unanimous approval would be required to appoint the chair.
- The Local Area will be required to come forward with a proposal for the nomination and recruitment process of the Economic Strategy Board's membership. This will then need to be

¹ Subject to agreement of Joint Working Arrangements by the four local authorities and approved by the UK and Welsh Governments.

approved by both UK and Welsh Governments.

SBCR CITY DEAL

GOVERNANCE

