



Report of the Director of Place

Economy, Environment & Infrastructure PDC
16 September 2021

Swansea Bay City Deal – Skills & Talent Programme Business Case

Purpose:	To provide the Economy, Environment & Infrastructure PDC with an update of the Swansea Bay City Deal Skills and Talent business case (attached as Appendix 1 of this report) recently approved by Cabinet and to explore how this may fit in with a future PDC agenda item of developing local skills.
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For Information	

1. Purpose

- 1.1 To provide the Economy, Environment & Infrastructure PDC with an update of the Swansea Bay City Deal Skills and Talent business case (attached as Appendix 1 of this report) recently approved by Cabinet and to explore how this may fit in with a future PDC agenda item of developing local skills.

2. Background and Context

- 2.1 The Swansea Bay City Deal is a £1.3bn investment in nine major projects across the Swansea Bay City Region which is made up of Carmarthenshire, Neath Port Talbot, Pembrokeshire and Swansea. The City Deal is being funded, subject to the approval of project business

cases, by the UK Government, the Welsh Government, the public sector and the private sector.

- 2.2 The Skills and Talent Programme is a unique programme within the suite of nine projects that make up the Swansea Bay City Deal portfolio that will deliver skills training solution offering the best value sustainable skills infrastructure to develop the workforce of the future.

3. Main Issues

- 3.1 A business plan for the Skills and Talent Programme has been prepared and is attached at Appendix 1 and was approved by Cabinet on the 15th July 2021.

- 3.2 The City Deal funding will fund a programme team that will develop a Skills Barometer for the region, the Barometer will identify the skills gaps that exist in the region and identify the new skills required to meet the existing and future needs of the 8 City Deal projects across the five key themes of Construction, Digital, Energy, Health and Wellbeing and Smart Manufacturing.

- 3.3 The programme delivery will be across four phases:

- Phase1 - mapping of the City Deal skills gaps and analysis of the training needs for the City Deal projects and the wider regional benefits. The needs analysis will consider the business needs; gender and equality imbalances and the needs and availability of the existing and future workforce through re-training and increasing awareness of opportunities.
- Phase 2 - identify the skills gaps across the five key themes and the programme team will work with stakeholders to develop pilot projects to deliver the skills training and upskilling identified. The Skills and Talent programme will not duplicate existing provision, but will work with all training providers across the region to ensure that the courses delivered through the pilot projects, or the amendment of existing frameworks will meet the future skills needs for the region and will provide a lasting legacy of skilled individuals across the Swansea Bay region.
- Phase 3 - will work with schools across the region to highlight opportunities that will be generated through the City Deal projects and develop clear pathways to help young people make the right choices in schools. The aim will be to increase the number of pupils following STEM subjects in Further and Higher Education.
- Phase 4 – identify opportunities to create Centres of Excellence in the region that will be the legacy of the programme and identify the region as being the best place to learn specific sector skills.

3.4 The overarching aim of the programme is to strengthen collaboration and increase investment that will significantly boost the quality and quantity of trained and skilled individuals through the intervention of the programme. The aim is to:

- ✓ To directly deliver at least 2,200 additional skills and support the development of around 14,000 individuals with higher level (between 2-8) skills within 10 years.
- ✓ To create at least 3000 new apprenticeship opportunities, to include level 3 to Degree apprenticeships.
- ✓ To create at least 2 Centres of Excellence within specific sectors to develop the region as being “the best” area for skills development.
- ✓ To create a clear career pathway from school education through further and higher education in the key areas of digital; construction, energy; smart manufacturing and life-science and wellbeing, achieved through engagement and development work with schools increasing the number of pupils following the STEM subjects in FE and HE.
- ✓ To deliver 20 new/updated course frameworks to ensure they meet the industry training needs for the future.

3.5 The Skills and Talent programme is required because the region suffers from a series of overarching economic issues including low GVA, lack of well-paid job opportunities, skills shortage, high levels of economic inactivity and outward youth migration. The region is characterised by a higher proportion of individuals with no qualifications when compared with national averages. A high number of individuals in the region are currently in low skilled, low paid and unstable employment and subsequently a lower-than-average level of individuals are in higher paid, meaningful employment. The programme will help address the skills gaps by working with the City Deal projects and regional stakeholders to develop and deliver the skills needs for the future in the region.

4. Financial Impact

4.1 The financial profile is detailed below. These figures are the current financial investment forecast that the Skills and Talent programme is projecting over its 5 year term.

Expenditure	Year 1 2020/21 (£m)	Year 2 2021/22 (£m)	Year 3 2022/23 (£m)	Year 4 2023/24 (£m)	Year 5 2024/25 (£m)	Year 6 2025/26 (£m)	Total (£m)
Capital	£ -	£ -	£ -	£ -	£ -	£ -	£ -
Revenue	£ 24,800	£ 2,920,000	£ 5,000,000	£ 7,500,000	£ 7,500,000	£ 7,055,200	£ 30,000,000
Total	£ 24,800	£ 2,920,000	£ 5,000,000	£ 7,500,000	£ 7,500,000	£ 7,055,200	£ 30,000,000
Funding							
Swansea Bay City Deal Grant	£ 24,800	£ 1,170,000	£ 1,500,000	£ 2,500,000	£ 2,500,000	£ 2,305,200	£ 10,000,000
Public Sector	£ -	£ 1,250,000	£ 3,000,000	£ 4,000,000	£ 4,000,000	£ 3,750,000	£ 16,000,000
Private Sector	£ -	£ 500,000	£ 500,000	£ 1,000,000	£ 1,000,000	£ 1,000,000	£ 4,000,000
Total	£ 24,800	£ 2,920,000	£ 5,000,000	£ 7,500,000	£ 7,500,000	£ 7,055,200	£ 30,000,000

- 4.2 The Joint Committee is responsible for overseeing the proportion of each Local Authority's responsibility for borrowing to provide funding for regional projects. The capital borrowing in respect of the Government funded elements of the City Deal projects will be re-paid by identified Government funds (UK & Welsh Government) over the 15-year period.
- 4.3 The exact level of borrowing and the structure and terms of the borrowing are yet to be confirmed, although it will be calculated based on the amount required per relevant Local Authority and will be in line with the individual LA's internal requirements. This is being determined by the four Section 151 Officers of the four regional LAs. All borrowing will be agreed based on the principles of the Prudential Code and Treasury Management Policy and Strategy for each Local Authority.
- 4.4 When the borrowing requirement is confirmed for the regional programmes each local authority will be obligated to individually support their determined element and any associated borrowing costs. Currently work is ongoing to determine the level of borrowing required for the three regional programmes in light of the announcement of the advancement of grant from UK Government and the ongoing discussions with Welsh Government to match this grant advancement.

5. Financial Implications

As this report is for information there are no additional financial implications falling on the authority.

6. Legal Implications

As this report is for information there are no additional legal financial implications falling on the authority.

7. Integrated Assessment Implications

- 7.1 **As this report is for information** there are no requirement to undertake an IIA. An IIA was completed for the initial Cabinet report dated 15th July 2021. Long Term – Skills and Talent development is a long-term investment that enables transformative actions at many levels.

Appendix 1 - Swansea Bay City Deal Skills and Talent Programme Business Case.