



**Report of the Cabinet Member for Economy, Finance and Strategy
(Leader)**

Scrutiny Programme Committee – 18th January 2022

**Key Headlines: Economy, Finance and Strategy
(Leader)**

Purpose: This report outlines notable activities and achievements in terms of ensuring the delivery of key priorities within the Economy, Finance and Strategy (Leader's) portfolio. It focuses on current key areas of national, regional and local significance such as our response to the COVID-19 pandemic and recovery, Brexit and replacement EU funding, delivering the Swansea Bay City Deal (SB CD), the progress of other key regeneration programmes and projects in Swansea and the region (including the Swansea Bay and South West Wales metro), the Council's budget and partnership working.

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For Information

1.0 The Portfolio for Economy, Finance and Strategy (Leader)

1.1 Key responsibilities within the portfolio include:

- Brexit & New Economic Relationships,
- Capital Programme Delivery,
- City Centre Redevelopment,
- City Deal Delivery,
- Communications,
- Community Leadership,

- Constitutional Changes,
- Emergency Planning,
- Finance Strategy, Budget & Saving Delivery,
- Financial Services,
- Future Digital Networks (City Deal),
- Legal Services,
- Local and Regional Investment Strategy,
- Planning Policy (Regional),
- Poverty Reduction,
- Public Service Board (PSB),
- Recovery Plan Lead,
- Regeneration Strategy & Major Projects,
- Regional Working Lead (All Bodies),
- Strategic Partnerships,
- Swansea Bay City
- Welsh Local Government Association (WLGA) – Deputy Leader,
- WLGA Lead on Europe, Brexit, Economy & Energy,
- WLGA representative to LGA.

1.2 Owing to the breadth and scope of the Economy, Finance and Strategy portfolio, it is not the intention of this report to provide an update on *all* of the responsibilities within the Economy, Finance and Strategy portfolio. Instead, the report is designed to highlight key areas of national, regional and local significance. Progress on each of the constituent elements of the Leader's portfolio are scheduled and reported through existing scrutiny arrangements throughout the Municipal year.

2.0 COVID-19 response and Recovery Planning

2.1 The Scrutiny Programme Committee received an update on the progress in delivering the Council's Recovery & Transformation Plan 'Swansea – Achieving Better Together on the 19th October 2021', following on from a previous progress report given in March 2021.

2.2 The report demonstrated that Recovery and Refocus phases of the programme are well underway with associated working groups and actions, reporting mechanisms and governance boards in place. Work is ongoing in relation to the continued recovery, refocussing and reshaping the Council and is structured around the following work streams;

- Care Services
- Education and Learning
- Future Workforce and Equalities
- Community Support
- Economy and Environment

2.3 Our Policy Development Committees (PDCs) have been instrumental in the development of new policy developments in relation to the Council's Recovery and Transformation programme and making recommendations to the relevant Cabinet Members.

2.4 Some of the key achievements for our staff and organisation to date have included;

- the development of a renewed Agile Policy and ensuring staff have a safe working environment at home and in other settings,
- early and continual engagement with Trade Unions,
- increased engagement with staff through different phases of the Recovery programme,
- the relaunch of the revised Leadership Hub and the Ideas Hub,
- a programme timetable for Medium Term Financial Plan (MTFP),
- a reporting process for Economic Recovery Fund Monitoring.

2.5 Some of the key achievements for our local residents to date have included;

- improving how we monitor the well-being of vulnerable children by developing a shared criteria of understanding vulnerability, used by both Education and Child and Family Services,
- supplying more than 12,000 computers, lap tops and ipads during last year and providing free wifi in disadvantaged communities,
- expanding the Local Area Coordination service across Swansea,
- working with partners to support a wide range of community based projects, including the development of Volunteering Toolkits and associated training.

2.6 The COVID-19 Pandemic has continued to place significant and unprecedented pressure on Council services, staff and citizens. The Recovery and Refocus phases are not linear and have been affected by the changing nature of the Pandemic. Future reports on our progress in responding to the Covid-19 pandemic, our recovery and re-focusing the Council will be made to the Scrutiny Programme Committee in due course.

3.0 Brexit and New Economic Relationships

3.1 A trade agreement between the UK and EU was ratified and given Royal Assent on 31st December 2020. There was a customs transitional arrangement in place until 1 July 2021. The UK government postponed import checks from the EU to the UK until the end of 2021 in order to avoid supply issues during the ongoing Covid crisis. This was followed by another delay of import controls, in the context of truck driver shortages as a result of the pandemic, which are scheduled to be phased in during 2022. The economic impact of EU exit remains

uncertain and continues to be obscured by the ongoing disruption caused by the Covid-19 pandemic.

3.2 The impact from EU Exit on Local Authorities in Wales has been difficult to disaggregate from the effects of disruption from the Covid-19 pandemic. Both the Council and WLGA maintained their respective steering groups following the exit from the EU in order to monitor, gather and share intelligence on the period following the end of EU transition and to be prepared to mitigate emerging risks or take advantage of new opportunities.

3.3 The following were identified during Brexit preparations as key risks associated with EU Exit:

- EU Replacement funding.
- EUSS (EU Settlement Scheme).
- Ports.
- Supply Chains and disruption.

3.4 EU Replacement funding

The UK Government has established a Shared Prosperity Fund (SPF) to replace EU funding. Wales will get nearly a quarter of the £220m Community Renewal Fund (CRF) to help prepare for the introduction of the SPF. More than 160 projects totalling £46m led by Welsh councils will receive packages between £1.9m and £6,600 and every council in Wales except Flintshire is receiving funds.

Swansea successfully bid for CRF funding totalling £2,471,029 for eight projects, including support for developing the Blue Eden project, the successor to Dragon Energy Island and funds for projects in areas ranging from education and training opportunities for vulnerable groups to green community transport and regeneration schemes.

The full list is set out below:

- Community-led Sustainable Transport Solutions – Investing in Communities and Place: £128,821
- Cowork Local (Swansea): £331,891
- Dragon Energy Island – Swansea Bay Tidal Lagoon: £202,650
- Enterprise Swansea: £199,734
- Pathways to Work Swansea: £764,444
- Penderi Green Regeneration: £223,029
- Swansea Business Support and Green Recovery: £526,329
- Time to Learn and Work: £94,131

Debate on the level of funding available through the SPF and the UK Government's 'Levelling Up' funding programme and its parity with EU funding, which continues up until December 2023, is likely to continue

but there is concern in Wales that CRF funding will not achieve the levels provided under EU Structural Funds.

3.5 EUSS (EU Settlement Scheme)

The EU Settlement Scheme (EUSS) was established to allow EU, EEA and Swiss citizens who were resident in the UK before the end of the transition period, 31st December 2020, and their family members to continue to live and work in the UK lawfully in the post-Brexit era. For those eligible, an application should have been made before the end of the grace period, 30th June 2021.

Working on a regional basis, the Council undertook a radio campaign with Carmarthenshire and Neath Port Talbot Councils to raise awareness and encourage eligible citizens to apply for settled status through the EUSS by 30 June 2021. The Council also hosted and promoted Home Office Workshops, contacted local employers and held community events to promote the EUSS and help eligible citizens to apply. The cross-Council Brexit Steering Group worked to identify and support staff to apply for settled status through the EUSS scheme.

At the end of June 2021, approximately 99,100 EU citizens in Wales had applied for settled status. Of those applications 90,580 applications had been concluded; 51,880 had been granted settled status and 34,620 granted pre-settled status. In Swansea at the same point in time, 4,450 EU citizens had applied for settled status; 3,580 had been granted pre-settled status and other outcomes were recorded for 360 EU citizens living in Swansea.

Although applications go above and beyond the numbers initially anticipated for Wales, there are still individuals who need to apply and require support. There are increasing numbers of adjoining family members applying and parents realising they need to apply for their children. Welsh Government has recently announced it will continue to fund Newfields Law, Citizens Advice and Settled until March 2022 to support individuals needing to apply for settled status.

3.6 Ports

The re-introduction of border checks on goods to and from the EU could have significant implications for the ports of Holyhead and Fishguard / Pembroke Dock. Anglesey and Pembrokeshire councils have been working with UK and Welsh Governments to identify and put in place the necessary arrangements. Swansea Port however does not deal with people, food or live animals and so is not subject to additional checks or controls. There is a small risk that there could be some diversion to Swansea Port in the event of major disruption to Fishguard / Pembroke Dock but this is unlikely and is being kept under review.

3.7 Supply Chains and disruption

A significant amount of preparations in the Council for EU-Exit went into reviewing and ensuring that supply chains were resilient, including in the event of a 'No Deal' Brexit. This work included contacting suppliers to check their resilience, reviewing current stock levels, identifying alternative supplies / suppliers and reviewing / testing business continuity plans.

There have been some related issues across the UK and Wales post EU Exit; but a significant element of this appears to be the result of the impact from Covid-19. All Local Authorities in Wales are experiencing increasing contractual costs for various projects, delays in supplies and difficulties in recruiting staff across a range of services and technical roles. Some Authorities are having particular difficulties in recruiting HGV / PCV drivers and care workers for social care settings.

Broadly, the UK's current supply chain issues stem from global shortages of materials, staff shortages and transport delays occurring at the same time as sharp spikes in demand and increased commodity prices and fuel costs. No particular sector is at severe risk but there are areas of concern, which could be exacerbated by a confluence of events such as severe weather, Covid and/or influenza spikes, etc. Although Covid appears to be the main cause of these difficulties, it is difficult to ascertain from this picture what effect, if any, Brexit might be having on these issues within the UK.

Swansea Council has reviewed the situation and is satisfied that, whilst these matters are being contained, they will be kept under review and closely monitored. The Council continues to engage with WLGA and has incorporated risks into the Corporate Risk Register to mitigate the effects of Covid-19, including on social care and on the supply of construction materials; these are reviewed at least on a monthly basis at Performance & Financial Monitoring meetings and at Corporate Management Team.

4.0 The wider “Levelling Up” agenda

- 4.1 It is important to note the distinction between Levelling up Funds and a wider, planned Levelling-up policy to be set out in a White Paper by the UK Government. A report published by the Institute of Welsh Affairs (IWA) in December 2021 into the Levelling up agenda concluded that Wales as a country is likely to receive a lower level of funding from the combined UK Government funding streams directly or indirectly replacing European Union regional funding. The report also suggested that that Welsh Local Authorities may be at a disadvantage when vying for funding due to the competitive nature of the programmes, their small size compared to English Local Authorities and lack of experience in competitive bidding.

- 4.2 The first round of Levelling up Funds (LUF) was launched in the late spring of 2021 and Local Authorities across the UK were invited to bid by 18th June. Announcements about successful bids were made at the end of October. Only around half of Welsh LAs submitted bids in the first round of the LUF due to time constraints and the pressures of simultaneously managing bids to another new UK Government scheme, the Community Renewal Fund (billed as the forerunner to the long-awaited Shared Prosperity Fund). Only 10 out of the 19 bids submitted by Welsh Local Authorities were successful in the first round of funding.
- 4.3 It was anticipated that the UK Government's White Paper on Levelling-up would be published before Christmas, however, it has been delayed. It was also anticipated that a prospectus setting out the detail of the Shared Prosperity Fund (SPF) will follow or accompany the release of the White Paper. In the UK Government Spending Review, details were given of the 'ramping up' of the SPF, as funding from current EU programmes tails off. The SPF is planned to provide £0.4bn in 2022/23, £0.7bn in 2023/24 and £1.5bn in 2024/25. It is worth noting that Wales received 23% of the £200m recently awarded under the CRF – a far higher share than if based on population share (c5%). However, if the figure of 23% is applied to the projected SPF figures, the award to Wales would rise to £345m by 2024/25 – still £30m short of the £375m p.a. received under EU programmes.

The SPF funding is largely a revenue fund, so by 2024/25 the £1.5bn will be made up of £1.3bn revenue and £0.2bn capital. That suggests it will focus on areas such as skills training and employability, previously funded via the ESF. The Levelling-up Fund (which currently runs up to 2024), by contrast is largely capital and therefore is presumably intended to fill the gap left by the ending of ERDF support. It should be noted, though, that the LUF is not strictly part of replacement EU funds as it is not 'new money'. It actually replaces the UK Government's previous Towns Fund in England, for which Welsh Government received consequential funding.

- 4.4 Through the WLGA, I recently met with the Secretary of State for Wales (before the announcement of the delay in the White Paper) to discuss the White Paper, the plan for SPF and the timeline for the next round of Levelling Up Funding. Following the meeting, we have written to the Secretary of State for Wales to seek assurance that Wales will receive the previous level of EU funding it received prior to the UK's departure from the EU and clarification around replacement capital funding, the prioritisation of bids and the flexibility of approaches based on local circumstances (in so far that there are different institutional arrangements across the four nations of the UK). We will continue to work through the WLGA and with other Council Leaders to lobby the UK Government to ensure that Wales receives its fair share of funding from the UK Government.

5.0 Delivering the Swansea Bay City Deal

- 5.1 We are continuing to make excellent progress in delivering the £1.3 billion investment of the Swansea Bay City Deal (SBCD). Despite the challenges presented by the Covid-19 pandemic, all 9 of the programmes and projects within the SBCD portfolio have now been approved by the UK Government and Welsh Government. This means over 99% of the available deal investment fund has been approved and is more than any other deal in Wales has achieved, representing significant progress for our region.
- 5.2 Work on the Swansea Bay City Deal's Swansea City and Waterfront Digital District project has continued at pace. The £135m Swansea Central Phase One transformation scheme - now branded Copr Bay, includes new parkland, around a 1,000 parking spaces, 50 affordable homes and commercial units. A striking new landmark bridge based on a design by artist Marc Rees has been put into place and is based on Swan abstracts and the gold coloured materials which reflect Swansea's copper industry heritage.

The construction of the Swansea Arena is nearing completion alongside the completion of the Copr Bay site. The Ambassador Theatre Group have been appointed as the operator and acts such as Alice Cooper, Rob Brydon, Diversity, the Cult and Katherine Ryan have been confirmed for the Arena's programme for 2022. The first event has been scheduled for the 8th March 2022 as part of an opening launch. A digital square featuring digital artworks and ultra-fast internet connection speeds will also be developed outside the arena. The Cairn Group have been identified as the preferred bidder for a planned four-star 150 room hotel adjacent to the Arena site.

Site set up and enabling works have commenced on the new digital district at 71/72 the Kingsway which is another key milestone in the project delivery

- 5.3 Some of the other key milestones marking the delivery of the Swansea Bay City Deal during 2021 include:
- the UK Government and Welsh Government released the first tranche of City Deal capital and revenue grant funding of £11.2m for Swansea by the 31 March 2021. We are due a further £4.8m by 31 March 2022 and therefore the total due to be drawn by 31 March 2022 will be £16m.
 - the submission of a planning application to prepare the Pembroke Port site for a major £60m marine renewable energy development and securing a Marine licence from Natural Resources Wales.
 - facilitating an online procurement awareness session to outline key opportunities related to the SBCD and the £250m worth of contracts over 2021.

- the approval of a £40m Pentre Awel project - a world class business, research, education, health and leisure facilities situated over an 83 acre site in Llanelli - by both the UK Government and Welsh Government.
- the approval of a £50m Digital project - aiming to ensure that cities, towns and business parks have competitive access to full-fibre connectivity, improved access to broadband in rural communities and the development of 5G and the 'internet of things' - by both the UK Government and the Welsh Government. It has been estimated that this project will be worth £318m to the region in the coming years.
- the installation of 70 air quality monitoring sensors which will use digital technology to monitor and understand air quality - as part of Supporting Innovation and Low Carbon Growth programme.
- industry and sector recognition of the design and environmental excellence of the high-tech office development planned for 71/72 the Kingsway. The development is projected to achieve BREEAM Excellent and be an industry exemplar project. Bouygues UK has been appointed as the main contractor for this project and were also recently appointed to start delivering Pentre Awel Scheme in Llanelli.
- the approval of a £15m Homes as Power Stations project - to facilitate the take up of energy efficient design and technologies in homes and helping people save money on their energy bills and cut carbon emissions - by the UK Government and Welsh Government. Part of a £505m project across the region.
- the approval of a £58.7m Supporting Innovation and Low Carbon Growth programme - aiming to deliver low carbon growth and a greener economy - by both the UK Government and the Welsh Government.
- the approval of a £30m Skills and Talent project by both the UK and Welsh Government in October 2021.
- Yr Egin - the first SBCD project to be approved and currently operational with 12 companies operating from the base - received a successful Gateway 5 review.
- the recent approval of a £132m Campuses project - aiming to develop and expand the Medical Technology and Sports Technology sectors through life science, well-being, and clinical innovation - by both the UK Government and Welsh Government.

Other regeneration programmes and projects across Swansea

5.4 Good progress has also been made in relation to other wider regeneration projects, alongside those programmes and projects funded by the Swansea Bay City Deal. These include:

- Blue Eden.

Pre-planning work has commenced. Discussions are ongoing with Associated British Ports, the South Wales industrial cluster linked to Hydrogen and other partners. The Blue Eden project is being led by

Bridgend-based DST Innovations and their business partners. It includes a 9.5km tidal lagoon structure, a floating solar farm, a data centre, high-tech battery manufacturing plants, a battery storage facility and other features that will place Swansea at the global forefront of renewable energy innovation. It is anticipated that the project will create more than 2,500 permanent jobs and support a further 16,000 jobs across Wales and the UK, while creating additional jobs during its construction. The project will be sited along an extensive area of land and water, to the south of the Prince of Wales Dock in the SA1 area of Swansea. It is anticipated that project would be delivered in three phases over 12 years and subject to planning consent, work on site could start by early 2023. Unlike the older Tidal Lagoon concept, the project will not require public subsidy and will now include new additional features such as Housing, a Battery factory, an Oceanic and Climate Change Research centre, a Data centre and a Solar farm.

- Re-imaging of Wind Street.

Good progress has been made in relation to this £3 million public realm improvement scheme, which aimed to expand the appeal of the area and provide a safer, more accessible and attractive environment. The project, includes new paving, better lighting and seating, LED colour-change tree-lights and greening as well as works to the carriageway to create a one way street with restricted access to vehicles from 7am-11am. Sustainability is an underlying principle of the scheme with retention and cleansing of the York stone paving to reduce the amount of imported stone. Similarly, many of the granite kerbs and other elements will be retained and re-used with much being re-engineered to create drainage 'dish' channels between 'at-grade' footway and highway. The scheme will be subject to a CEEQUAL assessment, which reviews the scheme's environmental credentials and awards accreditation on merit.

- Castle Square Gardens

Following a period of extensive public consultation, work is ongoing in relation to the development of a new concept for Castle Square. The new concept includes increasing the amount of Green space to cover more than 40% of the area, including a new planting scheme to incorporate new trees, green roofs, raingardens, and more accessible landscaped areas, reflecting the Council's Green Infrastructure strategy. The new concept also includes the removal of the existing water feature, two new café restaurant pavilions, new ground level water jets, an upgraded paved area to make Caer Street and Castle Bailey Street more pedestrian-friendly and improved connections with neighbouring areas. Cabinet recently agreed capital investment over the next two years and subject to securing planning permission in the summer of 2022 and further public consultation, it is anticipated that the work will be completed in the latter part of 2023.

- Palace Theatre

The historic but derelict Palace Theatre was acquired by the Council both saving a part of Swansea's heritage and acting as a regeneration catalyst for the Upper High Street. Grant funding was secured and design and refurbishment works are underway. The innovative digital workspace will offer a home for growing businesses in the tech, digital and creative sectors. Heads of Terms have already been signed with the lead tenant Tramshed Tech. Contractor R&M Williams has recently been appointed to bring the historic Palace Theatre building back into use as a new home to tech, start-up and creative businesses.

- Albert Hall

Another landmark building, the grade II 1864 Albert Hall is set for £7m regeneration as a result of Council support. Loft Co were able to invest in the former music hall due to support securing grant funding and loan funding from the Council via the Town Centre Loan Fund. Plans for a mixed leisure, commercial & residential development are moving forward preserving the architectural profile for future generations.

- City Centre Community Hub

Work is ongoing in relation the development of a City Centre Community Hub, aligning the Shaping Swansea and Re-purposing agendas and redeveloping the building into a Community Hub. During early 2021, we established a City Centre Community Hub Steering group and procured the services of multi-disciplinary design team (MDT) led by Coreus, to manage the design and delivery of the project. Discussions are ongoing with Swansea University, other partners and stakeholders in relation to agreeing the appropriate mix of services including the re-location of Swansea's main Library, archives, and other community based services currently located in the Civic centre, which best reflect the ethos of a Community Hub.

- Urban Splash

Urban Splash have been appointed to lead a £750m redevelopment of several sites across Swansea as its preferred development partner for a number of sites in the city, including the Civic Centre, Swansea Central North on the former St David's Shopping Centre site, and a plot of land along the riverside in St Thomas.

To be substantially funded by the private sector, early plans include:

- The transformation of the 23-acre seafront Civic Centre site into a new city waterfront district for Swansea. A mixed-use destination anchored by the beach is proposed, with new homes and a strong leisure and hospitality focus, generous civic spaces and plenty of greenery. Other proposals include a new walkway to the beach and

a mix of permanent and seasonal uses and events to create an all-season visitor destination.

- New office buildings, new apartments for residents and shared workspaces on the 5.5-acre Swansea central north site located at the former St David's Shopping Centre site. Capitalising on the major growth across the UK in demand for craft-based goods, space for small creative businesses to make and sell their products could also feature.
- A residential-led regeneration of a 7.5-acre riverfront site in St Thomas, featuring family homes, apartments, new public spaces and a new terraced river walk providing direct access to the river for the first time in over 150 years.

Urban Splash – an award winning company has been described as 'synonymous' with Manchester's success and has developed over 60 regeneration projects across the UK in the last 25 years, including several in Manchester. These include the regeneration of the New Islington part of the city into one of the UK's best places to live, according to The Sunday Times. Other schemes developed by Urban Splash include the Royal William Yard project in Plymouth, where the company transformed a collection of Grade I and Grade II Listed waterfront structures into apartments, workspaces, galleries, bars, restaurants, markets, cultural events and exhibitions.

Swansea Council's appointment of Urban Splash followed an extensive search for a preferred development partner as part of the Shaping Swansea initiative. Further proposals in future will also include opportunities to develop other key sites across Swansea.

- Tawe Riverside, Hafod Copperworks and Skyline

Work is ongoing in relation to the Hafod Copperworks and Kilvey sites. Good progress is being made in relation to the historic Hafod Copperworks site. The works contract for the Powerhouse has been awarded and is progressing well. A lease has been agreed with Penderyn who plan to expand there and fit it out as a new distillery and visitor centre. The iconic Musgrave Engine House has been restored and Vivian Engine House repairs are underway. Work has also continued on the 110 year old Bascule Bridge working closely with Cadw. Funding has also recently been secured for a new riverboat pick-up and drop-off point near the Liberty Stadium and work is currently underway to survey the best location for the pontoon

Work has continued with Skyline Enterprises who aim to create a gondola attraction with luge tracks, zip lines and visitor facilities on Kilvey Hill. It has developed proposals, which include improving access to and the ecology of the area. Heads of Terms had been signed by the Council and the Skyline board and survey work has

commenced before the pandemic. Although the COVID-19 pandemic resulted in Skyline temporarily stopping all of their projects across the world, we have recently received notification that Skyline intend to pursue their proposed development on Kilvey Hill - subject to securing Welsh Government support for their proposal.

6.0. Budget

- 6.1 The Council's Statement of Accounts has been signed off in record beating time once again and in spite of the COVID-19 lockdowns. We are in receipt of audit management letters which gives the Council a clean bill of health again this year on all bar one historic technical matter which is being rapidly resolved.
- 6.2 The 2020-21 outturn included a managed underspend and some £50m plus was added to reserves across contingency, capital equalisation reserve, schools reserves and social services. That underspend and bolstering of reserves was one of the largest of all Welsh authorities and is noted in Audit Wales review of resilience in local government in Wales and has set the Council in good stead for responding to the COVID-19 pandemic.
- 6.3 The pandemic has significantly impacted our finances with over £200m of flexed support to local businesses, our own revenue budgets flexed by tens of millions and the largest ever capital programme under way including building the Bay Field Hospital on behalf of the NHS and Welsh Government. I believe the Council can rightly claim to have led the way in terms of scale and pace of action across the spectrum of intervention
- 6.4 We have continued to take action to contain substantial overspending caused solely by Covid activity in Q2. After adjusting for Covid related activity services were already underspent by Q2 and taken in conjunction with significant underspending on contingency and capital financing (once again) , there is already a significant overall underspend expected for the current year which it is hoped will enable us to stretch the local Economic Recovery Fund by at least another £5m.
- 6.5 The outlook is one of significant pressure to Council services if the UK government's austerity programme continues, compounded by the twin impact of Brexit and Covid. I have to hope that the messages around the end of austerity prove to be correct and honoured with real extra funding not just nominal cash increases when pressures remain unabounded and inflation is clearly rampant. Early signs from the UK government from the Comprehensive Spending Review are very encouraging in the extreme short term with very substantial front loading of cash, fully replicated helpfully by the Welsh Government for 2022-23 but not at all encouraging for the medium term with independent commentators indicating tax rises and future real terms

cuts are likely longer term along with Government's attempts to continue to curtail future public sector pay awards which shamefully mean real terms cuts to wages, compounded further by those tax rises, are likely to continue well into a second decade.

- 6.6 Welsh Government has provided very substantial short term relief with a settlement worth 9.3% for 2022-23 but continues to starkly note that its ability to fund more now or for the longer term is entirely dependent upon the actions and plans of the UK government. Most telling is the removal of the bulk of COVID-19 funding for Wales and there is a real fear that the UK and Wales faces a funding cliff edge in the future as well as utter uncertainty as to how the UK government is going to act to rebalance current spending let alone future spending. This is compounded by uncertainty over the UK government use of the Shared Prosperity fund and the economic damage wreaked by COVID-19 and Brexit.
- 6.7 The Draft Budget proposals are due to have been issued and considered at Cabinet on the 20th January 2022 followed by the start of the Budget consultation on the same date. Following the consultation process, the final draft budget will come to Cabinet and Council during February and March 2022 and will include the Medium Term Financial Plan (MTFP). This is later than usual but a direct consequence of the delayed Comprehensive Spending Review and the Welsh Government decision to push back their budget and Local Government funding announcements
- 6.8 The Budget Medium Term Financial Plan (MTFP) is being developed for March 2022. The Council have also undertaken significant lobbying as a Council and via WLGA on budget and local government settlement matters. Swansea Council received an extra £339 million as part of its settlement (anticipated and factored into the Council's draft budget).
- 6.9 Work has continued to progress on the City Deal with significant cash funding being received. The Council remains well placed to access this cash as one of the most advanced projects with substantial elements of the Swansea Central scheme already significantly near completion. The rapid delivery of the Arena and surrounding sites as a catalyst for future investment remains unabated despite and in spite of COVID-19.

7.0 Swansea Bay and West Wales Metro Programme

Work is ongoing in relation to the development of the Swansea Bay and West Wales Metro programme. The Swansea Bay and West Wales Metro proposals aim to make it easier to travel – by public transport, bike or on foot. The aim is to develop an integrated public transport system which will include a variety of modes such as heavy rail, tram-train, light rail and bus, all of which can be accessible by walking and cycling.

Funding from the Welsh Government for this regional project has secured project co-ordination and dedicated resources to develop and deliver a programme. A second stage report produced using the WelTAG methodology specified by both UK and Welsh Governments for the development and appraisal of transport proposals) was published in October 2021.

Options being considered include increased frequency of long-distance strategic services; increased local services from West Wales to Carmarthen and Swansea; new stations and improvements to existing stations; and the development of an integrated regional Swansea Bay and West Wales Metro network. Options include;

- new train stations at Cockett and Landore on the South Wales Mainline.
- new stations on the Swansea District Line at Llandarcy, Winch Wen, Morrision, Felindre and Pontlliw for Services between Swansea, Neath and Pontarddulais.
- a more radical new tram-train route between Swansea and Neath is outlined that will include a significant alignment of street running in the city centre. The route will also make partial use of existing freight routes through Swansea Docks.
- potential new stations include High Street, College Street, Strand, Port Tennant, Langdon Road in SA1, University Bay Campus, Jersey Marine, Llandarcy, Neath Abbey and Neath Riverside.
- a second route would see tram trains running between Llandarcy and Skewen along a section of restored railway.

Discussions have been ongoing with a wide range of stakeholders including a twelve week public consultation. The next steps will include the development of a third stage report and a full business case

8.0 Partnership Working

8.1 During the last 12 months we have strengthened partnership working in our response to recovering from the Covid-19 pandemic and re-focusing the future Council. Working is ongoing in relation to our regional arrangements for Education, Health and Social Care services and progress has been reported through existing scrutiny arrangements. Work on these shared agendas have largely been influenced by our response to the Covid-19 pandemic and robust new governance arrangements have been put in place to respond to immediate priorities and service pressures. We have also continued work on shared longer term ambitions though the work of our Public Services Board and our declaration to become Wales' first Human Rights City and our Climate Change charter.

8.2 Good progress has also been made in relation to the planning and arrangements to establish the South West Wales Corporate Joint

Committee. Cabinet agreed to delegate authority to the relevant Chief Executives and Leaders of the constituent Councils to secure funding from Welsh Government to put in place the arrangements to establish the CJs in May 2021. A further report was presented to Cabinet in December 2021 on the progress made in relation to the constituting the South West Wales CJC outlining the remit of the CJC, operational responsibilities, the governance of CJs, co-option, governance, audit arrangements, standards and ethics and scrutiny. A draft constitution and supporting arrangement are currently being developed with a view to their discussion and approval at the first meeting of the South West Wales CJC by the end of January 2022.

- 8.3 The last 12 months have continued to present unprecedented challenges to the Council, our employees, our communities, our residents and local businesses. Nevertheless, despite dealing with the immediate pressures of responding to the changing Covid-19 pandemic, we have maintained our focus on recovery, delivered our key commitments at pace and will continue to create, support and seek out opportunities to realise our ambitions for Swansea and the region.

9.0 Financial Implications

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

10.0 Legal Implications

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

11.0 Integrated Assessment Implications

- 11.1 The Council is subject to the Equality Act (Public Sector Equality Duty and the socio-economic duty), the Well-being of Future Generations (Wales) Act 2015 and the Welsh Language (Wales) Measure, and must in the exercise of their functions, have due regard to the need to:

- Eliminate unlawful discrimination, harassment and victimisation and other conduct prohibited by the Acts.
- Advance equality of opportunity between people who share a protected characteristic and those who do not.
- Foster good relations between people who share a protected characteristic and those who do not.
- Deliver better outcomes for those people who experience socio-economic disadvantage
- Consider opportunities for people to use the Welsh language
- Treat the Welsh language no less favourably than English.
- Ensure that the needs of the present are met without compromising the ability of future generations to meet their own needs.

- 11.2 The Well-being of Future Generations (Wales) Act 2015 mandates that public bodies in Wales must carry out sustainable development. Sustainable development means the process of improving the economic, social, environmental and cultural well-being of Wales by taking action, in accordance with the sustainable development principle, aimed at achieving the 'well-being goals'.
- 11.3 Our Integrated Impact Assessment (IIA) process ensures we have paid due regard to the above. It also takes into account other key issues and priorities, such as poverty and social exclusion, community cohesion, carers, the United Nations Convention on the Rights of the Child (UNCRC) and Welsh language.
- 11.4 This report is 'for information' and so is not relevant for an IIA.