



Swansea Bay City Region Joint Committee - 2 February 2023

## Supporting Innovation and Low Carbon Growth Progress Update

<b>Purpose:</b>	To inform Joint Committee of the progress made and status of the SBCD Supporting Innovation and Low Carbon Growth Programme
<b>Policy Framework:</b>	Swansea Bay City Deal Region Joint Committee Agreement
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<b>FOR INFORMATION</b>	

### 1. Introduction

Programme vision: **to deliver low carbon, sustainable and inclusive economic growth for the region.**

The Supporting Innovation and Low Carbon Growth programme aims to deliver sustainable jobs and growth in the Swansea Bay City Region by creating the right environment for innovation and new technologies to support the creation of a decarbonised and innovative economy.

The programme's Investment Objectives include:

1. To build resilience, diversify and grow the regional economy
2. To support innovation and new product development in science, technology and manufacturing sectors - strengthening industry, academia and government collaboration
3. To support innovation to influence a shift in the use of high CO<sub>2</sub> energy usage to low CO<sub>2</sub> energy usage in economic activities (industry, commercial buildings and transport)
4. To demonstrate the link between GHGs from economic activities and air quality improvements in the targeted area.

The £57.7m programme funds the following seven interlinked projects:



- Bay Technology Centre
- South Wales Industrial Transition from Carbon Hub (SWITCH)
- Hydrogen Stimulus Project
- Air Quality Monitoring Project
- Low Emission Vehicle Charging Routemap
- Advanced Manufacturing Production Facility (AMPF), including open access equipment for industry
- Property Development Fund

## **2. SILCG Programme Status**

### **Business Case**

The SILCG programme underwent a Peer Review in January / February 2020, a Gateway Review Project Assessment Review (PAR) in June 2020, followed by a Gateway Review Critical Friend Review (CFR) in October 2020. An internal audit was also undertaken in October/November 2022.

### **Governance**

- The SILCG Programme Governance is fully established and functioning. The governance structure ensures robust, effective decision making and accountability.
- A SILCG Programme Board has been fully established. Membership of the Board comprises senior representation from the Programme's key partners with the opportunity to co-opt representation from additional key stakeholders as and when required. Terms of reference are in place, agreed upon and reviewed monthly.
- A Senior Responsible Officer for the Programme is in place.
- The Programme Risk Register is fully operational and scrutinised regularly by the SILCG Programme Board.
- The Programme has a comprehensive Integrated Assurance and Approval Plan (IAAP) and Risk Potential Assurance (RPA) Matrix in place which follows regional and national formats and requirements. Both the IAAP and RPA are regularly reviewed in consultation with the City Deal PoMO.

### **Funding**

- The SILCG Programme Business Case was approved in August 2021
- The primary funding agreement for the SILCG Programme has been signed under seal.

## **3. SILCG Programme Delivery Summary**

The seven interlinked projects are at various stages of delivery.

1. Bay Technology Centre (BTC) – completed



- Construction complete and handed over to Neath Port Talbot Council July 2022
- First commercial energy positive building in Wales (according to contractors)
- Won three prestigious awards to date, which includes:
  - i. Net Zero Award in this year's Constructing Excellence Wales (CEW) Awards (June 2022)
  - ii. Sustainability Award in the Insider Wales Property Awards (June 2022)
  - iii. Commercial Property Project of the Year, British Construction Industry Awards 2022, presented at the Grosvenor House Hotel, London (October 2022)



- Two tenants currently in place, pipeline of interested parties being progressed.



## 2. South Wales Industrial Transition from Carbon Hub (SWITCH )

- Two stage Design & Build tender issued via South West Wales Regional Contractors Framework 16<sup>th</sup> September, deadline for responses 25<sup>th</sup> November 2022
- Open day organised in October 2022 at Swansea University (SU) to view new building technologies and legacy equipment
- 3 excellent tenders received which have been assessed, announcement due soon once Heads of Terms is signed by SU
- Heads of Terms created and currently with SU for approval

## 3. Hydrogen Stimulus Programme

- Funding Agreement being reviewed by University of South Wales
- Preparatory works undertaken

## 4. Air Quality Monitoring Project

- Air Quality Data Analyst and Scientific Officer in place
- Ricardo undertaken review of Year 1 data
- Presentation given to interested parties

## 5. Low Emission Vehicle Route Map

- Development of the Infrastructure Strategy and Delivery Plan specification consulting with various external stakeholders

## 6. Advanced Manufacturing Production Facility

- Regular meetings with Industry Wales to support pre market engagement activities to develop the scope aligned to the needs of industry and engage potential operators. The pre-market engagement will engage with industry, FE and HE, Schools etc.

## 7. Property Development Fund

- Expression of Interest stage - 14 applications received (heavily oversubscribed) – 13 invited through to Stage 1 formal application process
- Stage 1 deadline 9 applications received
- Stage 1 applications currently being reviewed
- Invitation to Stage 2 to be issued in February

## InnovateUK Launchpad

NPTCBC is leading on a recent InnovateUK submission to identify interested parties around an innovation cluster entitled N0W SWITCH (Net Zero Wales Sustainable Wales Innovation to Transition from Carbon Hub) a consortium of SW Wales Local Authorities, Net Zero Industry Wales and Welsh Universities. InnovateUK plan to establish 10 launchpads across the UK with two already established in the Tees Valley area and Liverpool region. Each launchpad will have £7.5M funding to distribute in future funding calls. Decision was expected on 5<sup>th</sup> December however, this has been delayed by InnovateUK.

## NPTCBC Internal Audit of SILCG Programme

During October and November 2022 the SILCG Programme was subject to an internal audit. This involved a series of interviews and analysis of programme documentation, claims, governance, procurement etc. The outcome from the audit published on 15<sup>th</sup> November was the project demonstrated '**Substantial Assurance**' which is the highest rating available, which is rarely given. The whole team is very proud of this achievement.

## Forward Plan

- Additional tenants to be secured for BTC
- Signing HoT between Neath Port Talbot and Swansea University and appointment of contractors
- Signing Hydrogen Funding Agreement and purchase of specialist equipment
- EV - Early 2023 focus will turn to progressing the regional LZEV Infrastructure Strategy and Delivery Plan ensuring alignment to all other existing activity across the region
- AQMP activities to continue with additional sensors deployed
- Pre-market engagement stakeholder event for AMPF
- Assessment of PDF Stage 1 applications, invitations to Stage 2 to be issued

## 4. SILCG Programme Risks

The SILCG Programme has a comprehensive risk register which is used to identify, record, monitor and mitigate against all Programme and individual Project risks. There are currently 15 live risks being managed across the Programme, of which the following 2 are classified as red:

<b>Title</b>	<b>Risk description</b>	<b>Control actions</b>
TAN 15 Revised Flood Maps	Revised TAN 15 flood maps could potentially affect SWITCH, AMPF, and any PDF projects.	Potential impact is currently being assessed and will need to be closely monitored.
Increasing capital costs	Further funding could be required i.e unforeseen costs, changing requirements, COVID etc.	<ol style="list-style-type: none"> <li>1. Effective programme management / budget monitoring</li> <li>2. Capital costs around construction - if build costs increase could impact on fittings which could impact on outputs.</li> </ol>

## **5. Financial Implications**

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

Specific Programme financial risks are outlined within the strategic case component of the SILCG Business Case.

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

## **6. Legal Implications**

There are no additional legal implications associated with the report.

**Background Papers:** None

### **Appendices:**

Appendix A - SILCG Update