



Swansea Bay City Region Joint Committee - 6 April 2023

Swansea Bay City Deal Portfolio Business Case

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| Purpose: | To provide Joint Committee with an updated City Deal Portfolio Business Case required for submission to Welsh and UK Governments |
| Policy Framework: | Swansea Bay City Deal (SBCD) Joint Committee Agreement (JCA) |
| Recommendation(s): | It is recommended that Swansea Bay City Region Joint Committee: |
| 1) | Approves the SBCD Portfolio Business Case attached at Appendix A for submission to UK and Welsh Governments. |
| Report Author: | Ian Williams (SBCD Portfolio Development Manager) |
| Finance Officer | Chris Moore (SBCD SEC151 Officer) |
| Legal Officer | Tracey Meredith (SBCD Monitoring Officer) |

1. Introduction

- 1.1. In line with best practice for portfolio management and in order to meet the requirements of the Welsh and UK Governments, the Portfolio Business Case is updated on an annual basis and submitted to Governments. The acceptance of the Business Case triggers the release of the annual tranche of City Deal funding.
- 1.2. The Portfolio Management Office have agreed to submit the updated Business Case to Governments in the first week of April 2023.
- 1.3. An updated version of the Portfolio Business Case (attached at Appendix A) has now been produced for consideration by Joint Committee.

2. Background

- 2.1. The Portfolio Business Case follows the structure of the Treasury Green Book and Better Business Case guidance.



- 2.2. This Portfolio Business Case includes an executive summary, along with a strategic case, an economic case, a commercial case, a financial case and a management case. Relevant appendices are also included. The Portfolio Business Case remains valid and impactful and in line with original heads of terms of the city deal with all partners committed to delivering the headline business cases and realising benefits. The Portfolio is experiencing delivery slippage. However, delivery is progressing despite challenging economic conditions notably increased construction costs and inflationary pressures
- 2.3. The main changes in this version are highlighted in the Executive Summary and at the beginning of each of the individual cases. Significant changes include:
- Updated information on the strategic alignment of the portfolio with UK, Wales and Regional policy / strategy and current public sector initiatives including the Levelling Up White Paper, UK Growth Plan, UKG Net Zero Strategy, Wales Innovates Strategy, Draft South West Wales CJC Corporate Plan and Regional Energy Strategy
 - Case for Change section supplemented with information relating to a carbon reduction assessment undertaken on SBCD Portfolio activities
 - Existing arrangements section updated with acknowledgement of the challenging economic conditions including the increase of inflationary pressures, construction cost increases, the surge in energy costs and the impact of the cost of living crisis over the last 12 months.
 - Risk section updated with the current red risks and issues to the successful delivery of the Portfolio
 - Updated business case approval and economic appraisal status information
 - Inclusion of current jobs created to date information
 - Update on the procurement undertaken across the SBCD portfolio including procurement values and procurement pipeline
 - Evidence on adherence to the SBCD procurement principles particularly in relation to the involvement of local / regional contractors and community benefits
 - Updated funding and investment information with the overall SBCD portfolio forecasted investment now at £1.247bn
 - Reprofile of portfolio budget to show a current underspend of £72.5m in the current financial year from the previous version with no effect on total outputs, investment or benefits of the Portfolio.
 - Adoption of P3M software in the monitoring and reporting of activity
 - Updated Monitoring and Evaluation information for the portfolio including an updated Monitoring and Evaluation plan and current information for risks, issues, benefits and financial monitoring
 - Approved independent assurance arrangements for the portfolio
 - Arrangements for the development and reporting of Full Business Cases
 - Current Portfolio delivery roadmap for all programmes and projects
- 2.4. The draft business case and appendices were circulated to members of all Senior Responsible Owners (SROs), programme / project leads, Programme Board, Joint Committee, and key officers in Welsh and UK Governments on 10th March. Briefing sessions on the content of the business case have also been offered to stakeholders.

The business case was approved at Programme (Portfolio) Board on 21st March 2023.

- 2.5. This version of the Business Case, subject to approval by Joint Committee, will be the final version to be sent to the Welsh and UK Governments.

3. Financial Implications

- 3.1. Approval of the updated Portfolio Business Case by the UK Government and Welsh Government will facilitate the release of further funding to the City Deal portfolio.
- 3.2. Significant variances to the portfolio outputs, outcomes and financial profile could result in a reprofile of City Deal funding allocation.
- 3.3. Portfolio level financial risks are specifically outlined within the Strategic and Management Case components of the business case.

4. Legal Implications

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

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

- 5.1 As a portfolio which provides an opportunity to address persistent challenges such as climate change, poverty, inequality, jobs and skills in a transformational and preventative way, the City Deal outlined in the Programme Business Case is in keeping with the approach and ambitions of the Well-being of Future Generations (Wales) Act 2015. Given the breadth of the Swansea Bay City Deal programme, it also has a significant impact across the seven well-being goals for Wales with headline benefits being an increase in Gross Value Added (GVA) and jobs created. The Portfolio Business Case includes an assessment of the contribution to the goals, wellbeing objectives and ways of working detailed in the Act.

Background Papers: None

Appendices:

- Appendix A: SBCD Portfolio Business Case v4.1
 - 1.1 Programmes & Projects
 - 1.2 Carbon Reduction Assessment Consultation
 - 2.1 Membership of SBR Board and working group
 - 2.2 CSF and long list appraisal
 - 3.1 SBCD Procurement Principles
 - 3.2 SBCD Procurement Pipeline
 - 3.3 Construction Cost Assessment
 - 3.4 Terms of Reference Construction & CB Group
 - 3.5 Community Benefits Register
 - 5.1 Gateway 0 Action Plan
 - 5.2 Monitoring & Evaluation Plan
 - 5.3a Quarterly Monitoring
 - 5.3a(2) Dashboard
 - 5.3b SBCD Financial Monitoring

5.4a Integrated Assurance & Approval Plan
5.4b SBCD Gateway Review Summary Schedule
5.5 Business Case Guidance
5.6 Gateway Assurance Framework
5.7 SBCD Risk Management Strategy
5.8 Construction Impact Assessment
5.9 Communications & Marketing Plan
5.10a Change Control Procedure
5.10b Change Flowchart
5.10c Change Notification
5.11 JC Work Plan